



Kcell KCELL JSC

**International Financial Reporting Standards
Consolidated Financial Statements (Unaudited)**

30 September 2014

Translated from the original version in Russian

KCELL JSC
Consolidated Statement of Financial Position (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	30 September 2014 Unaudited	31 December 2013 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	4	101,425,758	112,368,845
Intangible assets	5	13,096,980	13,954,545
Other non-current assets	6	2,075,215	3,130,944
Total non-current assets		116,597,953	129,454,334
Current assets			
Inventories		1,762,052	499,180
Trade and other receivables	7	11,212,238	9,268,357
Prepaid current tax		2,407,963	834,480
Due from related parties		559,794	306,862
Cash and cash equivalents		18,892,405	18,916,258
Total current assets		34,834,452	29,825,137
TOTAL ASSETS		151,432,405	159,279,471
EQUITY			
Share capital	8	33,800,000	33,800,000
Retained earnings		45,607,199	63,392,942
TOTAL EQUITY		79,407,199	97,192,942
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	14	5,486,336	5,231,448
Other non-current liabilities		1,311,822	1,426,245
Total non-current liabilities		6,798,158	6,657,693
Current liabilities			
Borrowings	10	16,718,956	24,721,178
Trade and other payables	9	40,425,260	21,490,816
Due to related parties		619,511	502,045
Deferred revenue	11	6,121,897	7,346,686
Taxes payable		1,341,424	1,368,111
Total current liabilities		65,227,048	55,428,836
TOTAL LIABILITIES		72,025,206	62,086,529
TOTAL LIABILITIES AND EQUITY		151,432,405	159,279,471
Book value per common share (tenge)	16	331.55	416.19

KCELL JSC
Consolidated Statement of Comprehensive Income (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	For nine months ended	
		30 September 2014 Unaudited	30 September 2013 Unaudited
Revenues	12	141,307,321	138,072,752
Cost of sales	13	(61,609,783)	(59,131,530)
Gross profit		79,697,538	78,941,222
Selling and marketing expenses	13	(8,973,339)	(12,572,302)
General and administrative expenses	13	(7,851,140)	(7,901,999)
Other operating income		381,193	404,490
Other operating expenses		(4,454,053)	(122,387)
Operating profit		58,800,199	58,749,024
Finance income		428,490	284,048
Finance expense		(1,173,257)	(1,968,767)
Profit before income tax		58,055,432	57,064,305
Income tax expense	14	(12,451,174)	(11,935,944)
Profit for the year		45,604,257	45,128,361
Other comprehensive income		-	-
Total comprehensive income for the year		45,604,257	45,128,361
Earnings per share (Kazakhstani Tenge), basic and diluted	8	228.02	225.64

KCELL JSC
Consolidated Statement of Changes in Equity (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Charter / Share capital	Retained earnings	Total equity
Balance at 1 January 2013	33,800,000	32,403,052	66,203,052
Total comprehensive income for the year	-	45,128,361	45,128,361
Dividends declared	-	(32,402,000)	(32,402,000)
Balance at 30 September 2013	33,800,000	45,129,413	78,929,413
Balance at 1 January 2014	33,800,000	63,392,942	97,192,942
Total comprehensive income for the year	-	45,604,257	45,604,257
Dividends declared	-	(63,390,000)	(63,390,000)
Balance at 30 September 2014	33,800,000	45,607,199	79,407,199

KCELL JSC
Notes to the Consolidated Financial Statements (Unaudited)

	For nine months ended	
	30 September 2014 Unaudited	30 September 2013 Unaudited
<i>In thousands of Kazakhstani Tenge</i>		
Cash flows from operating activities		
Net income	45,604,257	45,128,455
Adjustments for:		
Depreciation of property, plant and equipment	16,083,261	15,878,376
Amortisation of intangible assets	2,104,878	1,533,721
Income taxes	(1,318,595)	(136,780)
Impairment of trade receivables	692,608	490,099
Finance costs	1,173,257	1,684,717
Losses less gains on disposal of property, plant and equipment and intangible assets	3,817,075	137,956
Operating cash flows before working capital changes	68,156,741	64,716,544
Trade and other receivables	(2,636,497)	3,820,868
Due from related parties	(252,932)	(2,700)
Inventories	(1,262,872)	303,924
Taxes payable	(26,687)	2,729,236
Trade and other payables	4,192,096	6,697,835
Due to related parties	117,466	90,114
Deferred revenues	(1,224,789)	192,322
Restricted cash	(19,273)	(8,811)
Cash generated from operations	67,043,253	78,539,332
Interest paid	(1,425,478)	(1,696,143)
Net cash from operating activities	65,617,775	76,843,189
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,358,201)	(15,254,759)
Purchase of intangible assets	(1,171,359)	(617,717)
Net cash used in investing activities	(13,529,560)	(15,872,476)
Cash flows from financing activities		
Proceeds from borrowings	5,200,000	22,950,000
Repayment of borrowings	(12,950,000)	(41,400,000)
Dividends paid	(44,362,068)	(40,402,000)
Net cash used in financing activities	(52,112,068)	(58,852,000)
Net increase / (decrease) in cash and cash equivalents	(23,853)	2,118,713
Cash and cash equivalents at beginning of the year	18,916,258	3,075,138
Cash and cash equivalents at end of the year	18,892,405	5,193,851