

**KazTransOil JSC**

Interim condensed consolidated  
financial statements (unaudited)  
as of 30 September 2013 and  
for the 9 months then ended

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**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		As of	
		30 September 2013 (unaudited)	31 December 2012 (audited)
<i>In thousands of Tenge</i>			
		<b>Note</b>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	407,977,619	362,869,105
Intangible assets	6	5,872,583	6,233,226
Investments in joint ventures	7	50,937,431	40,815,549
Advances to suppliers for property, plant and equipment	8	8,651,833	524,274
Bank deposits	14	657,831	-
Other non-current assets		126,163	130,805
		<b>474,223,460</b>	<b>410,572,959</b>
<b>Current assets</b>			
Inventories	9	3,449,290	2,599,941
Trade and other accounts receivable	10	3,217,257	2,527,881
Advances to suppliers	11	1,232,219	603,109
Prepayment for corporate income tax		3,841	1,580,756
VAT recoverable and other prepaid taxes	12	2,585,947	2,092,013
Other current assets	13	2,818,098	4,405,862
Bank deposits	14	79,701,287	53,084,676
Cash and cash equivalents	15	21,054,922	18,954,044
		<b>114,062,861</b>	<b>85,848,282</b>
Assets classified as held for sale		271,874	29,299
		<b>114,334,735</b>	<b>85,877,581</b>
<b>TOTAL ASSETS</b>		<b>588,558,195</b>	<b>496,450,540</b>

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

<i>In thousands of Tenge</i>	Note	As of	
		30 September 2013 (unaudited)	31 December 2012 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	61,937,567	61,937,567
Asset revaluation reserve		188,418,474	144,421,031
Other reserves		17,104	17,104
Foreign currency translation reserve		10,470,924	9,875,876
Retained earnings		207,554,803	176,062,485
<b>Total equity</b>		<b>468,398,872</b>	<b>392,314,063</b>
<b>Non-current liabilities</b>			
Financial guarantee issued on behalf of joint venture		–	199,654
Employee benefit liability		6,985,013	6,562,263
Deferred tax liabilities		47,629,427	39,406,770
Provisions on asset retirement obligation	21	16,441,070	15,531,037
Deferred income	17	4,181,661	4,412,922
		<b>75,237,171</b>	<b>66,112,646</b>
<b>Current liabilities</b>			
Employee benefit liability		182,203	238,000
Income tax payable		9,190,811	919,213
Trade and other accounts payable	18	6,489,673	6,771,926
Advances received	19	15,470,577	15,970,695
Other taxes payable	20	2,524,342	1,639,801
Provisions	21	333,084	353,697
Other current liabilities	22	10,731,462	12,130,499
		<b>44,922,152</b>	<b>38,023,831</b>
<b>Total liabilities</b>		<b>120,159,323</b>	<b>104,136,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>588,558,195</b>	<b>496,450,540</b>
<b>Book value of ordinary shares (in Tenge)</b>	16	<b>1,202</b>	<b>1,004</b>

Deputy General director on  
Economics and Finance

Chief Accountant



**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>In thousands of Tenge</i>	Note	For three months ended September 30		For nine months ended September 30	
		2013 (unaudited)	2012 (unaudited)	2013 (unaudited)	2012 (unaudited)
Revenue	23	48,618,450	36,668,791	141,482,582	103,026,345
Cost of sales	24	(27,776,460)	(26,071,203)	(75,515,393)	(71,906,140)
<b>Gross profit</b>		<b>20,841,990</b>	<b>10,597,588</b>	<b>65,967,189</b>	<b>31,120,205</b>
General and administrative expenses		(2,561,620)	(3,365,722)	(7,010,174)	(7,793,257)
Other operating income	25	1,598,338	272,063	3,350,920	911,985
Other operating expenses	26	(130,906)	(68,875)	(491,259)	(380,797)
Impairment of property, plant and equipment		(9,438,035)	(706,591)	(9,476,479)	(707,486)
Income from disposal of subsidiary		-	309,675	-	309,675
<b>Operating profit</b>		<b>10,309,767</b>	<b>7,038,138</b>	<b>52,340,197</b>	<b>23,460,325</b>
Net foreign exchange (loss) / income		27,267	(131,255)	(6,739)	(146,729)
Finance income	27	1,014,879	482,524	2,730,761	1,562,889
Finance costs	28	(329,464)	(267,235)	(999,770)	(365,329)
Share in income of joint ventures	7	3,038,167	1,977,886	9,266,989	4,832,850
<b>Profit before tax</b>		<b>14,060,616</b>	<b>9,100,058</b>	<b>63,331,438</b>	<b>29,344,006</b>
Income tax expense	29	(2,158,079)	(3,034,320)	(10,992,129)	(6,378,509)
<b>Profit for the period less income tax</b>		<b>11,902,537</b>	<b>6,065,738</b>	<b>52,339,309</b>	<b>22,965,497</b>
Earnings per share, related to the income for the reporting period, of the shareholders of the Company like parent Company of the Group ( <i>in Tenge</i> )	16	31	18	136	66

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**

<i>In thousands of Tenge</i>	Note	For three months ended September 30		For nine months ended September 30	
		2013 (unaudited)	2012 (unaudited)	2013 (unaudited)	2012 (unaudited)
<b>Other comprehensive income of the Group</b>					
Foreign currency translation		401,413	15,951	590,072	365,237
Revaluation of property, plant and equipment	5	78,784,153	23,044,136	78,785,510	23,044,136
Income tax effect		(15,341,316)	(4,608,827)	(15,341,587)	(4,608,827)
		63,442,837	18,435,309	63,443,923	18,435,309
Impairment of property, plant and equipment	5	(15,907,258)	(2,769)	(15,914,989)	(2,888)
Income tax effect		3,164,142	553	3,165,687	577
		(12,743,116)	(2,216)	(12,749,302)	(2,311)
<b>Total other comprehensive income of the Group for the period net of tax</b>		<b>51,101,134</b>	<b>18,449,044</b>	<b>51,284,693</b>	<b>18,798,235</b>
<b>Share of the other comprehensive income of joint ventures</b>					
Foreign currency translation	7	3,408	740	4,976	2,426
Revaluation of property, plant and equipment		1,565,997	—	1,565,997	—
Change in accounting estimate on provision of pipeline retirement		63,379	—	63,379	—
Income tax effect		(325,875)	—	(325,875)	—
		1,303,501	—	1,303,501	—
<b>Share of the other comprehensive income of joint ventures accounted for using the equity method, net of tax</b>		<b>1,306,909</b>	<b>740</b>	<b>1,308,477</b>	<b>2,426</b>
<b>Total other comprehensive income for the period, net of tax</b>		<b>52,408,043</b>	<b>18,449,784</b>	<b>52,593,170</b>	<b>18,800,661</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>64,310,580</b>	<b>24,515,522</b>	<b>104,932,479</b>	<b>41,766,158</b>

Deputy General director on Economics  
and Finance

Chief Accountant



**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In thousands of Tenge</i>	Note	For nine months ended September 30	
		2013 (unaudited)	2012 (unaudited)
<b>Cash flows from operating activities:</b>			
Profit before tax		63,331,438	29,344,006
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortization	24,25	22,652,774	20,764,659
Allowance on doubtful debts	25	40,767	72,299
Share in income of joint ventures		(9,266,989)	(4,832,850)
Finance costs	28	999,770	365,329
Finance income	27	(2,730,761)	(1,562,889)
Employee benefits	24,25	345,000	222,000
Provisions	21	45,467	300,750
(Income) / loss on disposal of property, plant and equipment and intangible assets, net amount		321,161	8,221
Income from disposal of asset held for sale, net amount	26	(95,198)	-
Impairment of property, plant and equipment		9,476,479	707,486
Income from write-off of accounts payable		(7,153)	(3,071)
Amortization of deferred income	26	(234,274)	(234,274)
Write-off of VAT recoverable	25	136,348	229,144
Amortization of financial guarantee issued on behalf of joint venture	26	(26,463)	(103,337)
Derecognition of financial guarantee	26	(177,743)	-
Unrealized foreign exchange loss		563,448	192,298
Reversal of provision for slow-moving and obsolete inventory	25	(3,294)	(3,659)
Income from sale of subsidiary		-	(309,675)
<b>Operating cash flows before working capital changes:</b>		<b>85,370,777</b>	<b>45,156,437</b>
Changes in inventories		(777,529)	(2,944,185)
Changes in trade and other accounts receivable		(586,369)	2,742,809
Changes in advances to suppliers		(629,300)	(131,755)
Changes in taxes recoverable and other current assets		817,629	(79,007)
Changes in trade and other accounts payable		(1,569)	(1,918,533)
Changes in advances received		(500,118)	(204,714)
Changes in taxes payable		884,541	235,913
Changes in other current and non-current liabilities and employee benefit liabilities		(1,689,277)	(597,979)
<b>Cash generated from operations:</b>		<b>82,888,785</b>	<b>42,258,986</b>
Income taxes paid		(4,978,340)	(5,261,083)
Interest received		1,092,511	1,215,964
<b>Net cash flow from operating activities</b>		<b>79,002,956</b>	<b>38,213,867</b>
<b>Cash flows from investing activities:</b>			
Withdrawal of term deposits		40,950,000	33,700,174
Placement of term deposits		(67,265,662)	(9,600,000)
Purchase of property, plant and equipment		(22,702,531)	(17,400,045)
Purchase of intangible assets		(178,389)	(260,559)
Proceeds from disposal of property, plant and equipment and intangible assets		174,559	49,061
Proceeds from asset held for sale		514,031	-
Proceeds from sale of subsidiary		-	5,671,856
Dividends received		453,584	-
<b>Net cash flow (used in) / acquired from investing activities</b>		<b>(48,054,408)</b>	<b>12,160,487</b>

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

<i>In thousands of Tenge</i>	Note	For nine months ended September 30	
		2013 (unaudited)	2012 (unaudited)
<b>Net cash flow from financing activities:</b>			
Dividends received		(28,847,670)	(52,002,000)
<b>Net cash flow from financing activities</b>		<b>(28,847,670)</b>	<b>(52,002,000)</b>
Net change in cash and cash equivalents		2,100,878	(1,627,646)
Cash and cash equivalents at the beginning of the year	15	18,954,044	21,852,387
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>21,054,922</b>	<b>20,224,741</b>

Deputy General director on  
Economics and Finance

Nussupov A.B.

Chief Accountant

Akhmedina S.





**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

<i>In thousands of Tenge</i>	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total
As at 1 January 2013 (audited)	61,937,567	144,421,031	9,875,876	17,104	176,062,485	392,314,063
Profit for the period	-	-	-	-	52,339,309	52,339,309
Other comprehensive income	-	51,998,122	595,048	-	-	52,593,170
Total comprehensive income for the period	-	51,998,122	595,048	-	52,339,309	104,932,479
Depreciation transfer of revalued property, plant and equipment	-	(8,000,679)	-	-	8,000,679	-
Dividends payable	-	-	-	-	(28,847,670)	(28,847,670)
As at 30 September 2013 (unaudited)	61,937,567	188,418,474	10,470,924	17,104	207,554,803	468,398,872
As at 1 January 2012 (audited)	34,617,204	138,056,828	9,334,129	17,104	189,472,821	371,498,086
Profit for the period	-	-	-	-	22,965,497	22,965,497
Other comprehensive income	-	18,432,998	367,663	-	-	18,800,661
Total other comprehensive income for the year	-	18,432,998	367,663	-	22,965,497	41,766,158
Depreciation transfer of revalued property, plant and equipment	-	(9,338,430)	-	-	9,338,430	-
Dividends payable	-	-	-	-	(60,002,000)	(60,002,000)
As at 30 September 2012 (unaudited)	34,617,204	147,151,396	9,701,792	17,104	161,774,748	353,262,244

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