



Kcell KCELL JSC

**International Financial Reporting Standards
Financial Statements
for three months period ended 31 March 2013
(Unaudited)**

Translated from the original version in Russian

KCELL JSC
Consolidated Statement of Financial Position (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	31 March 2013 Unaudited	31 December 2012 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	4	110,185,315	110,336,802
Intangible assets	5	15,700,435	16,139,754
Other non-current assets	6	3,140,772	3,121,627
Total non-current assets		129,026,522	129,598,183
Current assets			
Inventories		848,718	977,772
Trade and other receivables	7	19,592,219	14,364,046
Prepaid current tax		1,685,435	1,596,283
Due from related parties		314,333	29,546
Cash and cash equivalents		2,150,504	3,075,138
Total current assets		24,591,209	20,042,785
TOTAL ASSETS		153,617,731	149,640,968
EQUITY			
Share capital	8	33,800,000	33,800,000
Retained earnings		46,058,837	32,403,052
TOTAL EQUITY		79,858,837	66,203,052
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	14	5,252,376	5,104,217
Other non-current liabilities		1,407,753	988,203
Total non-current liabilities		6,660,129	6,092,420
Current liabilities			
Borrowings	10	44,771,759	48,990,985
Trade and other payables	9	16,151,807	21,256,936
Due to related parties		376,372	318,187
Deferred revenue	11	5,106,294	6,011,022
Taxes payable		692,533	768,366
Total current liabilities		67,098,765	77,345,496
TOTAL LIABILITIES		73,758,894	83,437,916
TOTAL LIABILITIES AND EQUITY		153,617,731	149,640,968
Book value per common share (tenge)	16	320.79	250.32

KCELL JSC
Consolidated Statement of Comprehensive Income (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	Note	For three months ended	
		31 March 2013	31 March 2012
Revenues	12	43,053,026	41,397,369
Cost of sales	13	(18,626,504)	(18,137,972)
Gross profit		24,426,522	23,259,397
Selling and marketing expenses	13	(3,895,884)	(3,365,838)
General and administrative expenses	13	(2,640,984)	(3,487,460)
Other operating income		88,621	168,495
Other operating expenses		(22,677)	(19,991)
Operating profit		17,955,598	16,554,603
Finance income		36,897	39,482
Finance expense		(649,002)	-
Profit before income tax		17,343,493	16,594,085
Income tax expense	14	(3,687,708)	(3,269,310)
Profit for the year		13,655,785	13,324,775
Other comprehensive income		-	-
Total comprehensive income for the year		13,655,785	13,324,775
Earnings per share (Kazakhstani Tenge), basic and diluted	8	68.3	66.6

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 2012	3,914,895	116,337,563	120,252,458
Total comprehensive income for the year	-	13,324,775	13,324,775
Dividends declared	-	(70,863,000)	(70,863,000)
Balance at 31 March 2012	3,914,895	58,799,338	62,714,233
Balance at 1 January 2013	33,800,000	32,403,052	66,203,052
Total comprehensive income for the year	-	13,655,785	13,655,785
Dividends declared	-	-	-
Balance at 31 March 2013	33,800,000	46,058,837	79,858,837

KCELL JSC
Notes to the Consolidated Financial Statements (Unaudited)

<i>In thousands of Kazakhstani Tenge</i>	For three months ended	
	31 March 2013	31 March 2012
Cash flows from operating activities		
Net income	13,655,785	13,324,775
Adjustments for:		
Depreciation of property, plant and equipment	5,341,425	5,277,706
Amortisation of intangible assets	431,241	585,469
Income taxes	59,007	27,451
Impairment of trade receivables	83,697	41,966
Finance costs	612,104	39,483
Losses less gains on disposal of property, plant and equipment and intangible assets	33,520	28,455
Operating cash flows before working capital changes	20,216,779	19,325,305
Trade and other receivables	(5,228,173)	(3,136,665)
Due from related parties	(284,787)	2,176,475
Inventories	129,054	(402,285)
Taxes payable	(75,833)	1,210,927
Trade and other payables	1,957,541	524,828
Due to related parties	58,185	31,615
Deposits received from subscribers	(4,185)	364,265
Deferred revenues	(480,993)	(1,916,733)
Restricted cash	7,689	4,907
Cash generated from operations	16,295,277	18,182,639
Interest paid	(5,715)	39,483
Net cash from operating activities	16,289,562	18,222,122
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,951,663)	(2,764,783)
Purchase of intangible assets	(312,533)	(230,053)
Net cash used in investing activities	(5,264,196)	(2,994,836)
Cash flows from financing activities		
Repayment of borrowing	(3,950,000)	-
Dividends paid	(8,000,000)	(12,215,884)
Net cash used in financing activities	(11,950,000)	(12,215,884)
Net increase / (decrease) in cash and cash equivalents	(924,634)	3,011,402
Cash and cash equivalents at beginning of the year	3,075,138	1,352,996
Cash and cash equivalents at end of the year	2,150,504	4,364,398