



**Samruk-Energy JSC**

**International Financial Reporting Standards  
Consolidated Financial Statements**

**31 March 2016**

*(Translated from the Russian original)*



**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Financial Position**

<i>In thousands of Kazakhstan Tenge</i>	Note	31 March 2016	31 December 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	812,995,226	804,846,336
Investment property		747,974	774,702
Intangible assets	5	2,817,320	2,894,963
Exploration assets		13,608,791	13,520,805
Investments in joint ventures and associates	6	73,942,103	72,047,578
Other non-current assets	7	17,101,160	14,256,809
<b>Total non-current assets</b>		<b>921,212,574</b>	<b>908,341,193</b>
<b>Current assets</b>			
Inventories	8	12,392,605	13,777,955
Trade and other receivables	9	15,889,320	19,842,838
Other current assets	10	52,990,041	50,866,965
Income tax prepaid		1,509,448	1,534,371
Cash and cash equivalents	11	13,409,916	31,927,511
<b>Total current assets</b>		<b>96,191,330</b>	<b>117,949,640</b>
<b>TOTAL ASSETS</b>		<b>1,017,403,904</b>	<b>1,026,290,833</b>

Signed on behalf of management on 29 April 2016.

Kairat B. Maxutov  
CFO, Chief Finance Officer



Saule B. Tulekova  
Head of «Financial and Tax Accounting»  
department – Chief Accountant



<i>In thousands of Kazakhstan Tenge</i>	<i>Note</i>	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>EQUITY</b>			
Share capital	12	355,650,405	355,650,405
Other reserves		127,578,106	127,578,106
(Accumulated deficit)/Retained earnings		2,073,346	(3,236,425)
<b>Equity attributable to the Group's equity holders</b>		<b>485,301,857</b>	<b>479,992,086</b>
Non-controlling interest		2,740,224	2,528,351
<b>TOTAL EQUITY</b>		<b>488,042,081</b>	<b>482,520,437</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Ash dump restoration provision		1,842,401	1,842,401
Employee benefit obligations	13	1,331,949	1,329,840
Borrowings	15	344,053,625	340,158,800
Other non-current liabilities	13	4,758,221	4,735,410
Deferred income tax liabilities		80,179,310	79,404,793
<b>Total non-current liabilities</b>		<b>432,165,506</b>	<b>427,471,244</b>
<b>Current liabilities</b>			
Ash dump restoration provision		138,424	120,147
Borrowings	15	59,050,342	70,844,582
Employee benefit obligations		110,896	122,689
Trade and other payables	14	35,457,579	43,220,687
Taxes payable and other payables to budget		2,141,852	1,524,428
Income tax payable		297,224	466,619
<b>Total current liabilities</b>		<b>97,196,317</b>	<b>116,299,152</b>
<b>TOTAL LIABILITIES</b>		<b>529,361,823</b>	<b>543,770,396</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,017,403,904</b>	<b>1,026,290,833</b>
<i>In Kazakhstan Tenge</i>			
<b>Book value per common share</b>	16	<b>86,869</b>	<b>85,866</b>

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CFO, Chief Finance Officer

Saule B. Tulekova  
Head of «Financial and Tax Accounting»  
department – Chief Accountant



**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Kazakhstan Tenge</i>	Note	Three months ended March 31, 2016	Three months ended March 31, 2015
Revenue	17	62,350,230	66,028,653
Cost of sales	18	(45,549,249)	(44,314,416)
<b>Gross profit</b>		<b>16,800,981</b>	<b>21,714,237</b>
Net other income		206,825	67,970
Selling expense		(769,645)	(905,082)
General and administrative expenses	19	(3,403,089)	(3,259,550)
Share in profit/(loss) of joint ventures and associates		1,046,664	1,901,163
(Impairment of assets)/recovery of asset impairment		(290,918)	4,967
Finance income	20	1,037,311	580,569
Finance costs	21	(7,110,197)	(6,197,847)
<b>Profit before income tax</b>		<b>7,517,932</b>	<b>13,906,427</b>
Income tax expense		(1,996,288)	(3,299,233)
<b>Profit for the period from continuing operations</b>		<b>5,521,644</b>	<b>10,607,194</b>
(Loss)/profit for the period from discontinued operations		-	-
<b>Profit for the period</b>		<b>5,521,644</b>	<b>10,607,194</b>
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations		-	-
<b>Total comprehensive income for the period</b>		<b>5,521,644</b>	<b>10,607,194</b>
<b>Profit attributable to:</b>			
Equity holders of the Group		5,309,771	10,410,019
Non-controlling interest		211,873	197,175
<b>Profit for the period</b>		<b>5,521,644</b>	<b>10,607,194</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Group		5,309,771	10,410,019
Non-controlling interest		211,873	197,175
<b>Total comprehensive income for the period</b>		<b>5,521,644</b>	<b>10,607,194</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share, in tenge	22	951	1,864



**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Group				Non-controlling interest	Total Equity
	Share capital	Other reserves	(Accumulated deficit)/Retained earnings	Total		
<i>In thousands of Kazakhstan tenge</i>						
Balance at 1 January 2015	355,364,386	54,993,097	80,553,684	490,911,167	2,138,284	493,049,451
Profit for the year	-	-	(77,834,968)	(77,834,968)	390,067	(77,444,901)
Other comprehensive income	-	3,106	-	3,106	-	3,106
Total comprehensive income	-	3,106	(77,834,968)	(77,831,862)	390,067	(77,441,795)
Share issue	286,019	-	-	286,019	-	286,019
Gain from initial recognition of loan from Samruk-Kazyna	-	72,581,903	-	72,581,903	-	72,581,903
Other distribution to shareholder	-	-	(1,174,068)	(1,174,068)	-	(1,174,068)
Dividends	-	-	(4,781,073)	(4,781,073)	-	(4,781,073)
Balance at 31 December 2015	355,650,405	127,578,106	(3,236,425)	479,992,086	2,528,351	482,520,437
Profit for the period	-	-	5,309,771	5,309,771	211,873	5,521,644
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	5,309,771	5,309,771	211,873	5,521,644
Balance at 31 March 2016	355,650,405	127,578,106	2,073,346	485,301,857	2,740,224	488,042,081



**SAMRUK-ENERGY JSC**  
**Consolidated Statement of Cash Flow**

<i>In thousands of Kazakhstan tenge</i>	Three months ended 31 March, 2016	Three months ended 31 March, 2015
<b>Cash flows from operating activities</b>		
<i>Total cash inflows</i>	69,481,240	67,985,303
Sale of products and goods	20,940,357	61,685,883
Advances received	44,085,069	2,842,368
Interest received on loans issued	-	-
Interest received from credit institutions	561,266	437,708
Interest received on cash	209,249	54,758
Interest received on financial assets (debt securities)	-	47,951
Provision of services	3,222,465	2,504,405
Other income	462,834	412,230
<i>Total cash outflows</i>	(51,416,894)	(48,283,795)
Payments to suppliers	(20,511,130)	(31,871,427)
Advances paid	(13,780,141)	(1,993,365)
Payment of salary expenses	(7,624,411)	(6,874,975)
Payment of interest on loans received	(3,762,086)	(1,675,846)
Payment of interest on debt securities (bonds)	(244,594)	(10,490)
Corporate income tax	(1,473,437)	(1,879,843)
Other payments to the budget	(3,363,305)	(3,050,826)
Others	(657,790)	(927,023)
<b>Net cash from operating activities</b>	<b>18,064,346</b>	<b>19,701,508</b>
<b>Cash flows from investing activities</b>		
<i>Total cash inflows</i>	17,225,277	19,206,513
Proceeds from sale of subsidiaries	-	-
Proceeds from sale of fixed assets	-	15,950
Return of bank deposits	11,973,667	15,272,831
Dividends and other payments from jointly-controlled entities	-	1,467,992
Proceeds from sale of interest in jointly-controlled entities	2,194,110	-
Repayment of short-term loans issued	-	-
Other income	3,057,500	2,449,740
<i>Total cash outflows</i>	(41,278,851)	(38,210,016)
Acquisition of fixed assets	(25,286,482)	(26,297,981)
Purchase of intangible assets	(127,483)	(130,097)
Acquisition of shares in associates	(1,158,330)	-
Acquisition of other long-term assets	-	(921,840)
Placement of bank deposits	(12,476,050)	(9,498,380)
Others	(2,230,506)	(1,361,718)
<b>Net cash used in investing activities</b>	<b>(24,053,574)</b>	<b>(19,003,503)</b>
<b>Cash flows from financing activities</b>		
<i>Total cash inflows</i>	6,244,721	3,723,150
Other contributions of controlling owners	-	-
Other contributions of non-controlling owners	-	-
Proceeds from short-term loans received	5,445,532	3,721,150
Proceeds from long-term loans received	799,189	2,000
Income from debt securities (bonds)	-	-
Sale of own shares (not initial offering)	-	-
Others	-	-
<i>Total cash outflows</i>	(19,490,912)	(6,288,540)
Payment of principal on short-term loans received	(17,249,756)	(2,767,961)
Payment of principal on long-term loans received	(2,237,555)	(3,520,110)
Dividends paid:		
- shareholders of the parent company	-	-
- non-controlling owners	(466)	(469)
Others	(3,135)	-
<b>Net cash from/(used) financing activities</b>	<b>(13,246,191)</b>	<b>(2,565,390)</b>
<b>Foreign exchange effect on Cash and cash equivalents</b>		
<b>Net (decrease)/increase in cash and cash equivalents of continuing operation</b>	<b>717,824</b>	<b>117,125</b>
	(18,517,595)	(1,750,260)
Cash and cash equivalents at the beginning of the year	31,927,511	21,658,167
<b>Cash and cash equivalents at the end of the period</b>	<b>13,409,916</b>	<b>19,907,907</b>





**Samruk-Energy JSC**

**Notes to the unaudited consolidated financial statements  
for the 1st quarter of 2016**



## 1 Samruk-Energy Group and Its Operations

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim financial reporting" for six months period ended 31 March 2016 for Samruk-Energy JSC (the "Company") and its subsidiaries (together referred to as the "Group").

The Company was incorporated on 18 April 2007 and registered on 10 May 2007. The Company is a joint stock company, and was set up in accordance with regulations of the Republic of Kazakhstan. The Group was established for the purpose of consolidation of entities in the electric power industry of the Republic of Kazakhstan.

The Company's shareholder is Samruk-Kazyna National Welfare Fund JSC ("Samruk-Kazyna").

The Company's immediate parent company is Samruk-Kazyna. The Company's ultimate controlling party is the Government of the Republic of Kazakhstan.

### **Principal activity**

The Group's principal activities are production of electricity and heat energy and hot water on the basis of coal, hydrocarbons, water and other renewable resources, and sale to households and industrial enterprises, transmission of electricity and technical distribution of electricity within the network, construction of power stations, lease of property of power stations and others. Principal subsidiaries, joint ventures and associates are disclosed in Note 6.

The operations of the Group's subsidiaries and joint ventures, which are dominant entities and natural monopolists in certain areas, are regulated by the Law of the Republic of Kazakhstan on Natural Monopolies and Regulated Markets and the Law on Competition and the Restriction of Monopolistic Activity (the "Antimonopoly legislation"). The tariffs for heat and electricity supply, transmission and technical distribution services in the grid are determined in accordance with the Pricing Rules on Regulated Markets approved by the Decree of the Government of the Republic of Kazakhstan dated 25 March 2009, and approved by the Committee on Regulation of Natural Monopolies of the Ministry of Economics of the Republic of Kazakhstan. The tariffs for electricity sold by the energy producing entities are determined in accordance with the Rules for Determination of Tariff and Approval of Cap and Individual Tariffs approved by the Decree of the Government of the Republic of Kazakhstan dated 10 March 2009, and are subject to confirmation and approval by the Ministry of Energy of the Republic of Kazakhstan.

Electricity tariffs for electricity producers are approved by Decree of the Government of the Republic of Kazakhstan #392 dated 25 March 2009 on Approval of Cap for Tariffs and Decree of Ministry of Energy and Natural Resources #61 dated 10 March 2009 on Approval of Groups of Energy Producing Entities for period of 2009-2015 which have the investment component – "tariffs in exchange for investments". Based on investment agreements, signed by Ministry of Energy and Natural Resources the tariffs set for electricity producers shall not exceed the maximum limits. Tariffs for transmission and distribution of electricity, production of heat energy and energy supply are regulated by Committee on Regulation of Natural Monopolies and Competition Protection of Ministry of Economics. Regulation and control are performed in accordance with legislation.

The tariff related decisions are significantly exposed to social and political issues. Economic, social and other policies of the Government of the Republic of Kazakhstan may have the significant effect on the Group's operations.

### **Principal Subsidiaries, Associates and Joint Venture**

The following list shows the entities included in the Group, their respective jurisdictions of incorporation, and the percentage ownership held directly or indirectly by Samruk-Energy JSC (the Group's ownership percentage is in brackets):

	Доля владения
<i>Alatau Zharyk Company JSC ("AZhC")</i>	100%
<i>Almaty Power Stations JSC ("ALES")</i>	100%
<i>Aktobe Thermal Power Station JSC ("Aktobe TPS")</i>	100%
<i>AlmatyEnergoSbyt LLP ("AlmatyEnergoSbyt")</i>	100%
<i>Shardara HPS JSC ("Shardara HPS")</i>	100%
<i>Bukhtarminskaya HPS JSC ("Bukhtarminskaya HPS")</i>	90%
<i>Samruk Green Energy LLP</i>	100%
<i>Ust-Kamenogorskaya HPS JSC</i>	90%
<i>Shulbinskaya HPS JSC</i>	92%
<i>Mangistau Electricity Distribution Company JSC ("MEDC")</i>	78,60%
<i>Moinak HPS JSC ("Moinak HPS")</i>	100%
<i>Stantciya Ekibastuzskaya GRES-2 JSC ("EGRES-2")</i>	50%



## 1 Samruk-Energy Group and Its Operations (continued)

«ForumMuider BV» («Forum Muider»)	50%
Resourceenergougol Ltd.	50%
Bogatyr Komir LLC	50%
Karagandadiproshakht LLP	90%
Ekibastuzskaya GRES-1 named after Bulat Nurzhanov ("EGRES-1")	100%
Tegis Munai LLP	100%
Mangyshlak-Munai LLP	100%
Energiya Semirechiya LLP ("ES")	51%
First Wind Turbine LLP	100%
East-Kazakhstan regional electricity distribution company ("EKREDC")	100%
Shygys Energo Trade LLP ("SET")	100%
Kazhydrotechenyenergy LLP	100%
Ereymenay Wind Power LLP	100%
Kapshagaiskaya HPS LLP	100%

The operations of the Group's subsidiaries and joint ventures, which are dominant entities and natural monopolists in certain areas, are regulated by the Law of the Republic of Kazakhstan on Natural Monopolies and Regulated Markets and the Law on Competition and the Restriction of Monopolistic Activity (the "Antimonopoly legislation"). The tariffs for electricity sold by the energy producing entities are determined in accordance with the Rules for Determination of Tariff and Approval of Cap and Individual Tariffs approved by the Decree of the Government of the Republic of Kazakhstan dated 10 March 2009, and are subject to confirmation and approval by the Ministry of Industry and New Technologies of the Republic of Kazakhstan ("MINT"). The tariffs for heat and electricity supply, transmission and technical distribution services in the grid are determined in accordance with the Pricing Rules on Regulated Markets approved by the Decree of the Government of the Republic of Kazakhstan dated 3 March 2009, and approved by the Agency of the Republic of Kazakhstan on Regulation of Natural Monopolies ("ARNM").

The tariff related decisions are significantly exposed to social and political issues. Economic, social and other policies of the Government of the Republic of Kazakhstan may have the significant effect on the Group's operations.

### **Registered address and place of business**

The registered address and place of Company's Head Office is: Kabanbai Batyr Avenue 15A, Astana, Republic of Kazakhstan.

## 2 Basis of preparation and Significant Accounting Policies

### **Basis of preparation**

These condensed consolidated interim financial statements for the three-month period ended 31 March 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting, under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS. The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those of the previous financial year except for accounting for income taxes. Income tax expenses for the interim period are accrued using the calculated effective tax rate that would be applicable for the financial year.



## **2 Basis of preparation and Significant Accounting Policies (continued)**

### ***Seasonality of operations***

The Group's operations are exposed to the seasonal fluctuations. Fluctuations in electricity transmission volume, production of heat and electricity relate to heating season from October to April. Also, the Group's repair and maintenance works are subject to seasonality. Significant amount of maintenance and repair work are expected to be carried out in second half of 2016 that will significantly increase the Group's expenses, downtime of power units and decreased level of electricity production.

### ***Exchange rates***

At 31 March 2016 the exchange rate used for translation of foreign currency balances was 1 US Dollar = Tenge 343.62 (31 December 2015: 1 US Dollar = Tenge 340.01).

### ***New accounting pronouncements***

New and amended standards and interpretations should be applied in the preparation of the first interim financial statements issued after their effective date. There are no new IFRSs or IFRICs that are effective for the first time for this interim period and that would be expected to have a material impact on the Group.

A set of new standards, amendments to standards and interpretations is not effective as at 31 March 2016. The requirements of these amended standards have not been considered for the preparation of these condensed consolidated interim financial statements. The Group plans to adopt these standards as they become effective. Currently, the Group has not yet completed the analysis of potential effect of these standards on its financial statements.

## **3 Critical Accounting Estimates and Judgments in Applying Accounting Policies**

The preparation of interim consolidated financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015, with the exception of change in estimates that are required in determining the provision for income taxes.



#### 4 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In thousands of Kazakhstan Tenge</i>	<b>Buildings and constructions</b>	<b>Machinery and equipment</b>	<b>Other</b>	<b>Construction in progress</b>	<b>Total</b>
Cost at 1 January 2016	217,917,315	580,570,951	17,300,740	117,391,527	933,180,533
Accumulated depreciation and impairment	(33,976,076)	(87,441,141)	(5,450,237)	(1,466,743)	(128,334,197)
<b>Carrying amount at 1 January 2016</b>	<b>183,941,239</b>	<b>493,129,810</b>	<b>11,850,503</b>	<b>115,924,784</b>	<b>804,846,336</b>
Additions	1,289	160,588	129,181	19,220,431	19,511,489
Transfers	1,124,657	138,675	3,628	(1,266,960)	-
Depreciation	(2,824,708)	(7,882,409)	(322,803)	-	(11,029,920)
Impairment	-	-	-	(291,941)	(291,941)
Disposals	(1,188)	(38,825)	(725)	-	(40,738)
<b>Carrying amount at 31 March 2016</b>	<b>182,241,289</b>	<b>485,507,839</b>	<b>11,659,784</b>	<b>133,586,314</b>	<b>812,995,226</b>
Cost at 31 March 2016	219,042,073	580,831,389	17,432,824	135,344,998	952,651,284
Accumulated depreciation and impairment	(36,800,784)	(95,323,550)	(5,773,040)	(1,758,684)	(139,656,058)
<b>Carrying amount at 31 March 2016</b>	<b>182,241,289</b>	<b>485,507,839</b>	<b>11,659,784</b>	<b>133,586,314</b>	<b>812,995,226</b>

As at 31 March 2016 the property, plant and equipment with carrying value of Tenge 6,248,203 thousand (31 December 2015: Tenge 4,370,606 thousand) 6 were pledged as collateral for borrowings received by the Group.



## 5 Intangible Assets

<i>In thousands of Kazakhstan Tenge</i>	<b>Licences</b>	<b>Computer software</b>	<b>Other</b>	<b>Total</b>
Cost at 31 December 2014	223,713	2,466,384	831,353	3,521,450
Accumulated amortisation	(120,736)	(904,884)	(45,287)	(1,070,907)
<b>Carrying amount at 31 December 2014</b>	<b>102,977</b>	<b>1,561,500</b>	<b>786,066</b>	<b>2,450,543</b>
Additions	63,030	172,993	387,576	623,599
Disposals	-	(766)	(194,679)	(195,445)
Transfers	-	257,410	324,800	582,210
Amortisation charge	(48,768)	(372,349)	(115,813)	(536,930)
Impairment charge to profit or loss	(1,933)	(27,081)	-	(29,014)
<b>Carrying amount at 31 December 2015</b>	<b>115,306</b>	<b>1,591,707</b>	<b>1,187,950</b>	<b>2,894,963</b>
Cost at 31 December 2015	285,744	2,726,759	1,350,819	4,363,322
Accumulated amortisation	(170,438)	(1,135,052)	(162,869)	(1,468,359)
<b>Carrying amount at 31 December 2015</b>	<b>115,306</b>	<b>1,591,707</b>	<b>1,187,950</b>	<b>2,894,963</b>
Additions	-	43,279	16,911	60,190
Transfers	-	-	7,301	7,301
Amortisation charge	(11,644)	(95,875)	(37,615)	(145,134)
Impairment charge to profit or loss	-	-	-	-
<b>Carrying amount at 31 March 2016</b>	<b>103,662</b>	<b>1,539,111</b>	<b>1,174,547</b>	<b>2,817,320</b>
Cost at 31 March 2016	285,744	2,770,038	1,375,033	4,430,815
Accumulated amortisation	(182,082)	(1,230,927)	(200,486)	(1,613,495)
<b>Carrying amount at 31 March 2016</b>	<b>103,662</b>	<b>1,539,111</b>	<b>1,174,547</b>	<b>2,817,320</b>



## 6 Investments in Joint Ventures and Associates

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures and associates.

	Joint ventures			Associate		
	EGRES-2	Forum Muider	ZhGRES	EGRES-1	BTES	Total
<i>In thousands of Kazakhstan Tenge</i>						
Balance at 1 January 2015	42,290,615	26,049,797	-	-	10,556,290	78,896,702
Contribution to share capital	-	-	-	-	8,906,910	8,906,910
Share of profit or loss of joint ventures and associates	(12,767,669)	5,058,405	-	-	(2,463,270)	(10,172,534)
Dividend received	-	(5,583,500)	-	-	-	(5,583,500)
Balance at 31 December 2015	29,522,946	25,524,702	-	-	16,999,930	72,047,578
Contribution to share capital	-	-	-	-	1,158,330	1,158,330
Share of profit or loss of joint ventures and associates	(566,686)	1,780,273	-	-	(166,923)	1,046,664
Dividend received	-	(310,469)	-	-	-	(310,469)
Balance at 31 March 2016	28,956,260	26,994,506	-	-	17,991,337	73,942,103

The Group has interests in the following jointly controlled entities:

- EGRES-2 – 50%. The remaining 50% interest is owned by Inter-RAO UES OJSC
- Forum Muider – 50%. The remaining 50% is owned by UC RUSAL.

The Group has interest in the following associate: Balkhashskaya TES (39,3%): an entity incorporated in the Republic of Kazakhstan, established by the Group in 2008 for construction of Balkhash thermal power station.



## 6 Investments in Joint Ventures and Associates (continued)

Presented below is summarised financial information of joint ventures and associate at 31 March 2016 and 31 December 2015, and for the periods ended 31 March 2016 and 31 March 2015:

<i>In thousands of Kazakhstan Tenge</i>	EGRES-2		Forum Muider		ZhGRES		BTES	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Total current assets	7,590,359	10,211,936	21,388,745	19,452,520	-	-	2,008,913	1,280,786
<b>Total non-current assets</b>	<b>152,107,203</b>	<b>150,417,037</b>	<b>60,605,923</b>	<b>62,639,691</b>	<b>-</b>	<b>-</b>	<b>60,139,143</b>	<b>60,759,801</b>
Total current liabilities	8,332,456	11,110,383	17,710,833	20,515,538	-	-	16,368,572	17,214,549
<b>Total non-current liabilities</b>	<b>93,452,586</b>	<b>90,472,698</b>	<b>10,294,823</b>	<b>10,527,269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>57,912,520</b>	<b>59,045,892</b>	<b>53,989,012</b>	<b>51,049,404</b>	<b>-</b>	<b>-</b>	<b>45,779,484</b>	<b>44,826,038</b>
Revenue	7,825,532	6,839,658	22,111,775	20,324,530	-	-	-	-
Governmental subsidies	-	-	-	-	-	-	-	-
Profit or loss before tax	(738,063)	1,692,824	5,271,107	3,905,131	-	-	(424,709)	(43,761)
<b>Total comprehensive income/(loss)</b>	<b>(1,133,373)</b>	<b>717,824</b>	<b>4,186,823</b>	<b>3,107,364</b>	<b>-</b>	<b>-</b>	<b>(424,741)</b>	<b>(45,725)</b>



## 7 Other Non-Current Assets

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Prepayments for non-current assets	13,054,272	9,810,591
Non-current VAT recoverable	2,769,709	2,960,833
Restricted cash	930,122	920,998
Long-term deposits	61,733	261,733
Bonds	220,000	220,000
Other	65,324	82,654
<b>Total other non-current assets</b>	<b>17,101,160</b>	<b>14,256,809</b>

## 8 Inventories

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Auxiliary production materials	4,853,741	6,191,721
Fuel	5,218,490	5,188,317
Spare parts	2,808,747	3,369,630
Raw materials	61,395	31,866
Other materials	610,634	699,912
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(1,160,402)	(1,703,491)
<b>Total inventories</b>	<b>12,392,605</b>	<b>13,777,955</b>

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Provision, 1 January	1,703,491	1,889,042
Provision charged/(reversed)	(543,089)	(248,629)
Acquisition through business combination	-	76,465
Inventories written off during the year	-	(13,387)
<b>Provision for impairment at 31 March</b>	<b>1,160,402</b>	<b>1,703,491</b>



## 9 Trade and other receivables

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Trade receivables	16,691,355	18,348,676
Less: impairment provision	(1,060,476)	(1,038,111)
Other receivables	4,179,882	6,449,714
Less: impairment provision	(3,921,441)	(3,917,441)
<b>Total trade and other receivables</b>	<b>15,889,320</b>	<b>19,842,838</b>

Presented below is movement in the Group's provision for impairment of financial receivables:

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Provision for impairment at 1 January	1,038,111	1,326,974
Provision for impairment charged during the year	25,237	609,626
Reversal of provision during the year	-	(830,481)
Amounts written off during the year as uncollectible	(2,872)	(68,008)
<b>Provision for impairment at 31 March</b>	<b>1,060,476</b>	<b>1,038,111</b>

Presented below is the analysis of financial assets by credit quality:

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Current and not impaired	14,651,676	13,684,310
<b>Total current and not impaired</b>	<b>14,651,676</b>	<b>13,684,310</b>
<i>Past due but not impaired</i>		
- up to 30 days overdue	78,184	57,775
- 30 to 90 days overdue	496,176	2,699,905
- 90 to 120 days overdue	72,696	166,425
- more than 120 days overdue	332,147	702,150
<b>Total past due but not impaired</b>	<b>979,203</b>	<b>3,626,255</b>



## 10 Other Current Assets

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Term deposits	30,973,455	30,107,680
Bonds	6,984,618	6,830,737
Restricted cash denominated in USD	4,887,329	5,695,685
VAT recoverable and prepaid taxes	2,534,091	3,430,740
Dividends receivable	2,419,375	2,108,905
Advances to suppliers	3,476,171	1,099,783
Assets held for the benefit of the Shareholder	1,013,406	988,787
Other	701,596	604,648
<b>Total other current assets</b>	<b>52,990,041</b>	<b>50,866,965</b>

## 11 Cash and cash equivalents

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Денежные средства на текущих банковских счетах	7,863,684	19,465,578
Срочные депозиты	5,511,933	12,444,844
Денежные средства в кассе	34,299	17,089
<b>Total cash and cash equivalents</b>	<b>13,409,916</b>	<b>31,927,511</b>

Term deposits and current deposits have contractual maturity terms less than three months and are receivable on demand. Cash and cash equivalents balances are denominated in the following currencies:

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Kazakhstani Tenge	9,318,902	22,017,179
US Dollar	1,898,151	5,915,648
Other currencies	2,192,863	3,994,684
<b>Total cash and cash equivalents</b>	<b>13,409,916</b>	<b>31,927,511</b>

## 12 Equity

### Share capital

	Number of authorised and issued shares	Value per share, Tenge	Share Capital, (thousands of Tenge)
Balance at 31 December 2015	5,585,723		355,650,405
Issued and placed shares	-	-	-
<b>Balance at 31 March 2016</b>	<b>5,585,723</b>		<b>355,650,405</b>



### 13 Non-current Trade and Other Payables

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Deferred income		
- AZhC	2,741,276	2,741,276
- MEDC	1,517,305	1,529,902
Employee benefit obligations	1,331,948	1,329,840
Payables on preferred shares of subsidiaries and associates	340,204	354,202
Trade payables	119,082	69,673
Other payables	40,355	40,357
<b>Total non-current trade and other payables</b>	<b>6,090,170</b>	<b>6,065,250</b>

Deferred income represents the difference between the nominal value of loans from consumers of AzhC on the construction of power lines and infrastructure to connect to the transmission network or reconstruction of existing power lines and infrastructure, and their fair value on initial recognition. Deferred income is subsequently recognized in profit and loss over the useful life of fixed assets.

Presented below is movement in deferred income:

<i>In thousands of Kazakhstan Tenge</i>	AzhC	MEDC	Total
Carrying value at 1 January 2015	3,284,331	1,597,030	4,881,361
Reclassification to disposal group	-	-	-
Changes in the carrying value of loans from consumers	-	-	-
Revenue recognition	(543,055)	(67,128)	(610,183)
<b>Carrying value at 31 December 2015</b>	<b>2,741,276</b>	<b>1,529,902</b>	<b>4,271,178</b>
Carrying value at 1 January 2016	2,741,276	1,529,902	4,271,178
Reclassification to disposal group	-	-	-
Changes in the carrying value of loans from consumers	-	-	-
Revenue recognition	-	(12,597)	(12,597)
<b>Carrying value at 31 March 2016</b>	<b>2,741,276</b>	<b>1,517,305</b>	<b>4,258,581</b>



## 14 Current Trade and Other Payables

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Trade payables	15,874,024	21,182,414
Payable to Almaty Akimat	5,841,513	5,841,513
Dividends payable	734,205	718,770
Other financial payables	1,097,125	2,767,560
<b>Total financial payables</b>	<b>23,546,867</b>	<b>30,510,257</b>
Advances received from suppliers and contractors	4,335,801	5,179,377
Salaries payable	1,281,811	1,235,366
Accrued provisions for unused vacations	1,820,168	1,694,679
Other payables	3,298,864	3,426,940
Other distributions to shareholder	1,174,068	1,174,068
<b>Total current trade and other payables</b>	<b>35,457,579</b>	<b>43,220,687</b>

## 15 Borrowings

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
Non-current portion	344,053,625	340,158,800
Current portion	59,050,342	70,844,582
<b>Total borrowings</b>	<b>403,103,967</b>	<b>411,003,382</b>

The Group's borrowings are denominated in the following currencies:

	31 March 2016	31 December 2015
<i>In thousands of Kazakhstan Tenge</i>		
<b>Borrowings denominated in:</b>		
- Tenge	158,273,841	169,155,971
- US Dollars	244,238,482	241,847,411
- Russian rubles	591,644	-
<b>Total borrowings</b>	<b>403,103,967</b>	<b>411,003,382</b>

The fair value of borrowings is disclosed in Note 25.



## 16 Book value per common share

Book value per common share is calculated using the formula:

$$BV_{CS} = NAV / NOCS, \text{ где}$$

- BVCS – book value per common share on the settlement date;  
NAV – net asset value on the settlement date;  
NOCS – number of outstanding common shares on the settlement date.

$$BV_{CS}(31 \text{ December } 2015) = 479,625,474 / 5,585,723 = 85,866 \text{ Tenge}$$

$$BV_{CS}(31 \text{ March } 2016) = 485,224,761 / 5,585,723 = 86,869 \text{ Tenge}$$

Net assets for the common share is calculated using the formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

- TA – total assets of the issuer in the financial statements on the date of calculation;  
IA – (intangible assets of the issuer in the financial statements on the date of calculation;  
TL – total liabilities of the issuer in the financial statements on the date of calculation;  
PS – preferred stock account balance in the statement of financial position on the date of calculation.

$$NAV(31 \text{ December } 2015) = (1,026,290,833 - 2,894,963) - 543,770,396 = 479,625,474 \text{ thousands of Tenge}$$

$$NAV(31 \text{ March } 2016) = (1,017,403,904 - 2,817,320) - 529,361,823 = 485,224,761 \text{ thousands of Tenge}$$

## 17 Revenue

Revenue from the sale of products and provision of services for the three months ended 31 March 2016 comprise 62,350,230 thousands of Tenge.

	For the three months ended 31 March, 2016	For the three months ended 31 March, 2015 (restated)*
<i>In thousands of Kazakhstan Tenge</i>		
Sale of electricity and heat energy	56,929,100	61,516,919
Electricity transmission	3,939,237	3,482,053
Other	1,481,893	1,029,681
<b>Total revenue</b>	<b>62,350,230</b>	<b>66,028,653</b>



## 18 Cost of Sales

During the reporting period the cost of goods sold and services rendered comprised 45,549,249 thousands of Tenge.

	For the three months ended 31 March, 2016	For the three months ended 31 March, 2015 (restated)*
<i>In thousands of Kazakhstan Tenge</i>		
Fuel	18,234,262	19,766,071
Depreciation of property, plant and equipment and amortisation of intangible assets	10,871,513	9,082,290
Payroll and related expenses	5,973,766	6,258,691
Services of industrial nature	4,840,380	4,221,799
Taxes other than on income	1,660,473	1,667,387
Electricity losses on transmission	1,375,254	1,222,420
Materials	943,461	778,399
Repairing and maintenance	460,302	490,439
Security service	271,897	238,773
Rent services	61,529	56,775
Provision on obsolete and slow-moving inventories	(543,089)	(248,629)
Others	1,399,501	780,001
<b>Total cost of sales</b>	<b>45,549,249</b>	<b>44,314,416</b>

## 19 General and Administrative Expenses

	For the three months ended 31 March, 2016	For the three months ended 31 March, 2015 (restated)*
<i>In thousands of Kazakhstan Tenge</i>		
Payroll and related expenses	1,492,634	1,491,948
Depreciation of property, plant and equipment	329,317	323,780
Consulting and other professional services	192,940	156,974
Rent services	186,925	183,695
Taxes other than on income	166,005	156,065
Bank charges	86,710	29,545
Third party services	72,949	95,589
Security services	62,314	59,841
Materials	57,428	98,177
Business trip expenses	52,664	54,476
Insurance	24,312	70,242
Accrual/(recovery) of provisions for advances paid	25,211	20,943
Others	653,680	518,275
<b>Total general and administrative expenses</b>	<b>3,403,089</b>	<b>3,259,550</b>

## 20 Finance income

	For the three months ended 31 March, 2016	For the three months ended 31 March, 2015 (restated)*
<i>In thousands of Kazakhstan Tenge</i>		
Interest income on bank deposits	852,375	531,714
Foreign exchange gains less losses	-	-
Other	184,936	48,855
<b>Total finance income</b>	<b>1,037,311</b>	<b>580,569</b>



## 21 Finance costs

<i>In thousands of Kazakhstan Tenge</i>	For the three months ended 31 March, 2016	For the three months ended 31 March, 2015 (restated)*
Interest expense on borrowings	4,151,529	3,959,899
Foreign exchange losses less gains	1,766,524	1,711,333
Dividends on preference shares of subsidiaries	84,098	-
Other	1,108,046	526,615
<b>Total finance costs</b>	<b>7,110,197</b>	<b>6,197,847</b>

## 22 Earnings per Share

For the purposes of these consolidated interim financial statements the earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of outstanding ordinary shares during the period.

<i>In thousands of Kazakhstan Tenge</i>	For the three months ended 31 March, 2016	For the three months ended 31 March, 2015 (restated)*
Profit/(loss) for the period attributable to equity shareholders of the Group	5,309,771	10,410,019
Weighted average number of ordinary shares	5,585,723	5,585,437
<b>Basic and diluted earnings/(losses) per share, Tenge</b>	<b>951</b>	<b>1,864</b>

\* Comparative information has been adjusted to reflect transfer from assets held for disposal

## 23 Contingencies, Commitments and Operating Risks

Except for the information prescribed below, as of 31 March 2016 there were no contingent and contractual obligations and operational risks than those which have been disclosed in the consolidated financial statements for the year ended 31 December 2015.

### Legal proceedings

In the course of normal operations, the Group is subject to litigations and claims. At present, the Group's management believes that final obligations, if any, arising from such litigations and claims will not have any significant adverse effect on the future financial position of the Group.

## 24 Financial Risk Management

### Financial Risk Factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2015.

There have been no changes in the risk management department or in any risk management policies since the year end.



## **25 Fair Value of Financial Instruments**

### ***Fair value measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level 3 measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

All the Group's financial instruments are carried at amortised cost. Their fair values in level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique.

### ***Financial assets carried at amortised cost***

The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. Due to the short-term nature of financial receivables, their carrying amounts approximate fair values.

### ***Financial liabilities carried at amortised cost***

The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Due to the short-term nature of financial payables, their carrying amounts approximate fair values.



## 25 Fair Value of Financial Instruments (continued)

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

In thousands of Kazakhstan Tenge	31 March 2016				31 December 2015			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value
<b>ASSETS</b>								
Cash and cash equivalents	-	-	13,409,916	13,409,916	-	-	31,927,511	31,927,511
Restricted cash	-	-	5,817,451	5,817,451	-	-	6,616,683	6,616,683
Term deposit	-	-	31,035,188	31,035,188	-	-	30,369,413	30,369,413
Financial receivables	-	-	15,630,879	15,630,879	-	-	17,508,109	17,508,109
Dividends receivable	-	-	2,419,375	2,419,375	-	-	2,108,905	2,108,905
Fair value of future minimum lease payments	-	-	6,144,842	747,974	-	-	6,144,842	774,702
Short term loans	-	-	-	-	-	-	-	-
Bonds	6,975,827	-	-	7,204,618	6,835,820	-	-	7,050,737
<b>Total Financial assets</b>	<b>3,862,092</b>	<b>-</b>	<b>63,039,845</b>	<b>61,563,037</b>	<b>6,835,820</b>	<b>-</b>	<b>94,675,463</b>	<b>96,356,060</b>
<b>LIABILITIES</b>								
Borrowings	166,997,583	-	209,329,865	403,103,967	164,224,827	-	224,308,186	411,003,381
Financial payables	-	-	23,546,867	23,546,867	-	-	30,510,280	30,510,280
Non-current trade payables	-	-	119,092	119,092	-	-	69,673	69,673
Other financial liabilities	-	-	3,938,034	3,938,034	-	-	354,202	354,202
<b>Total Financial liabilities</b>	<b>94,208,000</b>	<b>-</b>	<b>256,520,854</b>	<b>381,257,205</b>	<b>164,224,827</b>	<b>-</b>	<b>255,242,341</b>	<b>441,937,536</b>



## 26 Events Occurring After the Reporting Period

During April 2016 the Group has increased its share in "Balkhashskaya TES" JSC to 49.7%.

Kairat B. Maxutov  
CFO, Chief Finance Officer



Saule B. Tulekova  
Head of «Financial and Tax Accounting»  
department – Chief Accountant