



Kazakhtelecom JSC
Consolidated Financial Statements

*For three months period ended March 31,
2012*

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2012


<i>In thousands of Tenge</i>	<i>Notes</i>	31 March 2012	31 December 2011
ASSETS			
Non-current assets			
Property, plant and equipment	7	224,342,058	227,346,757
Intangible assets	8	10,368,259	10,907,805
Advances paid for non-current assets	9	532,866	494,446
Deferred tax asset	33	150,067	179,464
Other non-current assets	12	9,517,254	8,721,087
		244,910,504	247,649,559
Current assets			
Inventories	13	4,207,058	4,257,621
Trade accounts receivable	14	19,277,407	16,018,529
Prepayments	15	563,321	483,810
Income tax prepaid		329,490	170,171
Other financial assets	16	26,675,997	535,686
Other current assets	17	6,551,951	6,475,695
Cash and short-term deposits	18	319,280,901	87,715,687
		376,886,125	115,657,199
Assets classified as held for sale	34	-	58,389,446
		376,886,125	174,046,645
TOTAL ASSETS		621,796,629	421,696,204
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	19	12,136,529	12,136,529
Treasury shares	19	(2,652,860)	(2,652,860)
Currency translation reserve	19	819	(15,997)
Other capital reserve	19	1,820,479	1,820,479
Retained earnings		481,881,687	271,629,837
		493,186,654	282,917,988
Non-controlling interests		(33,347)	(15,722)
Total equity		493,153,307	282,902,266

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)


<i>In thousands of Tenge</i>	<i>Notes</i>	31 March 2012	31 December 2011
Non-current liabilities			
Borrowings	20	63,281,606	59,679,768
Finance lease liabilities	21	7,516,764	8,664,865
Deferred tax liability	33	11,999,385	11,319,543
Employee benefit liability	22	5,125,779	5,125,779
Debt component of preferred shares	19	1,099,620	1,099,620
Other non-current liabilities	23	4,496,735	4,598,899
		93,519,889	90,488,474
Current liabilities			
Borrowings	20	7,981,928	14,539,739
Current portion of finance lease liabilities	21	6,583,337	7,237,279
Current portion of employee benefit liability	22	330,015	330,013
Accounts payable	24	8,885,558	15,850,980
Advances received		2,356,066	2,643,992
Income tax payable		3,982	71,948
Other current liabilities	25	8,982,547	7,631,513
		35,123,433	48,305,464
		128,643,322	138,793,938
TOTAL EQUITY AND LIABILITIES		621,796,629	421,696,204
Book value per share, Tenge		44 088	24 790
Book value per one preferred share of the first group, Tenge		2 269	2 248

The accompanying notes on pages 8 to 48 are an integral part of these consolidated financial statements.

Chief Financial Director


Nurkatov A. A.

Chief Accountant


B. Shumurova G. Zh.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For three months period ended March 31, 2012

<i>In thousands of Tenge</i>	<i>Notes</i>	31 March 2012	31 March 2011*
Continuing operations			
Revenue	26	41,073,107	40,102,821
Compensation for provision of universal services in rural areas	27	1,513,795	1,321,015
		42,586,902	41,423,836
Cost of revenue	28	(25,334,485)	(24,331,166)
Gross profit		17,252,417	17,092,670
General and administrative expenses	29	(4,326,983)	(3,866,640)
Selling expenses	30	(665,396)	(638,343)
Operating profit		12,260,038	12,587,687
Finance costs	32	(2,140,305)	(2,227,981)
Finance income	32	957,185	708,475
Foreign exchange loss / (gain), net		(1,151,528)	759,011
Loss from disposal of property, plant and equipment		(68,716)	(1,791)
Other income		443,178	267,749
Profit before tax from continuing operations		10,299,852	12,093,150
Income tax expense	33	(2,061,955)	(2,871,753)
Profit for the year from continuing operations		8,237,897	9,221,397
Discontinued operations			
Profit after tax for the year from discontinued operations	34	201,996,328	7,111,071
Profit for the year		210,234,225	16,332,468
Attributable to:			
Owners of the parent		210,251,850	16,339,296
Non-controlling interests		(17,625)	(6,828)
Other comprehensive income			
Exchange differences on translation of foreign operations		16,816	18,181
Income tax effect			
Other comprehensive loss for the year, net of tax		16,816	18,181
Total comprehensive income for the year, net of tax		210,251,041	16,350,649
Attributable to:			
Owners of the parent		210,268,666	16,357,477
Non-controlling interest		(17,625)	(6,828)
		210,251,041	16,350,649

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	<i>Notes</i>	31 March 2012	31 March 2011*
Earnings per share			
Basic and diluted, profit for the year attributable to owners of the parent	19	18.566	1.445
Earnings per share for continuing operations			
Basic and diluted, profit for the year from continuing operations attributable to owners of the parent	19	0.732	0.817

* Certain amounts shown here do not correspond to the 2011 financial statements and reflect adjustments made as detailed in *Note 34*.

The accompanying notes on pages 8 to 48 are an integral part of these consolidated financial statements.

Chief Financial Director

Nurkatov A. A.

Chief Accountant



Baiqunurova G. Zh.


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For three months period ended March 31, 2012


<i>In thousands of Tenge</i>	Attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Issued capital	Treasury shares	Foreign	Other capital reserves	Retained earnings				
			currency translation reserve						
	19		19	19					
At January 1, 2011	12,136,529	(2,652,860)	(9,921)	1,820,479	227,330,496	238,624,723	(32,558)	238,592,165	
Profit for the year	—	—	—	—	16,339,296	16,339,296	(6,828)	16,332,468	
Other comprehensive income	—	—	18,181	—	—	18,181	—	18,181	
Total comprehensive income	12,136,529	(2,652,860)	8,260	1,820,479	243,669,792	254,982,200	(39,386)	254,942,814	
At March 31, 2011	12,136,529	(2,652,860)	8,260	1,820,479	243,669,792	254,982,200	(39,386)	254,942,814	
At January 1, 2012	12,136,529	(2,652,860)	(15,997)	1,820,479	271,629,837	282,917,988	(15,722)	282,902,266	
Profit for the year	—	—	—	—	210,251,850	210,251,850	(17,625)	210,234,225	
Other comprehensive income	—	—	16,816	—	—	16,816	—	16,816	
Total comprehensive income	12,136,529	(2,652,860)	819	1,820,479	481,881,687	493,186,654	(33,347)	493,153,307	
At March 31, 2012	12,136,529	(2,652,860)	819	1,820,479	481,881,687	493,186,654	(33,347)	493,153,307	

The accompanying notes on pages 8 to 48 are an integral part of these consolidated financial statements.

Chief Financial Director


 Nurkatov A. A.

Chief Accountant


 Baishulmurova G. Zh.


CONSOLIDATED CASH FLOW STATEMENT

For three months period ended March 31, 2012

<i>In thousands of Tenge</i>	<i>Notes</i>	31 March 2012	31 March 2011*
Operating activities			
Profit before tax from continuing operations		10,299,852	12,093,150
Profit before tax from discontinued operations	34	201,996,328	7,111,071
Profit before tax		212,296,180	19,204,221
Adjustments for:			
Depreciation of property, plant and equipment	7	7,067,725	6,640,983
Amortization and impairment of intangibles assets	8	713,628	561,748
Share of profit of an associate (discontinued operations)	34	-	(7,111,071)
Change in deferred revenues		704,172	(41,229)
Change in employee benefit liability		2	(289,263)
Unrealized foreign exchange gain		1,630,187	(759,011)
Provision for doubtful debts	29	164,746	24,289
Provision for obsolete and slow moving inventories	29	309	-
Finance costs	32	2,140,305	2,227,981
Finance revenue	32	(957,185)	(708,475)
Gain on disposal of associate		(201,996,328)	-
Loss from disposal of property, plant and equipment		68,716	4,107
Working capital adjustments:			
Increase in trade accounts receivable		(3,423,624)	(5,926,719)
Decrease/(increase) in inventories		50,254	(186,205)
Increase in other current and non-current assets		(852,018)	(56,007)
Increase in prepayments		(79,511)	(128,728)
(Decrease)/increase in accounts payable		(3,532,300)	2,448,111
(Decrease)/increase in advances received		(287,926)	206,774
Increase in other current liabilities		907,702	54,052
Cash generated from operations		14,615,034	16,165,558
Dividends paid		(5,164)	-
Income taxes paid		(1,580,834)	(1,331,037)
Interest paid		(3,189,864)	(3,077,241)
Interest received		423,461	-
Net cash flows from operating activities		10,262,633	11,757,280

CONSOLIDATED CASH FLOW STATEMENT (continued)

<i>In thousands of Tenge</i>	<i>Notes</i>	31 March 2012	31 March 2011*
Investing activities			
Purchase of property, plant and equipment		(7,361,768)	(4,427,124)
Purchase of intangible assets		(423,449)	(545,982)
Proceeds from sale of property, plant and equipment		5,400	4,242
Dividends received from an associate		8,680,783	3,430,606
Proceeds from sale of share in associate	34	225,738,590	-
Long-term loans to employees		(279,707)	(707,293)
Net cash flows used in investing activities		226,359,849	(2,245,551)
Financing activities			
Proceeds from borrowings		430,000	-
Repayment of borrowings		(2,205,321)	(2,122,245)
Repayment of finance lease liabilities		(1,937,568)	(2,007,492)
Net cash flows used in financing activities		(3,712,889)	(4,129,737)
Net increase in cash and cash equivalents		232,909,593	5,381,992
Effects of exchange rate changes on cash and cash equivalents		(1,344,379)	(123,570)
Cash and cash equivalents at January 1		87,715,687	58,023,486
Cash and cash equivalents at March 31	18	319,280,901	63,281,908

* Certain amounts shown here do not correspond to the 2011 financial statements and reflect adjustments made as detailed in *Note 34*.

Non-cash transactions are disclosed in *Note 35*.

The accompanying notes on pages 8 to 48 are an integral part of these consolidated financial statements.

Chief Financial Director

Nurkatov A. A.

Chief Accountant



Baishanurova G. Zh.