

KazTransOil JSC

Unaudited interim condensed consolidated financial statements

For the three months ended 31 March 2016

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Unaudited interim condensed consolidated financial statements

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Report on review of interim condensed consolidated financial statements

To the Shareholders of KazTransOil JSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of KazTransOil JSC and its subsidiaries ("the Group"), comprising the interim consolidated statement of financial position as at 31 March 2016 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of KazTransOil JSC and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34.


Ernst & Young LLP



Gulmira Turmagambetova
Auditor



Auditor qualification certificate
No. 0000374 dated 21 February 1998

12 May 2016


Evgeny Zhemaletdinov
General director
Ernst & Young LLP



State audit license for audit activities on the
territory of the Republic of Kazakhstan:
series МФЮ-2 No. 0000003 issued by the
Ministry of Finance of the Republic of
Kazakhstan on 15 July 2005

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of Tenge</i>	Note	31 March 2016 (unaudited)	31 December 2015 (audited)
Assets			
Non-current assets			
Property, plant and equipment	3	473,188,429	478,504,930
Intangible assets	4	7,399,976	7,399,731
Investments in joint ventures	5	14,590,208	13,918,006
Advances to suppliers for property, plant and equipment	6	5,551,163	7,733,267
Bank deposits	12	4,513,981	4,487,436
Other non-current assets		27,548	27,156
		505,271,305	512,070,526
Current assets			
Inventories	7	3,643,421	3,599,697
Interest free loans	31	19,357,210	18,735,079
Trade and other accounts receivable	8	6,189,517	4,224,126
Advances to suppliers	9	3,020,838	3,062,072
Prepayment for corporate income tax		881,844	2,376
VAT recoverable and other prepaid taxes	10	7,416,557	8,639,068
Other current assets	11	3,859,685	6,062,455
Bank deposits	12	6,078,348	12,446,837
Cash and cash equivalents	13	68,050,362	50,420,288
		118,497,782	107,191,998
Total assets		623,769,087	619,262,524

The accounting policy and explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	Note	31 March 2016 (unaudited)	31 December 2015 (audited)
Equity and liabilities			
Equity			
Share capital	14	61,937,567	61,937,567
Asset revaluation reserve	14	125,191,877	125,563,376
Other capital reserves	14	(3,813,701)	(3,813,701)
Foreign currency translation reserve	14	38,003,483	36,210,843
Retained earnings		275,794,197	253,033,425
Total equity		497,113,423	472,931,510
Non-current liabilities			
Employee benefits liability	15	15,414,058	15,098,686
Deferred tax liabilities	29	41,371,123	40,682,643
Provision on asset retirement obligation and land reclamation obligation	20	18,276,981	21,999,701
Deferred income	16	8,058,576	8,081,762
		83,120,738	85,862,792
Current liabilities			
Employee benefits liability	15	435,000	435,024
Income tax payable		1,318,470	2,112,015
Trade and other accounts payable	17	9,073,534	16,654,897
Advances received	18	13,839,746	17,825,174
Other taxes payable	19	4,519,131	4,558,010
Provisions	20	63,460	63,191
Other current liabilities	21	14,285,585	18,819,911
		43,534,926	60,468,222
Total liabilities		126,655,664	146,331,014
Total equity and liabilities		623,769,087	619,262,524
Book value of ordinary shares (in Tenge)	14	1,273	1,210

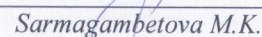
Signed and approved for issue on 12 May 2016.

General director



Shmanov N.N.

Chief accountant



Sarmagambetova M.K.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2016	2015
Revenue	22	54,661,647	53,568,340
Cost of sales	23	(29,634,725)	(28,194,959)
Gross profit		25,026,922	25,373,381
General and administrative expenses	24	(2,771,512)	(2,481,761)
Other operating income	25	1,078,351	333,211
Other operating expenses	26	(56,800)	(40,370)
Operating profit		23,276,961	23,184,461
Net foreign exchange (loss)/gain		(65,467)	1,098,085
Finance income	27	1,382,235	843,073
Finance costs	28	(569,112)	(463,780)
Share in income of joint ventures	5	654,864	1,063,523
Profit before tax		24,679,481	25,725,362
Income tax expense	29	(4,872,373)	(5,164,064)
Profit for the period		19,807,108	20,561,298
Earnings per share (in Tenge)	14	51	53

The accounting policy and explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2016	2015
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Exchange difference from translation of foreign operations of the Group		1,792,640	(1,709,310)
Exchange difference from translation of foreign operations of the joint ventures		-	5,538
Total other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net		1,792,640	(1,703,772)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Impairment recovery of property, plant and equipment of the Group	3	1,266	-
Income tax effect	29	(253)	-
		1,013	-
Provision on asset retirement obligation and land recultivation of the Group	20	3,204,768	-
Income tax effect	29	(640,954)	-
		2,563,814	-
Provision on asset retirement obligation and land recultivation of the joint ventures		21,672	284,700
Income tax effect		(4,334)	(56,940)
	5	17,338	227,760
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods		2,582,165	227,760
Total other comprehensive income/(loss) for the period, net of tax		4,374,805	(1,476,012)
Total comprehensive income for the period, net of tax		24,181,913	19,085,286


Signed and approved for issue on 12 May 2016.

General director



Shmanov N.N.

Chief accountant



Sarmagambetova M.K.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2016	2015
Cash flows from operating activities			
Profit before tax		24,679,481	25,725,362
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization	23, 24	9,451,311	8,212,982
Net charge of allowance for doubtful debts	24	10,737	43,421
Share in income of joint ventures	5	(654,864)	(1,063,523)
Finance costs	28	569,112	463,780
Finance income	27	(1,382,235)	(843,073)
Employee benefits for the current service cost	15	267,500	200,617
Net charge of provisions		-	11,473
Loss on disposal of property, plant and equipment	26	19,181	27,703
Net gain on disposal of inventory	25, 26	(1,555)	(11,248)
Net loss from disposal of other assets	26	1,500	1,261
Impairment recovery of property, plant and equipment	3	(3,278)	(53,781)
Income from write-off of accounts payable	25	(58)	(16,839)
Income from revision of estimates on asset retirement obligation and land recultivation	20	(920,640)	-
Amortization of deferred income		-	(107,818)
Operating cash flows before working capital changes		32,036,192	32,590,317
(Increase)/decrease in operating assets			
Inventories		(125,752)	(596,084)
Trade and other accounts receivable		(1,840,924)	766,598
Advances to suppliers		172,224	(932,123)
VAT recoverable and other prepaid taxes		676,572	389,174
Other current assets		2,371,853	776,776
Increase/(decrease) in operating liabilities			
Trade and other accounts payable		(826,600)	(3,316,528)
Advances received		(4,001,422)	(39,243)
Other taxes payable		(68,320)	(515,069)
Other current and non-current liabilities and employee benefit liabilities		(4,870,795)	(2,458,218)
Cash generated from operations		23,523,028	26,665,600
Income taxes paid		(6,339,836)	(4,507,576)
Interest received		714,657	636,474
Net cash flow from operating activities		17,897,849	22,794,498

The accounting policy and explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2016	2015
Cash flows from investing activities			
Withdrawal of bank deposits		6,628,313	11,953,167
Placement of bank deposits		(195,370)	(28,402,374)
Purchase of property, plant and equipment		(6,635,919)	(9,931,753)
Purchase of intangible assets		(21,358)	(12,808)
Proceeds from disposal of property, plant and equipment and intangible assets		121	10,048
Net cash flow used in investing activities		(224,213)	(26,383,720)
Cash flows from financing activities			
Net cash flow used in financing activities		-	-
Effect of exchange rate differences		(43,562)	(1,206,953)
Net change in cash and cash equivalents		17,630,074	(4,796,175)
Cash and cash equivalents at the beginning of the period		50,420,288	42,174,720
Cash and cash equivalents at the end of the period	13	68,050,362	37,378,545

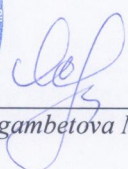
Signed and approved for issue on 12 May 2016.

General director



Shmanov N.N.

Chief accountant




Sarmagambetova M.K.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of Tenge</i>	Share capital	Asset revaluation reserve	Currency translation reserve	Other capital reserves	Retained earnings	Total
As at 31 December 2015 (audited)	61,937,567	125,563,376	36,210,843	(3,813,701)	253,033,425	472,931,510
Profit for the period	–	–	–	–	19,807,108	19,807,108
Other comprehensive income	–	2,582,165	1,792,640	–	–	4,374,805
Total comprehensive income for the period	–	2,582,165	1,792,640	–	19,807,108	24,181,913
Depreciation of revalued property, plant and equipment	–	(2,953,664)	–	–	2,953,664	–
As at 31 March 2016 (unaudited)	61,937,567	125,191,877	38,003,483	(3,813,701)	275,794,197	497,113,423
As at 31 December 2014 (audited)	61,937,567	138,237,679	14,860,910	(1,810,575)	244,418,740	457,644,321
Profit for the period	–	–	–	–	20,561,298	20,561,298
Other comprehensive income/(loss)	–	227,760	(1,703,772)	–	–	(1,476,012)
Total comprehensive income/(loss) for the period	–	227,760	(1,703,772)	–	20,561,298	19,085,286
Depreciation of revalued property, plant and equipment	–	(3,073,322)	–	–	3,073,322	–
As at 31 March 2015 (unaudited)	61,937,567	135,392,117	13,157,138	(1,810,575)	268,053,360	476,729,607

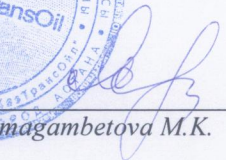
Signed and approved for issue on 12 May 2016.

General director



Shmanov N.N.

Chief accountant



Sarmagambetova M.K.

The accounting policy and explanatory notes on pages 8 through 32 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2016

1. GENERAL

On 2 May 2001, the Government of the Republic of Kazakhstan issued a resolution to create a new closed joint stock company National Company "Transportation of Oil and Gas" (hereinafter – "TNG") owned by the Government. Based on that resolution, the Committee for State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan transferred the "KazTransOil NOTC" CJSC shares to TNG, and, as a result, "KazTransOil NOTC" CJSC was re-registered and renamed "KazTransOil" Closed Joint Stock Company.

On 31 May 2004, in accordance with the requirements of Kazakhstani legislation, Closed Joint Stock Company "KazTransOil" was re-registered as "KazTransOil" Joint Stock Company (hereinafter – "Company").

As at 31 March 2016 10% of shares of the Company are owned by minority shareholders who acquired them within the "People's IPO" program. The major shareholder of the Company, who owns the controlling interest of the Company (90%) is National Company "KazMunayGas" JSC (hereinafter "KMG" or "Parent Company"). 90% of KMG shares are owned by Sovereign Wealth Fund "Samruk-Kazyna" JSC (hereinafter – "Samruk-Kazyna"), controlled by the Government of the Republic of Kazakhstan. 10% of KMG shares are owned by the National Bank of the Republic of Kazakhstan.

As at 31 March 2016 and 31 December 2015 the Company had interest ownership in the following companies:

	Place of incorporation	Principal activities	Ownership	
			31 March 2016	31 December 2015
NWPC "MunaiTas" JSC (hereinafter "MunaiTas")	Kazakhstan	Oil transportation	51%	51%
"Kazakhstan-China Pipeline" LLP hereinafter ("KCP")	Kazakhstan	Oil transportation	50%	50%
"Batumi Terminals Limited" (hereinafter "BTL")	Cyprus	Forwarding, transshipment and storage of oil and oil products and operating of Batumi Sea Port and Oil Terminal	100%	100%

The Company and its subsidiary are hereinafter referred to as the "Group".

The Company's head office is located in Astana, Kazakhstan, at 19 Kabanbay Batyr Avenue. The Company has 4 branches, which are located in Atyrau (Western branch), Pavlodar (Eastern branch), Almaty (Research and Development Centre), Astana (Main Information and Computing Center), and representative offices in the Russian Federation (Moscow, Omsk and Samara). On 14 March 2016 Board of Directors of the Company has made a decision to close a representative office in Moscow.

The Group operates network of main oil pipelines of 5,373 km and water pipelines of 1,975 km within the Republic of Kazakhstan. Also the Group is engaged in storage, loading, transshipment and transfer of crude oil to other related pipeline systems. Group's joint ventures MunaiTas and KCP own Kenkiyak-Atyrau, Kenkiyak-Kumkol, and Atasu-Alashankou pipelines used for transportation of Kazakhstani crude oil to China.

BTL, subsidiary of the Company, provides services for transshipment and storage of crude oil, oil products and liquefied petroleum gas, as well as services for dry cargo transshipment through Batumi Oil Terminal and Batumi Sea Port in Georgia. BTL owns Batumi Oil Terminal LLC (hereinafter – "BOT") and Petrotrans Limited Company. BOT has the exclusive right to operate 100% of the shares of Batumi Sea Port LLC (hereinafter – "BSP").

The Company is a natural monopolist and, respectively, is subject to regulation of the Committee on Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy of the Republic of Kazakhstan (hereinafter – "CRNMandPC"). CRNMandPC is responsible for approving the methodology for calculating the tariff and tariff rates, which serve as a base for receiving major part of the Group's revenue in domestic market of the Republic of Kazakhstan.

On 18 May 2015 amendments to the Law of the Republic of the Kazakhstan *On natural Monopolies and Regulated Markets* came into force. According to the amendments transit of crude oil through the pipeline on the territory of the Republic of the Kazakhstan and export from the Republic of the Kazakhstan is excluded from the regulation of natural monopolies.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL (continued)

From 1 October 2015 order of CRNMandPC dated 21 August 2015 approved the maximum tariffs for pumping oil on the domestic market for 2015-2019 in the amount of:

- in 2015 – 3,225.04 Tenge per tonne for 1,000 km without VAT;
- in 2016 – 3,547.46 Tenge per tonne for 1,000 km without VAT*;
- in 2017 – 3,902.13 Tenge per tonne for 1,000 km without VAT;
- in 2018 – 4,292.40 Tenge per tonne for 1,000 km without VAT;
- in 2019 – 4,721.72 Tenge per tonne for 1,000 km without VAT.

* The rate came into effect on 1 January 2016.

In general, tariff rates are based on the cost of capital return on operating assets. In accordance with the legislation of the Republic of Kazakhstan on regulation of natural monopolies, tariff rates cannot be lower than the expenditures required to provide services, and should provide for entity's profitability at the level ensuring effective functioning of a natural monopoly.

These interim condensed consolidated financial statements were approved for issue by the General director and the Chief accountant on 12 May 2016.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

Basis of preparation

These interim condensed consolidated financial statements for the three months ended 31 March 2016 have been prepared in accordance with International Financial Reporting IAS 34 *Interim Financial Reporting*.

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for property, plant and equipment which are stated at revalued amounts and financial assets that have been measured at fair value.

Interim condensed consolidated financial statements do not include all information and disclosures required for annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

The interim condensed consolidated financial statements are presented in Tenge and all values are rounded to the nearest thousand, except for the book value of ordinary shares, earnings per share and when otherwise indicated. The Group's interim condensed consolidated financial statements are presented in Tenge. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency of the Company and the joint ventures MunaiTas and KCP is Tenge. Functional currency of BTL Group is US dollar, except for BSP, which functional currency is Georgian Lari.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

Several new standards and amendments apply for the first time in 2015. However, they do not impact the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment are described below.

The Group first applies some new standards and amendments to existing standards and interpretations. These include:

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer and the Group has no regulatory deferral account balances, this standard does not affect the interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)****2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)****New standards, interpretations and amendments thereof, adopted by the Group (continued)***Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 *Business Combinations* principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Annual improvements 2012-2014 cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. The document includes the following amendments, which do not affect the interim condensed consolidated financial statements of the Group:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

*IFRS 7 Financial Instruments: Disclosures**(i) Servicing contracts*

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)**New standards, interpretations and amendments thereof, adopted by the Group (continued)***Annual improvements 2012-2014 cycle (continued)**IFRS 5 Non-Current Assets Held For Sale And Discontinued Operations (continued)**(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements*

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1.
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)

Seasonality of operations

The Group's operating costs are subject to seasonal fluctuations, with higher expenses for materials and repair, maintenance and other services usually expected in the latter part of the year. These fluctuations are mainly due to the pipeline repairs that are performed mainly during the second half of the year. Purchase of inventory is mainly made in the first half of the year.

Foreign currency translation

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (hereinafter "KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

Weighted average currency exchange rates for the three months ended 31 March 2016 and 2015 were as follows:

<i>Tenge</i>	For the three months ended 31 March	
	2016	2015
US dollars	356.56	184.64
Russian rubles	4.77	2.93
Euro	391.73	208.32
Georgian lari	147.36	90.24

As at 31 March 2016 and 31 December 2015 the currency exchange rates of KASE were:

<i>Tenge</i>	31 March 2016	31 December 2015
US dollars	343.62	340.01
Russian rubles	5.1	4.61
Euro	390.52	371.46
Georgian lari	150.05	142.86

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 31 March 2015 were presented as follows:

<i>In thousands of Tenge</i>	Land	Pipelines	Transportation assets	Buildings and constructions	Machinery and equipment	Technological oil	Other	Construction in progress	Total
At revalued amount as at 31 December 2015 (audited)	19,906,546	181,224,490	15,037,200	97,363,099	134,803,085	69,590,536	16,386,475	53,042,281	587,353,712
Foreign currency translation	195,245	–	90,666	546,730	326,721	–	16,574	13,339	1,189,275
Additions	–	–	–	–	3,171	–	2,197	2,676,039	2,681,407
Recognition of asset retirement and land reclamation obligation (Note 20)	–	41,661	–	–	–	–	–	–	41,661
Disposals	–	(2,759)	–	(2,492)	(39,135)	–	(16,143)	–	(60,529)
Transfer from construction-in-progress	21,968	1,765,444	7,488	62,425	468,391	–	27,997	(2,353,713)	–
Transfers and reclassifications	–	(2,209)	38,522	(1,452)	112,272	–	7,022	(154,155)	–
At revalued amount as at 31 March 2016 (unaudited)	20,123,759	183,026,627	15,173,876	97,968,310	135,674,505	69,590,536	16,424,122	53,223,791	591,205,526
Accumulated depreciation and impairment as at 31 December 2015 (audited)	–	(26,043,932)	(5,464,300)	(30,151,504)	(38,724,779)	(529,745)	(7,602,703)	(331,819)	(108,848,782)
Foreign currency translation	–	–	27,624	68,710	6,102	–	(1,204)	–	101,232
Depreciation charge	–	(3,104,611)	(349,756)	(1,817,869)	(3,331,967)	–	(710,172)	–	(9,314,375)
Disposals	–	1,902	–	2,050	20,238	–	16,094	–	40,284
Recovery/(accrual) of impairment through profit and loss	–	(2,393)	–	–	5,671	–	–	–	3,278
Recovery/(accrual) of impairment through capital	–	(436)	–	–	1,702	–	–	–	1,266
Transfers and reclassifications	–	246	–	(7)	(603)	–	364	–	–
Accumulated depreciation and impairment as at 31 March 2016 (unaudited)	–	(29,149,224)	(5,786,432)	(31,898,620)	(42,023,636)	(529,745)	(8,297,621)	(331,819)	(118,017,097)
As at 31 March 2016 (unaudited)									
At revalued amount	20,123,759	183,026,627	15,173,876	97,968,310	135,674,505	69,590,536	16,424,122	53,223,791	591,205,526
Accumulated depreciation and impairment	–	(29,149,224)	(5,786,432)	(31,898,620)	(42,023,636)	(529,745)	(8,297,621)	(331,819)	(118,017,097)
Net book value (unaudited)	20,123,759	153,877,403	9,387,444	66,069,690	93,650,869	69,060,791	8,126,501	52,891,972	473,188,429
As at 31 December 2015 (audited)									
At revalued amount	19,906,546	181,224,490	15,037,200	97,363,099	134,803,085	69,590,536	16,386,475	53,042,281	587,353,712
Accumulated depreciation and impairment	–	(26,043,932)	(5,464,300)	(30,151,504)	(38,724,779)	(529,745)	(7,602,703)	(331,819)	(108,848,782)
Net book value (audited)	19,906,546	155,180,558	9,572,900	67,211,595	96,078,306	69,060,791	8,783,772	52,710,462	478,504,930

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 March 2016 and 31 December 2015, construction in progress mainly includes the following production projects:

- construction and reconstruction realized as a part of interstate “Kazakhstan-China” oil pipeline construction project;
- reconstruction of main oil pipelines “Kalamkas-Karazhanbas-Aktau” on the “Karazhanbas-Aktau” route, repair works including replacement of certain routes of the main oil pipelines “TON-2” and other oil pipelines;
- reconstruction of firefighting system and electricity supply systems, and construction of unattended automated communication centers, construction of acceptance points at 1,235 km of the oil pipeline “Uzen-Atyrau-Samara”, realization of the project to install a system of measuring the quantity and quality of oil to the bitumen plant and others.

As at 31 March 2016:

- the initial cost of fully depreciated property, plant and equipment still in use were 8,846,944 thousand Tenge (31 December 2015: 4,822,436 thousand Tenge).
- the volume of oil in pipelines, included in property, plant and equipment, amounted 2,398 thousand tons (31 December 2015: 2,398 thousand tons).
- construction in progress included materials and spare parts in the amount of 932,405 thousand Tenge (as at 31 December 2015: 1,012,567 thousand Tenge), which were acquired for construction works.

The amount of depreciation for three months ended 31 March 2016 included in the cost of construction in progress was 4,363 thousand Tenge (for three months ended 31 March 2015: 3,387 thousand Tenge).

As at 31 March 2016 certain items of property, plant and equipment of BOT with book value of 47,047 thousand US dollars (equivalent to 16,166,290 thousand Tenge) were pledged as guarantee in favor of TBC Bank, which acted as a guarantor to ensure obligations of Georgian Transit Ltd to Georgian railways according to transportation contracts. The maximum amount of the guarantee is equal to 10,000 thousand US dollars (equivalent to 3,436,200 thousand Tenge).

4. INTANGIBLE ASSETS

Intangible assets as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	Licenses	Software	Right for land use	Other	Total
Net book value at 31 December 2015 (audited)	161,369	1,384,815	5,821,900	31,647	7,399,731
Additions	–	198	–	–	198
Amortization charge	(13,558)	(88,289)	(38,508)	(944)	(141,299)
Currency translation	2,458	–	138,888	–	141,346
Net book value at 31 March 2016 (unaudited)	150,269	1,296,724	5,922,280	30,703	7,399,976
As at 31 March 2016 (unaudited)					
At cost	641,126	4,497,459	9,157,458	88,657	14,384,700
Accumulated amortization and impairment	(490,857)	(3,200,735)	(3,235,178)	(57,954)	(6,984,724)
Net book value (unaudited)	150,269	1,296,724	5,922,280	30,703	7,399,976
As at 31 December 2015 (audited)					
At cost	638,737	4,497,457	8,945,020	88,657	14,169,871
Accumulated amortization and impairment	(477,368)	(3,112,642)	(3,123,120)	(57,010)	(6,770,140)
Net book value (audited)	161,369	1,384,815	5,821,900	31,647	7,399,731

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures as at 31 March 2016 and 31 December 2015 are presented as follows:

<i>In thousands of Tenge</i>	KCP	MunaiTas	Total
As at 31 December 2015 (audited)	–	13,918,006	13,918,006
Share in income of joint ventures	890,858	654,864	1,545,722
Unrecognised share in income of joint venture	(890,858)	–	(890,858)
Share in other comprehensive (loss)/income of joint ventures	(372,581)	17,338	(355,243)
Unrecognised share in other comprehensive loss of joint venture	372,581	–	372,581
As at 31 March 2016 (unaudited)	–	14,590,208	14,590,208

The following tables below show summarized financial information about joint ventures, including the Group's proportional share:

<i>In thousands of Tenge</i>	KCP			
	31 March 2016 (unaudited)		31 December 2015 (audited)	
	50%	100%	50%	100%
Assets and liabilities of joint ventures				
Current assets	7,116,873	14,233,746	12,346,915	24,693,830
Non-current assets	116,191,206	232,382,412	118,246,077	236,492,154
Current liabilities	(41,650,507)	(83,301,014)	(32,875,443)	(65,750,886)
Non-current liabilities	(88,300,323)	(176,600,646)	(104,878,577)	(209,757,154)
Net assets	(6,642,751)	(13,285,502)	(7,161,028)	(14,322,056)
Unrecognised accumulated comprehensive loss	6,642,751	13,285,502	7,161,028	14,322,056
Net book value of investment	–	–	–	–
<i>Additional information:</i>				
cash and cash equivalents	3,308,228	6,616,455	8,987,307	17,974,614
short-term financial liabilities	(37,844,230)	(75,688,459)	(28,224,964)	(56,449,928)
long-term financial liabilities	(86,020,146)	(172,040,291)	(103,096,811)	(206,193,622)

<i>In thousands of Tenge</i>	MunaiTas			
	31 March 2016 (unaudited)		31 December 2015 (audited)	
	51%	100%	51%	100%
Assets and liabilities of joint ventures				
Current assets	5,151,623	10,101,221	4,414,281	8,655,453
Non-current assets	12,720,790	24,942,725	12,985,200	25,461,177
Current liabilities	(493,868)	(968,369)	(639,821)	(1,254,551)
Non-current liabilities	(2,788,337)	(5,467,327)	(2,841,654)	(5,571,871)
Net assets	14,590,208	28,608,250	13,918,006	27,290,208
<i>Additional information:</i>				
cash and cash equivalents	5,039,732	9,881,827	527,106	1,033,542
short-term financial liabilities	–	–	–	–
long-term financial liabilities	–	–	–	–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. INVESTMENTS IN JOINT VENTURES (continued)

<i>In thousands of Tenge</i>	KCP			
	For the three months ended 31 March (unaudited)			
	2016		2015	
	50%	100%	50%	100%
Information on profit or loss and other comprehensive income of joint ventures for the period				
Revenue	8,008,001	16,016,002	6,785,693	13,571,386
Income from continuing operations for the period	890,858	1,781,716	507,791	1,015,583
Unrecognised income	(890,858)	(1,781,716)	-	-
Income/(loss) from discontinuing operations for the period	-	-	-	-
Other comprehensive (loss)/income	(372,581)	(745,162)	233,298	466,598
Unrecognised other comprehensive loss	372,581	745,162	-	-
Total comprehensive income	-	-	741,089	1,482,181
Dividends	-	-	-	-
<i>Additional information:</i>				
Depreciation and amortization	(1,806,166)	(3,612,331)	(1,790,175)	(3,580,349)
Interest income	14,687	29,373	23,560	47,120
Interest expense	(1,448,255)	(2,896,509)	(841,640)	(1,683,280)
Income tax expense	(93,145)	(186,290)	(219,787)	(439,573)

Foreign exchange loss was recognized by KCP due to the translation of financial liabilities (loans) denominated in US dollars. Net loss of KCP from foreign currency translation related to loans for the three months ended 31 March 2016 and 2015 was equal to 4,340,767 thousand Tenge and 2,981,259 thousand Tenge, respectively.

<i>In thousands of Tenge</i>	MunaiTas			
	For the three months ended 31 March (unaudited)			
	2016		2015	
	51%	100%	51%	100%
Information on profit or loss and other comprehensive income of joint ventures for the period				
Revenue	1,413,479	2,771,528	1,228,917	2,409,641
Income from continuing operations for the period	654,864	1,284,047	555,732	1,089,671
Income/(loss) from discontinuing operations for the period	-	-	-	-
Other comprehensive income	17,338	33,996	-	-
Total comprehensive income	672,202	1,318,043	555,732	1,089,671
Dividends	-	-	-	-
<i>Additional information:</i>				
Depreciation and amortization	(264,498)	(518,623)	(261,143)	(512,046)
Interest income	50,094	98,224	16,182	31,730
Interest expense	(11,626)	(22,796)	(9,947)	(19,503)
Income tax expense	(165,140)	(323,803)	(141,941)	(278,315)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. ADVANCES TO SUPPLIERS FOR PROPERTY, PLANT AND EQUIPMENT

Advances to suppliers for property, plant and equipment as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Advances to third parties for property, plant and equipment	5,604,421	7,786,525
Less: allowance for doubtful debts	(53,258)	(53,258)
Total	5,551,163	7,733,267

Movement in allowance for doubtful debts related to the advances given to suppliers for property, plant and equipment was as follows:

<i>In thousands of Tenge</i>	2016	2015
As at 1 January (audited)	53,258	99,526
Reversal for the period	-	(182)
As at 31 March (unaudited)	53,258	99,344

7. INVENTORIES

Inventories as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Spare parts	1,466,976	1,531,217
Fuel	972,564	823,855
Construction materials	233,250	185,387
Chemical reagents	75,678	90,812
Overalls	66,287	98,406
Goods	65,736	140,887
Other	800,723	766,685
	3,681,214	3,637,249
Less: provision for slow-moving and obsolete inventory	(37,793)	(37,552)
Total	3,643,421	3,599,697

Movements in the provision for slow-moving and obsolete inventory were as follows:

<i>In thousands of Tenge</i>	2016	2015
As at 1 January (audited)	37,552	33,853
Currency translation	241	192
As at 31 March (unaudited)	37,793	34,045

8. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable of the Group as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Trade accounts receivable from related parties (Note 31)	2,951,288	1,420,739
Trade accounts receivable from third parties	495,248	982,238
Other accounts receivable from third parties	3,491,629	2,544,880
Other accounts receivable from related parties (Note 31)	40,777	36,122
	6,978,942	4,983,979
Less: allowance for doubtful debts	(789,425)	(759,853)
Total	6,189,517	4,224,126

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. TRADE AND OTHER ACCOUNTS RECEIVABLE (continued)

Other receivables mainly represent issued fees for undelivered and unreported crude oil volumes under oil transportation contracts on “ship or pay” terms.

Movement in allowance for doubtful accounts related to trade and other receivables was as follows:

<i>In thousands of Tenge</i>	2016	2015
As at 1 January (audited)	759,853	653,120
Charge for the period	10,726	43,622
Currency translation	18,846	(1,341)
As at 31 March (unaudited)	789,425	695,401

Trade and other accounts receivable as at 31 March 2016 and 31 December 2015 were denominated in the following currencies:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Tenge	3,688,901	2,676,647
US dollars	1,950,044	1,273,385
Russian ruble	1,468	1,160
Other currency	549,104	272,934
Total	6,189,517	4,224,126

9. ADVANCES TO SUPPLIERS

Advances to suppliers as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Advances to related parties (Note 31)	1,764,806	1,841,099
Advances to third parties	1,257,016	1,221,957
	3,021,822	3,063,056
Less: allowance for doubtful debts	(984)	(984)
Total	3,020,838	3,062,072

Movement in allowance for doubtful debts related to advances given to suppliers was as follows:

<i>In thousands of Tenge</i>	2016	2015
As at 1 January (audited)	984	1,073
Reverse of provision for the period	-	(89)
As at 31 March (unaudited)	984	984

10. VAT RECOVERABLE AND OTHER PREPAID TAXES

VAT recoverable and other prepaid taxes as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
VAT recoverable	7,060,055	8,359,409
Withholding tax	31,585	-
Other taxes prepaid	324,917	279,659
Total	7,416,557	8,639,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. OTHER CURRENT ASSETS

Other current assets as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Due for oil transportation coordination services	3,057,199	5,767,898
Prepaid insurance	601,682	49,092
Due from employees	72,986	39,460
Deferred expenses from third parties	23,866	30,426
Deferred expenses from related parties (Note 31)	519	–
Other	103,444	175,579
	3,859,696	6,062,455
Less: allowance for doubtful debts	(11)	–
Total	3,859,685	6,062,455

12. BANK DEPOSITS

Bank deposits as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Short-term bank deposits	6,013,350	12,322,761
Long-term bank deposits	4,513,981	4,487,436
Accrued interest on deposits	64,998	124,076
Total	10,592,329	16,934,273

As at 31 March 2016 bank deposits mainly comprised the following:

- US dollar denominated bank deposits placed with Kazakhstani banks with maturity from 3 to 12 months, with interest from 1.4% to 1.8% per annum (as at 31 December 2015: from 1.4% to 2% per annum), maturing mainly in May 2016 (as at 31 December 2015: maturing in March and May 2016);
- restricted long-term bank deposits with interest from 2% to 3.5% per annum maturing in 2029 and in 2026, respectively (as at 31 December 2015: from 2% to 3.5% per annum maturing in 2029 and 2025, respectively), arranged for the purpose of preferential lending rates for the Company's employees for the purchase of residential property.

13. CASH AND CASH EQUIVALENTS

Bank deposits as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Time deposits with banks – Tenge	37,646,613	10,126,290
Time deposits with banks – US dollars	14,532,661	33,783,170
Current accounts with banks – US dollars	15,196,022	6,058,205
Current accounts with banks – Tenge	309,806	86,613
Current accounts with banks – lari	203,767	199,608
Current accounts with banks – euro	141,571	150,385
Current accounts with banks – Russian ruble	6,830	780
Other current accounts with banks	11,679	12,871
Cash in transit	86	27
Cash on hand	1,327	2,339
Total	68,050,362	50,420,288

As at 31 March 2016 most current accounts and time deposits with maturity less than 3 months in Tenge placed with Kazakhstani banks carried interest ranging from 0.88% to 17% per annum (as at 31 December 2015: from 0.47% to 32% per annum). Interest for current accounts and time deposits with maturity less than 3 months placed in US dollars ranged from 0.78% to 4% per annum (as at 31 December 2015: from 0.25% to 3% per annum).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. EQUITY

Share capital

As at 31 March 2016 and 31 December 2015 the Company's share capital comprised 384,635,600 common shares authorized, issued and fully paid in the amount of 62,503,284 thousand Tenge, except for 1 share which was authorized but not issued and not paid.

As at 31 March 2016 and 31 December 2015 share capital was equal to 61,937,567 thousand Tenge, net of consulting costs related to the issuance of shares in the amount of 565,717 thousand Tenge.

Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

As the Parent of the Group does not issue convertible financial instruments, basic earnings per share of the Group is equal to diluted earnings per share.

The following reflects the net profit and share data used in the basic earnings per share computations:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Net profit attributable to ordinary equity holders of the Parent for basic earnings	19,716,308	20,561,298
Weighted average number of ordinary shares for basic earnings per share	384,635,599	384,635,599
Basic earnings per share, in relation to profit for the period attributable to ordinary equity holders of the Company, as a Parent of the Group (in Tenge)	51	53

Book value per ordinary share

Book value of the ordinary shares in accordance with requirements of KASE of the Parent of the Group is as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Total assets	623,769,087	619,262,524
Less: intangible assets (Note 4)	(7,399,976)	(7,399,731)
Less: total liabilities	(126,655,664)	(146,331,014)
Net assets for calculation of book value per ordinary share	489,713,447	465,531,779
Number of ordinary shares	384,635,599	384,635,599
Book value per ordinary share (in Tenge)	1,273	1,210

Asset revaluation reserve

Revaluation reserve was formed based on revaluation and impairment of property, plant and equipment of the Group and share in the asset revaluation reserve of the joint ventures.

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Asset revaluation reserve of the Group	102,167,357	102,140,226
Share in the asset revaluation reserve of the joint ventures	23,024,520	23,423,150
Total	125,191,877	125,563,376

Foreign currency translation reserve

As at 31 March 2016 currency translation reserve was equal to 38,003,483 thousand Tenge (as at 31 December 2015: 36,210,843 thousand Tenge). Change in foreign currency translation reserve is due to the translation of the operations of the foreign subsidiary.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. EMPLOYEE BENEFIT LIABILITY

The Company has employee benefit liabilities, mainly consisting of additional payments for pensions and jubilee obligations, applicable to all employees. These payments are unfunded.

Employee benefit liabilities as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Current portion of employee benefit liabilities	435,000	435,024
Non-current portion of employee benefit liabilities	15,414,058	15,098,686
Total	15,849,058	15,533,710

Changes in the present value of employee benefit liabilities for the three months ended 31 March 2016 and 31 December 2015 were as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Employee benefit liabilities at the beginning of the period	15,533,710	11,613,360
Unwinding of discount (Note 28)	208,085	144,829
Current services cost (Note 23, 24)	267,500	200,617
Benefits paid	(160,237)	(118,752)
Employee benefit liabilities at the end of the period (unaudited)	15,849,058	11,840,054

16. DEFERRED INCOME

Deferred income as at 31 March 2016 and 31 December 2015 was presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Deferred income	8,058,576	8,081,762
Total	8,058,576	8,081,762

Deferred income represents amounts received by BTL group in advance from Batumi International Container Terminal (hereinafter – “BICT”) based on agreement of operating lease of land.

17. TRADE AND OTHER ACCOUNTS PAYABLE

Trade and other accounts payable as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Accounts payable to third parties for goods and services	8,335,684	15,397,918
Accounts payable to related parties for goods and services (Note 31)	639,903	814,409
Other payables to third parties	97,174	441,898
Other payables to related parties (Note 31)	773	672
Total	9,073,534	16,654,897

Trade and other accounts payables included payables to related and third parties, related to the construction-in-progress in the amount of 6,856,299 thousand Tenge (as at 31 December 2015: 13,578,970 thousand Tenge).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. TRADE AND OTHER ACCOUNTS PAYABLE (continued)

Trade and other accounts payable as at 31 March 2016 and 31 December 2015 were denominated in the following currencies:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Tenge	8,570,897	16,454,585
US dollars	194,490	165,729
Euro	4,123	19,451
Russian roubles	608	2,570
Other currency	303,416	12,562
Total	9,073,534	16,654,897

18. ADVANCES RECEIVED

Advances received as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Advances received from related parties (Note 31)	8,873,256	11,330,298
Advances received from third parties	4,966,490	6,494,876
Total	13,839,746	17,825,174

19. OTHER TAXES PAYABLE

Other taxes payable as at 31 March 2016 and 31 December 2015 was presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Personal income tax	2,638,784	2,488,472
Withholding tax at the source of payment to non-residents	1,129,823	1,044,519
Social tax	399,976	702,313
Property tax	23,452	23,773
VAT payable	946	20,045
Other taxes	326,150	278,888
Total	4,519,131	4,558,010

20. PROVISIONS

Movements in provisions for the three months ended 31 March 2016 and 2015 was presented as follows:

Short-term provisions

<i>In thousands of Tenge</i>	Tax provisions (BTL)	Environmental provisions (Company)	Others (Company)	Total
As at 31 December 2015 (audited)	22,066	41,125	–	63,191
Foreign currency translation	269	–	–	269
As at 31 March 2016 (unaudited)	22,335	41,125	–	63,460

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. PROVISIONS (continued)

Long-term provisions

Asset retirement and land reclamation obligation

According to the Law of the Republic of Kazakhstan "About the main pipeline", which came into force on 4 July 2012 the Company has a legal obligation to decommission the main pipeline (oil pipeline) after the operation and subsequent activities to restore the environment, including land reclamation.

Additionally provision on liquidation of the waste landfills is reflected as part of the asset retirement and land reclamation obligation. Provision was created based on the requirements of the Ecological Code of the Republic of Kazakhstan, according to which owner of the waste landfill must create liquidation fund for subsequent activities for land reclamation and monitoring the impact on the environment after the landfill closure. The same paragraph prohibits the landfill operation without liquidation fund.

The Company revised the long-term provisions as at 31 March 2016 considering current best estimate, which was based on the discount rate of 8.34% (as at 31 December: 6.73%), inflation rate of 5.5% (as at 31 December: 6.0%).

<i>In thousands of Tenge</i>	2016	2015
As at 1 January (audited)	21,999,701	20,631,009
Charge for the year through asset (Note 3)	41,661	–
Revision of estimates through other comprehensive income	(3,204,768)	–
Income from revision of estimates through profit and loss and write-off of provision (Note 25)	(920,640)	–
Unwinding of discount on asset retirement and land reclamation obligation (Note 28)	361,027	318,951
As at 31 March (unaudited)	18,276,981	20,949,960

21. OTHER CURRENT LIABILITIES

Other current liabilities as at 31 March 2016 and 31 December 2015 were presented as follows:

<i>In thousands of Tenge</i>	31 March 2016 (unaudited)	31 December 2015 (audited)
Salaries and wages	4,418,861	6,172,019
Accounts payable for oil transportation coordination services to related parties (Note 31)	5,269,074	5,923,268
Accounts payable for oil transportation coordination services to third parties	3,393,943	4,035,988
Current portion of deferred income from third parties	672,464	1,086,643
Payable to pension fund	436,696	693,938
Other accruals	94,547	908,055
Total	14,285,585	18,819,911

Salaries and wages comprise of current salary payable, and vacation payments payable.

22. REVENUE

Revenue for the three months ended 31 March 2016 and 2015 was presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Crude oil transportation	45,010,765	44,209,248
Oil reloading and railway shipment	2,992,965	4,095,500
Pipeline operation services	2,282,386	2,217,438
Water transportation	1,664,056	1,557,686
Oil transportation coordination services and seaport	1,614,354	944,075
Fees for undelivered oil volumes	90,800	277,037
Oil storage services	23,641	15,856
Other	982,680	251,500
Total	54,661,647	53,568,340

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. REVENUE (continued)

During the three months ended 31 March 2016 the revenue from sales to three major customers amounted to 13,561,740 thousand Tenge, 6,088,621 thousand Tenge and 3,620,820 thousand Tenge, respectively (for the three months ended 31 March 2015: 12,148,454 thousand Tenge, 6,127,718 thousand Tenge and 4,171,365 thousand Tenge, respectively).

23. COST OF SALES

Cost of sales for the three months ended 31 March 2016 and 2015 was presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Personnel cost	10,213,847	9,298,277
Depreciation and amortization	9,232,642	8,008,637
Electric energy	1,805,425	1,806,156
Taxes other than corporate income tax	1,663,219	1,375,311
Railway services	1,147,054	2,708,853
Materials and fuel	1,141,992	1,019,627
Gas expense	1,114,611	842,843
Security services	1,002,557	974,265
Repair and technical maintenance	877,809	755,957
Air services	365,946	403,681
Post-employment benefits (Note 15)	251,121	188,743
Business trip expenses	144,133	165,957
Insurance	132,458	110,123
Operating rent	65,827	64,733
Communication services	60,373	67,003
Environmental protection	44,503	49,632
Diagnostics of pipelines	2,081	–
Other	369,127	355,161
Total	29,634,725	28,194,959

Increase in personnel costs is due to the indexation of salaries of production staff made from 1 January 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ended 31 March 2016 and 2015 were presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Personnel cost	1,729,865	1,553,685
Depreciation and amortization	218,669	204,345
Consulting	124,081	100,293
Office maintenance	102,650	100,384
Taxes other than corporate income tax	76,066	65,025
Business trip expenses	65,396	51,774
Repair and technical maintenance	46,277	40,354
Expenses on VAT	42,065	80,538
Insurance and security	33,745	28,171
Bank costs	27,180	33,329
Communication services	25,430	26,839
Training	22,145	9,544
Information support	19,370	23,924
Post-employment benefits (Note 15)	16,379	11,874
Materials and fuel	15,758	9,841
Net charge of allowance for doubtful debts	10,737	43,421
Operating rent	9,717	10,545
Charity expenses	8,557	4,985
Advertising expenses	7,596	1,188
Transportation expenses	2,852	739
Social sphere expenses	133	29,000
Other	166,844	51,963
Total	2,771,512	2,481,761

25. OTHER OPERATING INCOME

Other operating income for the three months ended 31 March 2016 and 2015 was presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Income from revision of estimates on provision on asset retirement and land reclamation obligation (Note 20)	920,640	–
Income from fines and penalties	100,802	119,281
Fee for management services	20,184	14,694
Net recovery of property, plant and equipment cost	3,278	53,781
Income on disposal of inventory	2,767	16,346
Income from write-off of payables	58	16,839
Amortization of deferred income (Note 31)	–	78,091
Other income	30,622	34,179
Total	1,078,351	333,211

26. OTHER OPERATING EXPENSES

Other operating expenses for the three months ended 31 March 2016 and 2015 were presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Net loss on disposal of property, plant and equipment	19,181	27,703
Loss on disposal of other assets	1,500	1,261
Loss on disposal of inventory	1,212	5,098
Other expenses	34,907	6,308
Total	56,800	40,370

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. FINANCE INCOME

Finance income for the three months ended 31 March 2016 and 2015 was presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Interest income on bank deposits and current accounts	747,975	832,918
Undwinding of discount of interest free loan (Note 31)	622,131	–
Employees loans: unwinding of discount	3,572	5,354
Other finance income from third parties	8,557	4,801
Total	1,382,235	843,073

28. FINANCE COSTS

Finance costs for the three months ended 31 March 2016 and 2015 were presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Unwinding of discount on asset retirement and land reclamation obligation (Note 20)	361,027	318,951
Employee benefits:unwinding of discount (Note 15)	208,085	144,829
Total	569,112	463,780

29. INCOME TAX EXPENSE

Income tax expenses for the three months ended 31 March 2016 and 2015 were presented as follows:

<i>In thousands of Tenge</i>	For three months ended 31 March (unaudited)	
	2016	2015
Current income tax expense	4,827,615	5,296,173
Deferred income tax expense/(benefit)	44,758	(132,109)
Income tax expense	4,872,373	5,164,064

Movement in deferred tax liabilities for the three months ended 31 March 2016 and 2015 was presented as follows:

<i>In thousands of Tenge</i>	2016	2015
As at January 1 (audited)	40,682,643	41,167,915
Charged to profit and loss	44,758	(132,109)
Charged to other comprehensive income	641,207	–
Currency translation	2,515	(166,718)
As at 31 March (unaudited)	41,371,123	40,869,088

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

30. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Oil transportation and related services.
- Oil transshipment.
- Other segments.

Segments that are identified, but do not separately exceed quantitative limits (amount of separate segment revenue composes less than 10% of combined revenue) are combined in "Other segments". Such services include transshipment of dry cargo (sugar-airbrick, ammonium nitrate, cement, grain, sunflower and oil cake) in BSP with operation of dry-cargo, ferry and container terminal, and also passenger terminal services.

Oil transportation and related services provided by the Company, which do not exceed quantitative limits and are intimately connected with the Group's main operating activities, or with main asset of the Group – pipelines, such as: water transportation, oil storage, expedition services, services on support and maintenance of pipelines, are included into service related to oil transportation. Separate management report is not provided to the Management of the Group on some types of these services and accordingly they cannot be identified as separate segments.

Services on transshipment of oil and oil-products through BSP with operation of BOT are included in "Oil transshipment" segment. Revenue from oil terminal is generated through storage, transshipment of oil and oil-products and expedition. Expedition services represent transshipment of oil and oil-products services through railway from Azerbaijanian-Georgian border to terminal in Batumi. This type of activity is directly related to oil transshipment, and therefore is not shown as a separate segment. Management analyses its operating segments by segment profit.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
30. SEGMENT INFORMATION (continued)

The following tables present information on revenue, profit, assets and liabilities for the segments of the group for the three month periods ended 31 March 2016 and 2015, respectively:

<i>In thousands of Tenge</i>	For the three months ended 31 March 2016 (unaudited)				For the three months ended 31 March 2015 (audited)			
	Oil Transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Other	Total segments	Oil Transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Other	Total segments
Revenue								
External customers	49,295,063	3,627,285	1,739,299	54,661,647	48,489,817	4,217,547	860,976	53,568,340
Total revenue	49,295,063	3,627,285	1,739,299	54,661,647	48,489,817	4,217,547	860,976	53,568,340
Financial results								
Reversal of impairment of property, plant and equipment through profit and loss	3,278	-	-	3,278	53,781	-	-	53,781
Depreciation and amortization	(8,489,669)	(536,979)	(424,663)	(9,451,311)	(7,813,974)	(261,081)	(137,927)	(8,212,982)
Interest income	730,504	15,332	10,696	756,532	825,532	5,355	6,832	837,719
Share in income of joint ventures	654,864	-	-	654,864	1,063,523	-	-	1,063,523
Income tax expense	(4,624,564)	(172,218)	(75,591)	(4,872,373)	(4,803,831)	(316,473)	(43,760)	(5,164,064)
Segment profit for the period	19,433,792	222,493	150,823	19,807,108	20,153,059	295,609	112,630	20,561,298
	As at 31 March 2016 (unaudited)				As at 31 December 2015 (audited)			
<i>In thousands Tenge</i>	Oil Transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Other	Total segments	Oil Transportation and related services (Kazakhstan)	Oil transshipment (Georgia)	Other	Total segments
Total assets	552,123,629	51,547,467	20,097,991	623,769,087	549,165,702	50,635,685	19,461,137	619,262,524
Total liabilities	111,729,156	4,806,900	10,119,608	126,655,664	130,656,666	5,406,399	10,267,949	146,331,014
Other disclosures								
Investments in joint ventures (Note 5)	14,590,208	-	-	14,590,208	13,918,006	-	-	13,918,006
Capital expenditures	2,287,052	162,235	232,120	2,681,407	75,641,329	1,332,376	826,830	77,800,535

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. RELATED PARTY TRANSACTIONS

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following tables provide the total amount of transactions, which have been entered into with related parties during three months ended 31 March 2016 and 31 March 2015 and the related balances as at 31 March 2016 and 31 December 2015:

Trade and other accounts receivables from related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Trade and other accounts receivable from related parties			
Trade accounts receivable from joint ventures		2,212,031	719,246
Trade accounts receivable from entities under common control of KMG		738,709	701,270
Trade accounts receivable from entities under common control of Samruk-Kazyna Group		548	223
	8	2,951,288	1,420,739
Other accounts receivables from entities under common control of KMG and Samruk-Kazyna Group	8	40,777	36,122
Total		2,992,065	1,456,861

Interest free loans to related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Interest free loans to related parties			
Interest free loans to KMG		19,357,210	18,735,079
Total		19,357,210	18,735,079

On 5 November 2015 the Company provided to KMG interest free loan based on the decision made on 14-15 October 2015 by the Board of Directors in the amount of 20 billion Tenge with the maturity on 30 June 2016. Amortization of the discount for the three months ended 31 March 2016 amounted to 622,131 thousand Tenge (*Note 27*).

Advances provided to related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Advances paid to related parties			
Advances paid to entities under common control of KMG		1,246,361	1,684,777
Advances paid to entities under common control of Samruk-Kazyna Group		518,445	156,322
Total	9	1,764,806	1,841,099

Prepaid expenses on transactions with related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Prepaid expenses on transactions with related parties			
Prepaid expenses on transactions with entities under common control of Samruk-Kazyna Group		519	–
Total	11	519	–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. RELATED PARTY TRANSACTIONS (continued)

Trade and other accounts payable to related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Accounts payables to related parties			
Accounts payables to entities under common control of KMG		422,266	559,353
Accounts payables to entities under common control of Samruk-Kazyna Group		217,637	255,056
	17	639,903	814,409
Other payables to entities under common control of Samruk-Kazyna Group		773	672
	17	773	672
Total		640,676	815,081

Advances received from related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Advances received from related parties			
Advances from entities under common control of KMG		8,457,360	10,845,082
Advances from entities under common control of Samruk-Kazyna Group		415,892	485,209
Advances from joint ventures		4	7
Total	18	8,873,256	11,330,298

Other current liabilities to related parties were presented as follows:

<i>In thousands of Tenge</i>	Notes	31 March 2016 (unaudited)	31 December 2015 (audited)
Accounts payable for oil transportation expedition to related parties			
Accounts payable for oil transportation expedition to entities under common control of KMG		5,269,074	5,923,268
	21	5,269,074	5,923,268
Employee benefits of key management personnel			
Employee benefits of key management personnel		5,548	8,062
		5,548	8,062
Total other current liabilities to related parties		5,274,622	5,931,330

The following tables provide the total amount of transactions, which have been entered into with related parties during the three months ended 31 March 2016 and 2015:

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2016	2015
Sales to related parties		
Revenue from main activities with entities under common control of KMG	29,111,473	27,901,918
Revenue from main activities with joint ventures	1,978,666	1,902,814
Revenue from main activities with entities under common control of Samruk-Kazyna Group	1,260,076	1,399,886
Revenue from other activities with entities under common control of KMG	2,082	71,099
Total	32,352,297	31,275,717

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. RELATED PARTY TRANSACTIONS (continued)

Revenue from main activities with entities under common control of KMG is related to the services of oil and water transportation.

<i>In thousands of Tenge</i>	For the three months ended 31 March (unaudited)	
	2016	2015
Purchases from related parties		
Purchases of services from entities under common control of KMG	2,625,153	2,583,961
Purchases of services from entities under common control of Samruk-Kazyna Group	708,289	680,333
Purchases of services from joint ventures	4,877	–
Purchases of inventory from entities under common control of KMG	265,290	–
Purchases of inventory from entities under common control of Samruk-Kazyna Group	256	816,587
Purchases of property, plant and equipment from entities under common control of KMG	115,360	–
Total	3,719,225	4,080,881

Other operating income of the Group from transactions with related parties is as follows:

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2016	2015
Other operating income from related parties			
Amortization of deferred income from related parties	25	–	78,091
Total		–	78,091

Finance income of the Group from transactions with related parties is as follows:

<i>In thousands of Tenge</i>	Note	For the three months ended 31 March (unaudited)	
		2016	2015
Finance income from related parties			
Discounting of interest free loans provided to KMG	27	622,131	–
Total		622,131	–

Total compensation to key management personnel for the three months ended 31 March 2016 amounts to 109,809 thousand Tenge (for the three months ended 31 March 2015: 41,361 thousand Tenge). Payments to key personnel consist primarily of payroll costs and remuneration established by contracts.

32. CONTINGENT LIABILITIES AND COMMITMENTS

Information on contingent liabilities and commitments of the Group is disclosed in the consolidated financial statements for the year ended 31 December 2015. During three months ended 31 March 2016 there were no significant changes, except for the following:

Contractual commitments

As at 31 March 2015, the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 46,107,128 thousand Tenge (31 December 2015: 42,647,645 thousand Tenge).

Share of the Group as at 31 March 2015 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services amounted to 323,941 thousand Tenge (31 December 2015: 361,105 thousand Tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

32. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**Contractual commitments (continued)***Pledged assets of the BTL Group*

At 31 March 2016 certain items of property, plant and equipment of BOT with residual value of 47,047 thousand US dollars (equivalent to 15,880,055 thousand Tenge) were pledged as guarantee in favor of TBC Bank, which acted as a guarantor to ensure obligations of Georgian Transit Ltd to Georgian railways according to transportation contracts. The maximum amount of the guarantee was equal to 10,000 thousand US dollars (equivalent to 3,436,200 thousand Tenge). Georgian Transit Ltd is obliged to provide minimal required annual volume of transshipment in the amount of 4 million tons to Georgian railways, 2 million tons of which should be transshipped by BTL Group. Management of BTL Group expects that transshipment of volumes will be completed and probability of outflow of cash is remote.

Expropriation of the BSP assets

In accordance with BSP Management Right agreement between BTL and Georgia Government, Georgian Government has the right for expropriation of the BSP's assets, in case the BSP in the course of 2 years does not meet its obligations on minimum volume of transshipment, which is 4 million tons per year. As at 31 March 2016 actual volumes of transshipment though Port were more than 1.5 million tons (31 December 2015: 6.5 million tons). Management of BTL Group expects that transshipment of volumes will be completed and probability of outflow of cash is remote.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has trade receivables and cash and cash equivalents that arrive directly from its operations.

Fair value of financial instruments

The carrying amount of cash, bank deposits, trade and other accounts receivable, trade and other accounts payable and other current liabilities approximates their fair value due to the short-term maturity of these financial instruments.

34. EVENTS AFTER THE REPORTING PERIOD

On 14 April 2016 the Board of Directors made a decision to propose to the shareholders of the Company approval of dividends payment in the amount of 51,156,535 thousand Tenge (133 Tenge per 1 share) based on the results of 2015.

On 28 April 2016 based on the decision of the General Meeting of Shareholders, Munaitas, the joint venture of the Company, declared dividends based on the results of 2015 in the amount of 2,916,000 thousand Tenge. The share of the Company in the declared dividends equals 1,487,160 thousand Tenge.