



Samruk-Energy JSC

**International Financial Reporting Standards
Consolidated Financial Statements**

30 September 2015

(Translated from the Russian original)

SAMRUK-ENERGY JSC
Consolidated Statement of Financial Position

<i>In thousands of Kazakhstan Tenge</i>	Note	30 September 2015	31 December 2014 (restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	760,014,026	710,350,521
Investment property		802,329	882,542
Intangible assets	5	2,187,319	2,048,956
Investments in joint ventures and associates	6	73,222,497	78,896,702
Other non-current assets	7	14,139,130	18,335,831
Total non-current assets		850,365,301	810,514,552
Current assets			
Inventories	8	12,834,780	12,031,501
Trade and other receivables	9	15,095,370	11,726,504
Other current assets	10	53,840,694	42,435,097
Income tax prepaid		1,221,344	1,281,982
Cash and cash equivalents	11	15,069,654	20,582,394
Assets of disposal group, classified as held-for-sale		64,407,893	55,837,367
Total current assets		162,469,735	143,894,845
TOTAL ASSETS		1,012,835,036	954,409,397

Signed on behalf of management on 20 November 2015.

Kairat B. Maxutov
Deputy Chairman of Management Board



Saule B. Tulekova
Head of Accounting and Tax Department –
Chief Accountant

SAMRUK-ENERGY JSC
Consolidated Statement of Financial Position (continued)

<i>In thousands of Kazakhstan Tenge</i>	Note	30 September 2015	31 December 2014 (restated)*
EQUITY			
Share capital	14	355,650,405	355,364,386
Other reserves		54,958,239	54,993,097
Retained earnings		35,971,280	80,553,684
Equity attributable to the Group's equity holders		446,579,924	490,911,167
Non-controlling interest		2,557,201	2,138,284
TOTAL EQUITY		449,137,125	493,049,451
LIABILITIES			
Non-current liabilities			
Ash dump restoration provision		1,351,553	1,172,668
Employee benefit obligations		1,109,093	1,033,125
Borrowings	15	341,448,610	280,326,306
Non-current trade payables	12	2,482,578	2,866,923
Other non-current liabilities	12	3,386,582	3,633,700
Deferred income tax liabilities		79,552,368	77,289,181
Total non-current liabilities		429,330,784	366,321,903
Current liabilities			
Ash dump restoration provision		84,139	84,146
Borrowings	15	86,887,254	38,840,232
Employee benefit obligations		84,863	69,518
Trade and other payables	13	20,779,329	26,533,256
Taxes payable and other payables to budget		804,109	1,305,366
Income tax payable		209,231	148,636
Other current liabilities	13	5,598,973	9,075,863
Liabilities of disposal group, classified as held-for-sale		19,919,229	18,981,026
Total current liabilities		134,367,127	95,038,043
TOTAL LIABILITIES		563,697,911	461,359,946
TOTAL LIABILITIES AND EQUITY		1,012,835,036	954,409,397
<i>In thousands of Kazakhstan Tenge</i>			
Book value per common share	16	80,017	87,907

Signed on behalf of management on 20 November 2015.

Kairat B. Maxutov
Deputy Chairman of Management Board



Saule B. Tulekova
Head of Accounting and Tax Department –
Chief Accountant

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

<i>In thousands of Kazakhstan Tenge</i>		Three months ended September 30		Nine months ended September 30	
	Note	2015	2014	2015	2014 (restated)*
Revenue	17	41,625,332	40,640,684	132,831,186	118,654,606
Cost of sales	18	(29,841,823)	(33,132,085)	(92,453,936)	(86,173,046)
Gross profit		11,783,509	7,508,599	40,377,250	32,481,560
Other income, net		(230,246)	375,803	75,872	57,389,400
Selling expense		(633,362)	(727,364)	(2,152,133)	(1,345,111)
General and administrative expenses	19	(2,467,632)	(3,204,142)	(8,427,438)	(7,975,310)
Share in profit of joint ventures and associates		(11,075,291)	3,515,424	(8,215,418)	7,737,385
Impairment of Goodwill		21,524	(936,686)	(402,788)	(32,576,363)
Finance income	20	766,290	2,109,742	2,240,146	8,840,331
Finance costs	21	(51,834,358)	(6,077,454)	(64,008,186)	(18,457,724)
Profit/(loss) before income tax		(53,669,566)	2,563,922	(40,512,695)	46,094,168
Income tax expense		(1,580,008)	(2,775,276)	(5,946,014)	(7,650,594)
Profit/(loss) for the period from continuing operations		(55,249,574)	(211,354)	(46,458,709)	38,443,574
Profit/(loss) for the period from discontinued operations		3,088,615	795,856	7,076,294	3,467,979
Profit/(loss) for the period		(52,160,959)	584,502	(39,382,415)	41,911,553
Other comprehensive loss		-	-	-	-
Items that will not be reclassified to profit or loss:		-	-	-	-
Remeasurements of post-employment benefit obligations		-	-	-	-
Total comprehensive income/(loss) for the period		(52,160,959)	584,502	(39,382,415)	41,911,553
Profit attributable to:					
Equity holders of the Group		(52,251,707)	498,352	(39,801,331)	44,883,395
Non-controlling interest		90,748	86,150	418,916	(2,971,842)
Profit/(loss) for the period		(52,160,959)	584,502	(39,382,415)	41,911,553
Total comprehensive income attributable to:					
Equity holders of the Group		(52,251,707)	498,352	(39,801,331)	44,883,395
Non-controlling interest		90,748	86,150	418,916	(2,971,842)
Total comprehensive income/(loss) for the period		(52,160,959)	584,502	(39,382,415)	41,911,553
Earnings per share					
Basic and diluted earnings per share, in Kazakhstan Tenge	22	(9,355)	91	(7,126)	8,194

* comparative information has been restated to reflect discontinued operations

SAMRUK-ENERGY JSC
Consolidated Statement of Cash Flow

<i>In thousands of Kazakhstan Tenge</i>	Nine months ended 30 September 2015	Nine months ended 30 September 2014
Cash flows from operating activities		
<i>Total cash inflows</i>		
Sale of products and goods	143,584,758	140,784,648
Advances received	135,688,858	126,033,431
Dividends	2,600,659	3,251,336
Interest received on loans issued	-	4,301,751
Interest received from credit institutions	-	20,391
Interest received on cash	1,071,485	1,073,747
	158,568	85,079
Interest received on financial assets (debt securities)		
Provision of services	167,926	413,976
Other income	2,919,885	829,545
	977,377	4,775,392
<i>Total cash outflows</i>	(109,746,287)	(94,127,195)
Payments to suppliers	(66,019,606)	(53,950,019)
Advances paid	(1,523,171)	(1,127,767)
Payment of salary expenses	(16,761,131)	(13,041,317)
Payment of interest on loans received	(10,671,026)	(8,892,157)
Payment of interest on debt securities (bonds)	(1,854,263)	(1,853,783)
Corporate income tax	(3,430,239)	(1,295,281)
Other payments to the budget	(7,996,036)	(8,628,135)
Others	(1,490,816)	(5,338,736)
Net cash from operating activities of continuing operation	33,838,470	46,657,453
Net cash from operating activities of disposal group	6,223,198	3,850,030
Cash flows from investing activities		
<i>Total cash inflows</i>		
Proceeds from sale of subsidiaries	30,706,589	68,209,889
Return of bank deposits	-	45,500
Dividends and other payments from jointly-controlled entities	18,732,239	59,277,176
Repayment of short-term loans issued	4,671,250	-
Other income	-	3,669,945
	7,303,100	5,217,268
<i>Total cash outflows</i>	(104,959,739)	(348,836,610)
Acquisition of fixed assets	(72,187,753)	(54,692,038)
Purchase of intangible assets	(429,267)	(63,782)
Acquisition of other long-term assets	-	(3,768,766)
Приобретение долей участия в ассоциированных организациях	(7,556,910)	(5,641,500)
Приобретение дочерних организаций	78,386	(251,387,478)
Placement of bank deposits	(19,408,211)	(29,512,198)
Others	(5,455,984)	(3,963,047)
Net cash used in investing activities of continuing operation	(74,253,150)	(280,818,919)
Net cash used investing activities of disposal group	(9,961,525)	(5,335,319)
Cash flows from financing activities		
<i>Total cash inflows</i>		
Other contributions of controlling owners	105,829,485	237,374,754
Other contributions of non-controlling owners	-	21,418,117
Proceeds from short-term loans received	-	-
Proceeds from long-term loans received	101,026,062	14,738,779
Income from debt securities (bonds)	4,803,423	201,215,220
Sale of own shares (not initial offering)	-	-
Others	-	-
<i>Total cash outflows</i>	(70,437,172)	(18,817,466)
Payment of principal on short-term loans received	(58,745,369)	(5,908,150)
Payment of principal on long-term loans received	(6,639,707)	(4,073,371)
Dividends paid:		
- shareholders of the parent company	(4,781,073)	(8,170,604)
- non-controlling owners	(128,141)	(113,391)
Others	(142,882)	(551,950)
Net cash from/(used) financing activities of continuing operation	35,392,313	218,557,288
Net cash from/(used) financing activities of disposal group	2,721,804	2,285,836
Foreign exchange effect on Cash and cash equivalents		
Net (decrease)/increase in cash and cash equivalents of continuing operations	1,710,612	17,355,000
Net (decrease)/increase in cash and cash equivalents of disposal group	(3,311,755)	1,750,822
	(1,016,523)	800,547
Cash and cash equivalents at the beginning of the year	20,582,394	15,241,998
Cash and cash equivalents at the beginning of the year of disposal group	1,075,773	192,199
Cash and cash equivalents at the year-end of continuing operations	15,069,654	15,330,762
Cash and cash equivalents at the year-end of discontinued operations	2,260,235	2,654,803

SAMRUK-ENERGY JSC
Consolidated Statement of Changes in Equity

<i>In thousands of Kazakhstan Tenge</i>	Attributable to equity holders of the Group				Non-controlling interest	Total equity
	Share capital	Other reserves	Retained earnings	Total		
Balance at 1 January 2014	233,946,269	75,308,815	72,276,222	381,531,306	3,021,709	384,553,015
Profit for the year	-	-	15,946,974	15,946,974	(2,696,379)	13,250,595
Other comprehensive loss	-	(152,764)	-	(152,764)	-	(152,764)
Total comprehensive income	-	(152,764)	15,946,974	15,794,210	(2,696,379)	13,097,831
Share issue	21,418,117	-	-	21,418,117	-	21,418,117
Acquisition of Moinak HPS'	-	(20,162,954)	-	(20,162,954)	1,812,954	(18,350,000)
Gain from initial recognition of loan from Samruk-Kazyna	-	18,922,380	-	18,922,380	-	18,922,380
Derecognition of gain from initial recognition due to loan modification	100,000,000	(18,922,380)	501,093	81,578,713	-	81,578,713
Dividends	-	-	(8,170,605)	(8,170,605)	-	(8,170,605)
Balance at 31 December 2014	355,364,386	54,993,097	80,553,684	490,911,167	2,138,284	493,049,451
Profit for the year	-	-	(39,801,331)	(39,801,331)	418,917	(39,382,415)
Other comprehensive income	-	(34,858)	-	(34,858)	-	(34,858)
Total comprehensive income	-	(34,858)	(39,801,331)	(39,836,189)	418,917	(39,417,273)
Share issue	286,019	-	-	286,019	-	286,019
Dividends	-	-	(4,781,073)	(4,781,073)	-	(4,781,073)
Balance at 30 September 2015	355,650,405	54,958,239	35,971,280	446,579,924	2,557,201	449,137,125



АО «САМРУК-ЭНЕРГО»

**Notes to the consolidated financial statements
for the 9 months ended September 30, 2015**

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 30 September 2015 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):

	Percentage of ownership
Alatau Zharyk Company JSC ("AZhC")	84%
Almaty Power Stations JSC ("ALES")	100%
Aktobe Thermal Power Station JSC ("Aktobe TPS")	100%
AlmatyEnergoSbyt LLP ("AlmatyEnergoSbyt")	100%
Shardara HPS JSC ("Shardara HPS")	100%
Bukhtarminskaya HPS JSC ("Bukhtarminskaya HPS")	90%
Samruk Green Energy LLP	100%
Ust-Kamenogorskaya HPS JSC	90%
Shulbinskaya HPS JSC	90%
Mangistau Electricity Distribution Company JSC ("MEDC")	78,60%
Moinak HPS JSC ("Moinak HPS")	100%
Stantciya Ekibastuzskaya GRES-2 JSC ("EGRES-2")	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%
Kazhydrotechenergy LLP	100%
Ereymontay 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 six-month period ended 30 June 2015 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 2014, 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 2015 that will significantly increase the Group's expenses, downtime of power units and decreased level of electricity production.

Exchange rates

At 30 September 2015 the exchange rate used for translation of foreign currency balances was 1 US Dollar = Tenge 270.40 (31 December 2014: 1 US Dollar = Tenge 182.35).

On 11 February 2014 the National Bank of the Republic of Kazakhstan ceased to support the exchange rate of Tenge against foreign currencies.

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 30 September 2015. 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 2014, 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>	Buildings and constructions	Machinery and equipment	Other	Construction in progress	Total
Cost at 1 January 2015	176,513,833	523,987,158	13,571,181	87,458,931	801,531,103
Accumulated depreciation and impairment	(29,005,198)	(58,041,405)	(4,011,995)	(121,984)	(91,180,582)
Carrying amount at 1 January 2015	147,508,635	465,945,753	9,559,186	87,336,947	710,350,521
Additions	69,905	1,018,438	473,886	47,762,179	49,324,408
Acquisition of subsidiary *	11,334	2,179	21,231	-	34,744
Transfers	21,005,927	6,080,833	127,078	(27,213,838)	-
Depreciation	(6,729,326)	(18,770,568)	(642,803)	-	(26,142,697)
Impairment	-	-	-	-	-
Disposals	(76,366)	(341,848)	(21,167)	-	(439,381)
Transfer (to)/from other assets	(46,053)	41,983	3,078	26,887,423	26,886,431
Carrying amount at 30 September 2015	161,744,056	453,976,770	9,520,489	134,772,711	760,014,026
Cost at 30 September 2015	186,860,232	515,114,769	12,870,335	134,982,161	849,827,497
Accumulated depreciation and impairment	(25,116,176)	(61,137,999)	(3,349,846)	(209,450)	(89,813,471)
Carrying amount at 30 September 2015	161,744,056	453,976,770	9,520,489	134,772,711	760,014,026

As at 30 September 2015 the property, plant and equipment with carrying value of Tenge 4,405,800 thousand (31 December 2014: Tenge 4,648,573 thousand) were pledged as collateral for borrowings received by the Group.

* The fair value of acquired Property, plant and equipment on acquisition of subsidiary represents provisional pending receipts of the valuation for those assets.

5 Intangible Assets

<i>In thousands of Kazakhstan Tenge</i>	Licences	Computer software	Other	Total
Cost at 1 January 2013	132,573	1,390,471	546,457	2,069,501
Accumulated amortisation	(106,914)	(623,791)	(6,170)	(736,875)
Carrying amount at 31 December 2013	25,659	766,680	540,287	1,332,626
Additions	95,471	1,074,337	360,765	1,533,362
Amortisation charge	(18,208)	(258,764)	(12,782)	(289,191)
Impairment charge to profit or loss	-	-	(126,254)	(126,254)
Reclassification to disposal group	-	(398,235)	-	(398,235)
Carrying amount at 31 December 2014	102,922	1,184,018	762,016	2,048,956
Cost at 31 December 2014	225,134	1,981,293	780,968	2,987,395
Accumulated amortisation	(122,212)	(797,275)	(18,952)	(938,439)
Carrying amount at 31 December 2014	102,922	1,184,018	762,016	2,048,956
Additions	-	311,060	121,441	432,501
Amortisation charge	(10,368)	(227,083)	(56,687)	(294,138)
Impairment charge to profit or loss	-	-	-	-
Reclassification to disposal group	-	-	-	-
Carrying amount at 30 September 2015	92,554	1,267,995	826,770	2,187,319
Cost at 30 September 2015	245,985	2,259,320	897,048	3,402,353
Accumulated amortisation	(153,431)	(991,325)	(70,278)	(1,215,034)
Carrying amount 30 September 2015	92,554	1,267,995	826,770	2,187,319

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.

<i>In thousands of Kazakhstan Tenge</i>	Joint ventures			Associate		Total
	EGRES-2	Forum Muider	ZhGRES	EGRES-1	BTES	
Balance at 1 January 2014	38,661,671	28,344,210	-	171,237,259	4,639,877	242,883,017
Contribution to share capital	-	-	-	-	6,059,620	6,059,620
Share of profit or loss of joint ventures and associates	5,128,944	3,938,881	-	4,032,959	(143,207)	12,957,577
Dividend received	(1,500,000)	(6,233,294)	-	-	-	(7,733,294)
Gain from revaluation of previously held interest	-	-	-	56,682,576	-	56,682,576
Business combination	-	-	-	(231,952,794)	-	(231,952,794)
Balance at 31 December 2014	42,290,615	26,049,797	-	-	10,556,290	78,896,702
Contribution to share capital	-	-	-	-	7,556,910	7,556,910
Share of profit or loss of joint ventures and associates	(9,227,069)	2,374,386	-	-	(1,362,735)	(8,215,418)
Dividend received	-	(5,015,697)	-	-	-	(5,015,697)
Balance at 30 September 2015	33,063,546	23,408,486	-	-	16,750,465	73,222,497

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 (36,25% plus one share): 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 30 September 2015 and 31 December 2014, and for the periods ended 30 September 2015 and 30 September 2014:

In thousands of Kazakhstan Tenge	EGRES-2		Forum Muider		ZhGRES		BTES	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Total current assets	10,441,210	10,632,931	23,043,940	16,328,274	-	7,826,956	1,119,388	20,967,915
Total non-current assets	148,468,364	145,570,529	59,804,072	66,535,959	-	3,226,591	58,191,211	22,110,034
Total current liabilities	18,417,447	10,766,604	25,370,865	19,955,908	-	7,692,635	13,102,420	852,789
Total non-current liabilities	74,365,036	60,855,626	10,660,175	10,808,731	-	360,300	-	-
Net assets	66,127,091	84,581,230	46,816,972	52,099,594	-	3,000,612	46,208,179	42,225,160
Revenue	19,672,885	25,350,446	54,243,531	66,613,722	-	-	-	-
Governmental subsidies	-	-	-	-	-	-	-	-
Profit or loss before tax	(17,515,465)	1,908,207	7,590,663	(9,751,898)	-	-	(3,755,989)	(523,950)
Total comprehensive income/(loss)	(18,454,138)	578,010	6,193,911	(7,094,564)	-	-	(3,759,270)	(527,452)

7 Other Non-Current Assets

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated)*
Prepayments for non-current assets	6,602,851	12,156,256
Bonds	5,628,000	3,867,000
Non-current VAT recoverable	821,055	1,440,198
Restricted cash	703,355	494,081
Long-term deposits	261,733	320,537
Other	122,136	57,759
Total other non-current assets	14,139,130	18,335,831

8 Inventories

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated*)
Auxiliary production materials	5,434,416	6,993,488
Fuel	4,021,505	5,034,695
Spare parts	4,596,589	1,283,914
Raw materials	15,797	13,254
Other materials	733,307	595,192
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(1,966,834)	(1,889,042)
Total inventories	12,834,780	12,031,501

Significant increase in provision relates to slow-moving inventories of EGRES-1.

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated*)
Provision, 1 January	1,889,042	884,065
Provision charged/(reversed)	84,094	862,654
Acquisition through business combination	-	148,028
Inventories written off during the year	(6,302)	(5,705)
Provision for impairment at 30 September	1,966,834	1,889,042

9 Trade and other receivables

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated)*
Trade receivables	13,029,522	11,992,719
Less: impairment provision	(253,431)	(290,812)
Other receivables	6,231,647	3,749,485
Less: impairment provision	(3,912,368)	(3,724,888)
Total trade and other receivables	15,095,370	11,726,504

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

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014
Provision for impairment at 1 January	290,812	839,997
Provision for impairment charged during the year	18,233	57,371
Discontinued operations	-	(515,056)
Reversal of provision during the year	(35,681)	-
Amounts written off during the year as uncollectible	(19,933)	(91,500)
Provision for impairment at 30 September	253,431	290,812

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

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014
Current and not impaired	6,715,817	8,620,901
Total current and not impaired	6,715,817	8,620,901
<i>Past due but not impaired</i>		
- up to 30 days overdue	4,620,336	1,998,609
- 30 to 90 days overdue	761,281	989,577
- 90 to 120 days overdue	89,953	50,810
- more than 120 days overdue	588,730	42,010
Total past due but not impaired	6,060,300	3,081,006

10 Other Current Assets

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated*)
Term deposits	38,434,683	26,202,745
VAT recoverable and prepaid taxes	6,176,379	7,160,455
Restricted cash denominated in USD	4,507,189	4,257,052
Advances to suppliers	1,420,533	2,083,758
Dividends receivable	2,596,720	2,252,360
Short-term loans to related parties	6,900	12,613
Other	698,290	466,114
Total other current assets	53,840,694	42,435,097

11 Cash and Cash Equivalents

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated*)
Cash at current bank accounts	12,244,647	13,165,100
Demand deposits	2,812,795	7,406,688
Cash on hand	12,212	10,606
Total cash and cash equivalents	15,069,654	20,582,394

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:

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014 (restated*)
Тенге	11,074,602	11,501,559
Доллары США	3,882,879	9,022,216
Прочие валюты	112,173	58,619
Итого денежные средства и их эквиваленты	15,069,654	20,582,394

12 Non-Current Trade and Other Payables

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014
Deferred income		
- AZhC	3,062,448	3,284,331
- MEDC	-	-
Trade payables on construction of Moinak HPS	-	2,096,507
Trade payables on construction of AZhC	487,879	-
Trade payables	1,994,699	770,416
Payables on preferred shares of subsidiaries and associates	283,779	309,014
Other payables	40,355	40,355
Total trade and other payables	5,869,160	6,500,623

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.

12 Non-current Trade and Other Payables (continued)

Presented below is movement in deferred income:

<i>In thousands of Kazakhstan Tenge</i>	AzhC	MEDC	Total
Carrying value at 1 January 2014	3,793,578	1,664,159	5,457,737
Reclassification to disposal group	-	(1,664,159)	(1,664,159)
Changes in the carrying value of loans from consumers charged to deferred income	(129,889)	-	(129,889)
Revenue recognition	(379,358)	-	(379,358)
Carrying value at 31 December 2014	3,284,331	-	3,284,331
Carrying value at 1 January 2015	3,284,331	-	3,284,331
Reclassification to disposal group	-	-	-
Changes in the carrying value of loans from consumers charged to deferred income	-	-	-
Revenue recognition	(221,883)	-	(221,883)
Carrying value at 30 September 2015	3,062,448	-	3,062,448

13 Current Trade and Other Payables

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014
Trade payables	9,088,117	19,027,548
Payable to Almaty Akimat	5,841,513	6,841,513
Dividends payable	660,059	620,970
Other financial payables	5,826,564	664,463
Total financial payables	21,416,253	27,154,494
Advances received from suppliers and contractors	2,344,500	5,167,532
Salaries payable	902,532	911,741
Accrued provisions for unused vacations	865,862	968,534
Other payables	849,155	1,406,818
Total current trade and other payables	26,378,302	35,609,119

14 Equity

Share Capital

	Number of authorised and issued shares	Value per share, Tenge	Share Capital, (thousands of Tenge)
Balance at 31 December 2014	5,585,437		355,364,386
Issued and placed shares	286	1,000	286,019
Balance at 30 September 2015	5,585,723		355,650,405

15 Borrowings

<i>In thousands of Kazakhstan Tenge</i>	30 September 2015	31 December 2014
Non-current portion	341,488,610	280,326,306
Current portion	86,887,254	38,840,232
Total borrowings	428,375,864	319,166,538

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.

$$BV_{CS} (31 \text{ December } 2014) = 491,000,495 / 5,585,437 = 87,907 \text{ Tenge}$$

$$BV_{CS} (30 \text{ September } 2015) = 446,949,806 / 5,585,723 = 80,017 \text{ Tenge}$$

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.

$$NAV (31 \text{ December } 2014) = (954,409,397 - 2,048,956) - 461,359,946 = 491,000,495 \text{ thousands of Tenge}$$

$$NAV (30 \text{ September } 2015) = (1,012,835,036 - 2,187,319) - 563,697,911 = 446,949,806 \text{ thousands of Tenge}$$

17 Revenue

Revenue from the sale of products and provision of services for the 9 months ended 30 September 2015 comprise 132,831,186 thousands of Tenge.

<i>In thousands of Kazakhstan Tenge</i>	For the 9 months ended 30 September 2015	For the 9 months ended 30 September 2014 (restated)*
Sale of electricity and heat energy	128,256,796	114,624,575
Electricity transmission	1,216,088	758,406
Other	3,358,302	3,271,625
Total revenue	132,831,186	118,654,606

18 Cost of sales

During the reporting period the cost of goods sold and services rendered comprised 92,453,936 thousands of Tenge.

<i>In thousands of Kazakhstan Tenge</i>	For the 9 months ended 30 September 2015	For the 9 months ended 30 September 2014 (restated)*
Fuel	27,573,293	29,719,820
Depreciation of property, plant and equipment and amortisation of intangible assets	25,623,693	24,311,216
Payroll and related expenses	14,379,965	12,394,934
Services of industrial nature	12,183,695	9,441,201
Repairing and maintenance	3,420,023	2,910,618
Materials	3,213,407	2,556,178
Taxes other than on income	2,273,114	1,535,525
Licenses, permits, fees, and etc.	1,896,887	1,426,014
Security service	604,284	562,159
Rent services	136,966	112,535
Electricity losses on transmission	114,976	155,651
Provision on obsolete and slow-moving inventories	(131,215)	-
Others	1,164,848	1,047,195
Total cost of sales	92,453,936	86,173,046

19 General and Administrative Expenses*In thousands of Kazakhstan Tenge*

	For the 9 months ended 30 September 2015	For the 9 months ended 30 September 2014 (restated)*
Payroll and related expenses	4,173,526	3,525,273
Depreciation of property, plant and equipment and amortisation of intangible assets	903,321	602,605
Materials	144,505	171,455
Rent services	468,860	371,445
Sponsorship and social security	195,230	614,768
Taxes other than on income	228,792	301,798
Third party services	276,120	182,060
Insurance	162,279	143,483
Consulting and other professional services	476,763	651,768
Security services	169,707	118,448
Bank charges	129,532	92,303
Business trips and representative expenses	190,479	179,188
Others	908,324	1,020,716
Total general and administrative expenses	8,427,438	7,975,310

20 Finance Income*In thousands of Kazakhstan Tenge*

	For the 9 months ended 30 September 2015	For the 9 months ended 30 September 2014 (restated)*
Interest income on bank deposits	1,549,923	2,615,855
Foreign exchange gains less losses	-	5,426,853
Other	690,223	797,623
Total finance income	2,240,146	8,840,331

21 Finance costs*In thousands of Kazakhstan Tenge*

	For the 9 months ended 30 September 2015	For the 9 months ended 30 September 2014 (restated)*
Interest expense on borrowings	14,980,555	17,308,396
Foreign exchange losses less gains	48,266,539	-
Dividends on preference shares of subsidiaries	105,830	336,388
Other	655,262	812,940
Total finance costs	64,008,186	18,457,724

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 9 months ended 30 September 2015	For the 9 months ended 30 September 2014 (restated)*
Profit/(loss) for the period attributable to equity shareholders of the Group	(39,801,331)	44,883,395
Weighted average number of ordinary shares	5,585,501	5,477,548
Basic and diluted earnings/(losses) per share, Tenge	(7,126)	8,194

* Comparative information has been adjusted to reflect discontinued operations

Kairat B. Maxutov
Deputy Chairman of Management Board



Saule B. Tulekova
Head of Accounting and Tax Department –
Chief Accountant

A handwritten signature in blue ink, likely belonging to Saule B. Tulekova, positioned above her name and title.