KazTransOil JSC

Interim condensed consolidated financial statements (unaudited)

30 June 2013

CONTENTS

Ernst & Young LLP
Esentai Tower
Al-Farabi Ave., 77/7
Almaty, Kazakhstan
Tel: +7 (727) 258 5960
Fax: +7 (727) 258 5961
www.ey.com/kazakhstan

ТОО «Эрнст энд Янг»
Казахстан, Алматы
пр. Аль-Фараби, 77/7
Здание «Есентай Тауэр»
Тел.: +7 (727) 258 5960
Факс: +7 (727) 258 5961

Report on review of the 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") as at 30 June 2013 which comprise the interim consolidated statement of financial position as at 30 June 2013 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three and six-month periods 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 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 are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young LLP

Aisulu Narbayeva
Auditor

Auditor Qualification Certificate No. 0000137
dated 21 October 1994

Gulmira Turmagambetova
Deputy 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

5 August 2013

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of	
In thousands of Tenge	Note	**30 June 2013 (unaudited)**	31 December 2012 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	**355,888,641**	362,869,105
Intangible assets	6	**5,880,451**	6,233,226
Investments in joint ventures	7	**46,592,355**	40,815,549
Advances to suppliers for property, plant and equipment	8	**1,080,142**	524,274
Bank deposits	14	**520,218**	–
Other non-current assets		**126,702**	130,805
		410,088,509	410,572,959
Current assets			
Inventories	9	**4,233,074**	2,599,941
Trade and other accounts receivable	10	**4,465,144**	2,527,881
Advances to suppliers	11	**1,463,105**	603,109
Prepayment for corporate income tax		**3,488**	1,580,756
VAT recoverable and other prepaid taxes	12	**2,472,994**	2,092,013
Other current assets	13	**2,428,140**	4,405,862
Bank deposits	14	**53,772,392**	53,084,676
Cash and cash equivalents	15	**58,952,713**	18,954,044
		127,791,050	85,848,282
Assets classified as held for sale		**473,489**	29,299
		128,264,539	85,877,581
TOTAL ASSETS		**538,353,048**	496,450,540

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

		As of	
In thousands of Tenge	Note	30 June 2013 (unaudited)	31 December 2012 (audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**61,937,567**	61,937,567
Asset revaluation reserve		**139,215,319**	144,421,031
Other reserves		**17,104**	17,104
Foreign currency translation reserve		**10,066,103**	9,875,876
Retained earnings		**192,852,199**	176,062,485
Total equity		**404,088,292**	392,314,063
Non-current liabilities			
Financial guarantee issued on behalf of joint venture		**–**	199,654
Employee benefit liability		**6,823,646**	6,562,263
Deferred tax liabilities		**38,041,814**	39,406,770
Provisions on asset retirement obligation	21	**16,204,606**	15,531,037
Deferred income	17	**4,249,896**	4,412,922
		65,319,962	66,112,646
Current liabilities			
Employee benefit liability		**224,967**	238,000
Income tax payable		**6,393,934**	919,213
Trade and other accounts payable	18	**5,237,437**	6,771,926
Advances received	19	**15,022,562**	15,970,695
Dividends payable		**28,847,670**	–
Other taxes payable	20	**2,742,685**	1,639,801
Provisions	21	**355,015**	353,697
Other current liabilities	22	**10,120,524**	12,130,499
		68,944,794	38,023,831
Total liabilities		**134,264,756**	104,136,477
TOTAL EQUITY AND LIABILITIES		**538,353,048**	496,450,540
Book value of ordinary shares *(in Tenge)*	16	**1,035**	1,004

The accounting policy and explanatory notes on pages 8 through 29 form an integral part of these interim condensed consolidated financial statements.

General Director _____________ *Kabyldin K.M.*

Chief Accountant _____________ *Akhmedina A.S.*

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For three months ended June 30		For six months ended June 30	
In thousands of Tenge	**Note**	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Revenue	23	**45,794,611**	32,944,945	**92,864,132**	66,357,554
Cost of sales	24	**(23,656,083)**	(23,711,665)	**(47,738,933)**	(45,834,937)
Gross profit		**22,138,528**	9,233,280	**45,125,199**	20,522,617
General and administrative expenses	25	**(2,407,695)**	(2,412,316)	**(4,448,554)**	(4,427,535)
Other operating income	26	**1,328,368**	385,338	**1,752,582**	600,811
Other operating expenses		**(256,559)**	(249,893)	**(360,353)**	(272,811)
Reversal/(Impairment) of property, plant and equipment and intangible assets		**(40,360)**	94	**(38,444)**	(895)
Operating profit		**20,762,282**	6,956,503	**42,030,430**	16,422,187
Net foreign exchange (loss) / income		**30,235**	200,854	**(34,006)**	(15,474)
Finance income	27	**959,646**	493,499	**1,715,882**	1,080,365
Finance costs	28	**(343,854)**	(49,048)	**(670,306)**	(98,094)
Share in income of joint ventures	7	**3,284,503**	1,173,075	**6,228,822**	2,854,964
Profit before tax		**24,692,812**	8,774,883	**49,270,822**	20,243,948
Income tax expense	29	**(4,578,775)**	(1,491,192)	**(8,834,050)**	(3,344,189)
Profit for the period less income tax		**20,114,037**	7,283,691	**40,436,772**	16,899,759
Earnings per share, related to the income of the reporting period, of the shareholders of the Company like parent Company of the Group *(in Tenge)*	16	**52**	21	**105**	49

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

		For three months ended June 30		For six months ended June 30	
In thousands of Tenge	**Note**	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Other comprehensive income of the Group					
Foreign currency translation		**174,207**	368,444	**188,659**	349,286
Revaluation of property, plant and equipment	5	**–**	–	**1,357**	–
Income tax effect		**–**	–	**(272)**	–
		–	–	**1,085**	–
Impairment of property, plant and equipment	5	**(9,776)**	(119)	**(7,731)**	(119)
Income tax effect		**1,955**	24	**1,546**	24
		(7,821)	(95)	**(6,185)**	(95)
Total other comprehensive income for the period of the Group net of tax		**166,386**	368,349	**183,559**	349,191
Share of the other comprehensive income of joint ventures accounted for using the equity method					
Foreign currency translation	7	**1,394**	2,709	**1,568**	1,686
Share of the other comprehensive income of joint ventures accounted for using the equity method, net of tax		**1,394**	2,709	**1,568**	1,686
Total other comprehensive income for the period, net of tax		**167,780**	371,058	**185,127**	350,877
Total comprehensive income for the period, net of tax		**20,281,817**	7,654,749	**40,621,899**	17,250,636

The accounting policy and explanatory notes on pages 8 through 29 form an integral part of these interim condensed consolidated financial statements.

General Director _______________ *Kubyldin K.M.*

Chief Accountant _______________ *Akhmedina A.S.*

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		For six months ended June 30	
In thousands of Tenge	Note	2013 (unaudited)	2012 (unaudited)
Cash flows from operating activities:			
Profit before tax		**49,270,822**	20,243,948
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization	24,25	**14,459,614**	13,805,708
Allowance on doubtful debts	25	**26,401**	52,591
Share in income of joint ventures		**(6,228,822)**	(2,854,964)
Finance costs		**670,306**	98,094
Finance income		**(1,715,882)**	(1,080,365)
Employee benefits	24,25	**230,000**	148,001
Provision	21	**45,467**	179,969
(Income)/Loss on disposal of property, plant and equipment and intangible assets, net amount		**285,789**	(13,857)
Income from disposal of asset held for sale, net amount	26	**(84,650)**	–
Impairment of property, plant and equipment		**38,444**	895
Income from write-off of accounts payable		**(1,412)**	(3,070)
Amortization of deferred income	26	**(156,182)**	(156,182)
Write-off of VAT recoverable	25	**133,508**	115,768
Amortization of financial guarantee issued on behalf of joint venture	26	**(26,463)**	(68,278)
Derecognition of financial guarantee	26	**(177,743)**	–
Unrealized foreign exchange loss		**120,001**	12,481
Reversal of provision for slow-moving and obsolete inventory	25	**(4,456)**	(1,861)
Operating cash flows before working capital changes:		**56,884,742**	30,478,878
Changes in inventories		**(1,619,783)**	(2,437,718)
Changes in trade and other accounts receivable		**(1,963,694)**	2,035,705
Changes in advances to suppliers		**(859,966)**	(386,527)
Changes in taxes recoverable and other current assets		**1,344,726**	180,573
Changes in trade and other accounts payable		**(1,408,613)**	(5,093,243)
Changes in advances received		**(948,133)**	(2,075,984)
Changes in taxes payable		**1,102,884**	(101,744)
Changes in other current and non-current liabilities and employee benefit liabilities		**(2,204,892)**	81,624
Cash generated from operations:		**50,327,271**	22,681,564
Income taxes paid		**(3,024,894)**	(3,092,796)
Interest received		**897,878**	799,345
Net cash flow from operating activities		**48,200,255**	20,388,113
Cash flows from investing activities:			
Withdrawal of term deposits		**36,000,000**	23,000,000
Placement of term deposits		**(36,520,218)**	(9,600,164)
Purchase of property, plant and equipment		**(8,244,031)**	(11,848,996)
Purchase of intangible assets		**(144,238)**	(101,125)
Proceeds from disposal of property, plant and equipment and intangible assets		**139,369**	48,893
Proceeds from asset held for sale		**113,948**	–
Dividends received		**453,584**	–
Net cash flow (used in) / acquired from investing activities		**(8,201,586)**	1,498,608

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

		For six months ended June 30	
In thousands of Tenge	**Note**	**2013 (unaudited)**	2012 (unaudited)
Net cash flow from financing activities:			
Proceeds from loans		–	94,000
Net cash flow from financing activities		–	94,000
Net change in cash and cash equivalents		**39,998,669**	21,980,721
Cash and cash equivalents at the beginning of the year	15	**18,954,044**	21,852,387
Cash and cash equivalents at the end of the year	15	**58,952,713**	43,833,108

NON-CASH TRANSACTIONS

The following non-cash transactions have been excluded from the interim condensed consolidated statement of cash flows:

Depreciation included in cost of construction in progress

The amount of depreciation for six months ended 30 June 2013 included in cost of construction in progress was 4,697 thousand Tenge (for the six months ended 30 June 2012: 6,775 thousand Tenge).

Offset of the taxes

During six months ended 30 June 2013, the Group has made an offset of CIT payable with prepayments of other taxes to the amount of 145,660 thousand Tenge (for six months ended 30 June 2012: 94,789 thousand Tenge).

The accounting policy and explanatory notes on pages 8 through 29 form an integral part of these interim condensed consolidated financial statements.

General Director ______________ *Kabyldin K.M.*

Chief Accountant ______________ *Akhmedina A.S.*

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Tenge	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total
As at 1 January 2013 (audited)	**61,937,567**	**144,421,031**	**9,875,876**	**17,104**	**176,062,485**	**392,314,063**
Profit for the period	–	–	–	–	40,436,772	**40,436,772**
Other comprehensive income	–	(5,100)	190,227	–	–	**185,127**
Total comprehensive income for the period	**–**	**(5,100)**	**190,227**	**–**	**40,436,772**	**40,621,899**
Depreciation transfer of revalued property, plant and equipment	–	(5,200,612)	–	–	5,200,612	**–**
Dividends payable					(28,847,670)	**(28,847,670)**
As at 30 June 2013 (unaudited)	**61,937,567**	**139,215,319**	**10,066,103**	**17,104**	**192,852,199**	**404,088,292**
As at 1 January 2012 (audited)	**34,617,204**	**138,056,828**	**9,334,129**	**17,104**	**189,472,821**	**371,498,086**
Profit for the period	–	–	–	–	16,899,759	**16,899,759**
Other comprehensive income	–	(95)	350,972	–	–	**350,877**
Total other comprehensive income for the year	**–**	**(95)**	**350,972**	**–**	**16,899,759**	**17,250,636**
Depreciation transfer of revalued property, plant and equipment	–	(5,799,893)	–	–	5,799,893	**–**
As at 30 June 2012 (unaudited)	**34,617,204**	**132,256,840**	**9,685,101**	**17,104**	**212,172,473**	**388,748,722**

The accounting policy and explanatory notes on pages 8 through 29 form an integral part of these interim condensed consolidated financial statements.

General Director ________ *Kabyldin K.M.*

Chief Accountant ________ *Akhmedina A.S.*

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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" ("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 (the "Company").

As of 30 June 2013, National Company KazMunayGas JSC ("KMG" or the "Parent Company") is a major shareholder of the Company (90%). KMG is owned by "Sovereign Wealth Fund Samruk-Kazyna" JSC ("Samruk-Kazyna"), which is controlled by the Government of the Republic of Kazakhstan.

In 2012 the Company performed a share split in proportion 1:10, as a result of which the number of authorized shares has increased from 34,617,204 to 346,172,040, however, share capital has not changed (34,617,204 thousand Tenge). Thereafter, the Company increased the number of authorized shares by 38,463,560 (10% from total amount of 384,635,600 shares), with a purpose to place them on the Kazakhstan Stock Exchange under the "People's IPO" programme. Trades in the shares of JSC "KazTransOil" on the Kazakhstan Stock Exchange were opened on 25 December, 2012. As a result, 38,463,559 common shares at 725 Tenge per share were sold for 27,886,080 thousand Tenge.

		Place of incorporation	Principal activities	Ownership 30 June 2013	Ownership 31 December 2012
"SZTK MunaiTas" JSC ("MunaiTas")	Joint Venture	Kazakhstan	Oil transportation	**51%**	51%
"Kazakhstan–China Pipeline" LLP ("KCP")	Joint Venture	Kazakhstan	Oil transportation	**50%**	50%
"Batumi Capital Partners Limited" ("BCPL")	Subsidiary	Cyprus*	Forwarding, transhipment and storage of oil and oil products	**50%***	50%*
"Batumi Industrial Holdings Limited" ("BIHL")	Subsidiary	Cyprus*	Forwarding, transhipment and storage of oil and oil products and operating of Batumi Sea Port and Oil Terminal	**100%***	100%*

As at 30 June 2013 and 31 December 2012 the Company had interest ownership in the following companies:

* Main activities of BCPL and BIHL are carried out by their subsidiaries located in Georgia. BIHL directly owns 50% of BCPL. Accordingly, the Company directly and indirectly, through its subsidiary BIHL, owns 100% of BCPL.

The Company and its subsidiaries are hereafter 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), and Astana (Computing Centre), and representative offices in the Russian Federation (Moscow, Omsk and Samara) and Ukraine (Kiev).

The Group operates network of main oil pipelines of 5,503 km and water pipelines of 2,148 km within the Republic of Kazakhstan. Also the Group is engaged in storage, loading, transshipment or 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, Group's subsidiary BIHL owns Batumi

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL (continued)

Oil Terminal and has controlling interest of Batumi Sea Port, main activity of which is storage and transshipment of oil cargoes.

The company is a natural monopolist and, accordingly, is subject to regulation of the Agency of the Republic of Kazakhstan for Regulation of Natural Monopolies ("NMRA"). NMRA is responsible for approving the methodology for calculating the tariff and tariff rates, which serves as a base for receiving major part of Group's revenue. In general, 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, rates cannot be lower than the cost of the expenditure required to provide services, and to consider the possibility of making a profit, providing the effective functioning of a natural monopoly.

On 1 December 2012 NMRA increased tariffs for oil transportation on domestic and export markets: the tariff for the domestic market for the transportation of one ton of oil per 1,000 km has been increased from 1,303 Tenge to 1,954.5 Tenge; tariff of oil transportation on export has been increased from 3,331 Tenge to 4,732.6 Tenge for 1 ton of oil per 1,000 km.

These interim condensed consolidated financial statements for six months ended 30 June 2013 were approved for issue by the General Director and the Chief Accountant of the Company on 5 August, 2013.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND CHANGES IN ACCOUNTING POLICIES

Basis of preparation of financial statements

These interim condensed consolidated financial statements for six months ended 30 June 2013 have been prepared in accordance with International Financial Reporting IAS 34 *Interim Financial Reporting* ("IFRS 34").

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 2012.

The interim condensed consolidated financial statements are presented in Tenge and all values are rounded to the nearest thousand, except when otherwise indicated.

Foreign currency translation

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan. As at 30 June 2013 and 31 December 2012, the currency exchange rate of KASE was 151.65 and 150.74 Tenge to USD 1, respectively.

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 financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations as of 1 January 2013.

The Group applies, for the first time, certain standards and amendments. These include IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*. IAS 19 (Revised 2011) *Employee Benefits*, IFRS 13 *Fair Value Measurement and Amendments* to IAS 1 *Presentation of Financial Statements*. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 *Disclosure of Interest in Other Entities* would result in additional disclosures in the annual consolidated financial statements. These standards and amendments did not impact the interim condensed consolidated financial statements of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

New standards, interpretations and amendments thereof, adopted by the Group (continued)

The nature and the impact of each new standard/amendment are described below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g.,, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g.,, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 1 Clarification of the Requirement for Comparative Information (Amendment)

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the 'third balance sheet') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

IAS 32 Tax Effects of Distributions to Holders of Equity Instruments (Amendment)

The amendment to IAS 32 *Financial Instruments: Presentation* clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for the Group, as there is no tax consequences attached to cash or non-cash distribution.

IAS 34 Interim Financial Reporting and Segment Information for Total Assets and Liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19 includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The amendment did not affect the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

New standards, interpretations and amendments thereof, adopted by the Group (continued)

IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g.,, collateral agreements). The disclosures would provide users with information that is useful in

evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities, IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*, IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including:

(a) an investor has power over an investee;

(b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and

(c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 10 had no impact on the interim condensed consolidated financial statements of the Group.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. IFRS 11 is effective for annual periods beginning on or after 1 January 2013. Application of this standard did not impact the financial position of the Group, as this method is been applied to joint ventures since 1 January 2009.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*, Some of these disclosures are specifically required for financial instruments by IAS 34,16A(j), thereby affecting the interim condensed consolidated financial statements period. The Group disclosed required information in Note 32.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

In addition, to the above-mentioned amendments and new standards, IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS therefore, this amendment is not relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. 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 than in the first two quarters. These fluctuations are mainly due to the pipeline repairs that are performed mainly during the second part of the year.

4. 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 Batumi sea port 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 Batumi sea port with operation of Batumi oil terminal 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SEGMENT INFORMATION (continued)

Management analyses its operating segments by segment profit. Information on revenue and profit of the Group's segments for three months ended 30 June 2013 and 30 June 2012 respectively presented in table below:

	For three months ended 30 June 2013 (unaudited)						For three months ended 30 June 2012 (unaudited)					
In thousands Tenge	Oil Transportation and related services	Oil transshipment	Other	Total segments	Adjustments and eliminations	Consolidated	Oil transportation and related services	Oil transshipment	Other	Total segments	Adjustments and eliminations	Consolidated
Revenue												
External customers	40,838,481	4,076,101	880,029	45,794,611	–	45,794,611	28,567,506	3,248,465	1,128,974	32,944,945	–	32,944,945
Inter-segment (eliminated during consolidation)							–	–	151,205	151,205	(151,205)	–
Total revenue	40,838,481	4,076,101	880,029	45,794,611	–	45,794,611	28,567,506	3,248,465	1,280,179	33,096,150	(151,205)	32,944,945
Financial results												
Impairment of property, plant and equipment through profit or loss	(40,360)	–	–	(40,360)	–	(40,360)	94	–	–	94	–	94
Depreciation and amortization	(6,797,465)	(376,398)	(78,127)	(7,251,990)	–	(7,251,990)	(6,582,552)	(352,202)	(87,519)	(7,022,273)	–	(7,022,273)
Interest income	943,899	1,518	4,386	949,803	–	949,803	456,539	(1,036)	21,493	476,996	–	472,996
Interest expenses							–	(8,298)	(7,265)	(15,563)	7,265	(8,298)
CIT expense	(4,354,794)	18,586	(45,803)	(4,382,009)	(196,766)	(4,578,775)	(1,441,406)	–	(49,786)	(1,491,192)	–	(1,491,192)
Segment profit	16,643,685	724,754	111,445	17,479,884	2,634,153	20,114,037	5,993,620	29,135	(73,241)	5,949,514	1,334,177	7,283,691

In thousands of Tenge	For three months ended June 30 2013 (unaudited)	For three months ended June 30 2012 (unaudited)
Reconciliation of profit		
Segment profit	17,479,884	5,949,514
Adjustments and eliminations	(196,766)	161,102
Share in income of joint ventures	3,284,503	1,173,075
Adjustment on dividends from joint ventures	(453,584)	–
Group profit	20,114,037	7,283,691

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SEGMENT INFORMATION (continued)

Information on revenue and profit of the Group's segments for six months ended 30 June 2013 and 30 June 2012 respectively presented in table below:

	For six months ended 30 June 2013 (unaudited)						For six months ended 30 June 2012 (unaudited)					
In thousands Tenge	Oil Transportation and related services	Oil transshipment	Other	Total segments	Adjustments and eliminations	Consolidated	Oil transportation and related services	Oil transshipment	Other	Total segments	Adjustments and eliminations	Consolidated
Revenue												
External customers	82,374,712	8,595,600	1,893,820	92,864,132	–	92,864,132	57,305,118	6,963,816	2,088,620	66,357,554	–	66,357,554
Inter-segment (eliminated during consolidation)	–	–	–	–	–	–	–	–	262,767	262,767	(262,767)	–
Total revenue	82,374,712	8,595,600	1,893,820	92,864,132	–	92,864,132	57,305,118	6,963,816	2,351,387	66,620,321	(262,767)	66,357,554
Financial results												
Impairment of property, plant and equipment through profit or loss	(38,444)	–	–	(38,444)	–	(38,444)	(895)	–	–	(895)	–	(895)
Depreciation and amortization	(13,679,061)	(625,439)	(155,114)	(14,459,614)	–	(14,459,614)	(13,046,584)	(542,858)	(216,266)	(13,805,708)	–	(13,805,708)
Interest income	1,677,592	7,394	10,713	1,695,699	–	1,695,699	1,010,526	6,075	32,180	1,048,781	–	1,048,781
Interest expenses	–	–	–	–	–	–	–	(16,594)	(7,265)	(23,859)	7,265	(16,594)
CIT expense	(8,335,755)	(61,412)	(100,041)	(8,497,208)	(336,842)	(8,834,050)	(3,259,590)	–	(84,599)	(3,344,189)	–	(3,344,189)
Segment profit	33,393,058	1,337,639	267,679	34,998,376	5,438,396	40,436,772	13,250,953	699,315	(185,686)	13,764,582	3,135,177	16,899,759

In thousands of Tenge	For six months ended June 30 2013 (unaudited)	For six months ended June 30 2012 (unaudited)
Reconciliation of profit		
Segment profit	34,998,376	13,764,582
Adjustments and eliminations	(336,842)	280,213
Share in income of joint ventures	6,228,822	2,854,964
Adjustment on dividends from joint ventures	(453,584)	–
Group profit	40,436,772	16,899,759

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. PROPERTY, PLANT AND EQUIPMENT

In thousands of Tenge	Land	Pipelines	Transportation assets	Buildings	Machinery and equipment	Technological oil	Other	Construction in progress	Total
Net book value as at 31 December 2012 (audited)	**10,461,817**	**94,187,717**	**5,785,732**	**66,766,431**	**66,671,736**	**82,892,325**	**10,243,220**	**25,860,127**	**362,869,105**
Foreign currency translation	42,636	–	23,188	65,654	38,664	–	2,985	22,267	195,394
Additions	6,249	2,904	139,963	216,881	411,931	2,199	542,417	6,461,729	7,784,273
Disposals	(53,127)	(38,812)	(84,870)	(372,224)	(199,236)	(252)	(138,475)	(4,286)	(891,282)
Depreciation charge	–	(4,874,989)	(501,295)	(3,031,050)	(4,446,957)	–	(1,325,262)	–	(14,179,553)
Accumulated depreciation on disposal	–	28,006	73,633	214,308	186,087	–	127,657	–	629,691
Impairment (included in net profit)	–	–	–	(13,103)	(1,999)	–	–	(29,087)	(44,189)
Impairment (revaluation reserve)	–	(512)	–	(7,126)	(93)	–	–	–	(7,731)
Revaluation (revaluation reserve)	–	–	–	–	–	1,357	–	–	1,357
Recovery of impairment reserve (included in net profit)	–	1,361	–	2,853	769	–	–	763	5,746
Transfer from construction-in-progress	5,008	2,849,886	1,415,755	1,784,468	896,149	–	80,792	(7,032,058)	–
Transfer to long-term asset held for sale	–	–	–	(473,488)	–	–	–	–	(473,488)
Transfer to intangible assets	–	–	–	–	(477)	–	(205)	–	(682)
Transfers and reclassifications	–	3,247	–	8,600	24,232	–	(36,682)	603	-
Net book value as at 30 June 2013 (unaudited)	**10,462,583**	**92,158,808**	**6,852,106**	**65,162,204**	**63,580,806**	**82,895,629**	**9,496,447**	**25,280,058**	**355,888,641**
As at 30 June 2013 (unaudited)									
At fair value	10,462,583	120,597,467	9,881,961	82,848,622	87,872,848	82,895,629	15,137,872	25,280,058	434,977,040
Accumulated depreciation	–	(28,438,659)	(3,029,855)	(17,686,418)	(24,292,042)	–	(5,641,425)	–	(79,088,399)
Net book value	**10,462,583**	**92,158,808**	**6,852,106**	**65,162,204**	**63,580,806**	**82,895,629**	**9,496,447**	**25,280,058**	**355,888,641**
As at 31 December 2012 (audited)									
At fair value	10,461,817	117,778,752	8,395,851	81,619,611	86,669,540	82,892,325	14,654,033	25,860,127	428,332,056
Accumulated depreciation	–	(23,591,035)	(2,610,119)	(14,853,180)	(19,997,804)	–	(4,410,813)	–	(65,462,951)
Net book value	**10,461,817**	**94,187,717**	**5,785,732**	**66,766,431**	**66,671,736**	**82,892,325**	**10,243,220**	**25,860,127**	**362,869,105**

As at 30 June 2013 and 31 December 2012, CIP mainly includes production projects under construction, main oil pipelines, (including construction of main oil pipeline Kumkol-Karakoin, realized as a part of interstate Kazakhstan-China oil pipeline construction project), and reconstruction of fire fighting system, reconstruction of electricity supply systems and other.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. INTANGIBLE ASSETS

In thousands of Tenge	Licenses	Software	Right for land use	Other	Total
Net book value at 31 December 2012 (audited)	**254,920**	**1,060,376**	**4,639,163**	**278,767**	**6,233,226**
Additions	5,013	79,515	39,533	–	124,061
Disposals	–	(101,837)	–	(628,759)	(730,596)
Accumulated amortization on disposals	–	101,836	–	407,252	509,088
Amortization charge	(39,828)	(162,707)	(54,471)	(27,752)	(284,758)
Transfer from Property, plant and equipment	–	682	–	–	682
Transfers and reclassifications	1,820	(1,820)	–	–	–
Foreign currency translation	563	9	27,931	245	28,748
Net book value at 30 June 2013 (unaudited)	**222,488**	**976,054**	**4,652,156**	**29,753**	**5,880,451**
As at 30 June 2013 (unaudited)					
At cost	454,836	3,973,104	6,028,679	76,219	10,532,838
Accumulated impairment	–	–	(549,969)	–	(549,969)
Accumulated amortization	(232,348)	(2,997,050)	(826,554)	(46,466)	(4,102,418)
Net book value	**222,488**	**976,054**	**4,652,156**	**29,753**	**5,880,451**
As at 31 December 2012 (audited)					
At cost	447,373	3,996,520	5,953,009	704,353	11,101,255
Accumulated Impairment	–	–	(549,969)	–	(549,969)
Accumulated amortization	(192,453)	(2,936,144)	(763,877)	(425,586)	(4,318,060)
Net book value	**254,920**	**1,060,376**	**4,639,163**	**278,767**	**6,233,226**

7. INVESTMENTS IN JOINT VENTURES

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
KCP	**35,572,543**	30,188,246
MunaiTas	**11,019,812**	10,627,303
	46,592,355	40,815,549

During six months ended 30 June 2013, the Group has recognized its share in income of MunaiTas in the amount of 846,093 thousand Tenge (during six months ended 30 June 2012: 484,980 thousand Tenge. During the six months ended 30 June 2013, the Group has received dividends from MunaiTas in the amount of 453,584 thousand Tenge (for the six months ended 30 June 2012: nil).

During six months ended 30 June 2013, the Group has recognized its share in income of KCP in the amount of 5,382,729 thousand Tenge (during six months ended 30 June 2012: 2,369,984 thousand Tenge), and share in other comprehensive income of 1,568 thousand Tenge (for six months ended 30 June 2012: 1,686 thousand Tenge.

The tables below present generalized financial information relating to joint ventures (the Group's proportional share):

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Share in total assets and liabilities of joint ventures		
Current assets	**28,116,641**	23,918,509
Non-current assets	**137,000,258**	136,049,737
Current liabilities	**(18,118,918)**	(15,339,074)
Non-current liabilities	**(100,405,626)**	(103,813,623)
Share in net assets	**46,592,355**	40,815,549

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN JOINT VENTURES (continued)

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Total revenue and net income of joint ventures for the period				
Revenue	**9,457,053**	7,274,498	**18,182,330**	14,189,978
Net income	**3,284,503**	1,173,075	**6,228,822**	2,854,964
Other comprehensive income/ (loss)	**1,394**	2,709	**1,568**	1,686

8. ADVANCES TO SUPPLIERS FOR PROPERTY, PLANT AND EQUIPMENT

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Advances to third parties for property, plant and equipment	**1,179,472**	623,604
Less: allowance for doubtful debts	**(99,330)**	(99,330)
	1,080,142	524,274

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

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013**	2012	**2013**	2012
At the beginning of period	**99,330**	99,330	**99,330**	–
Reinstatement of advances with related provision	**–**	–	**–**	99,330
As at 30 June (unaudited)	**99,330**	99,330	**99,330**	99,330

9. INVENTORIES

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Spare parts	**1,611,151**	962,951
Fuel	**891,806**	770,441
Construction materials	**434,292**	154,549
Chemical reagents	**426,894**	89,053
Goods	**40,997**	76,248
Other	**877,790**	612,112
Less: provision for slow-moving and obsolete inventory	**(49,856)**	(65,413)
	4,233,074	2,599,941

10. TRADE AND OTHER ACCOUNTS RECEIVABLE

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Trade accounts receivable from related parties (*Note 30*)	**3,245,741**	1,031,480
Trade accounts receivable from third parties	**1,177,824**	1,049,790
Other accounts receivable from third parties	**638,931**	825,882
Other accounts receivable from related parties (*Note 30*)	**7,286**	198,918
Less: allowance for doubtful debts	**(604,638)**	(578,189)
	4,465,144	2,527,881

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. TRADE AND OTHER ACCOUNTS RECEIVABLE (continued)

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

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013**	2012	**2013**	2012
At the beginning of period	**583,943**	561,057	**578,189**	109,688
Charge for the period	**20,679**	7,747	**26,431**	50,310
Write-off of receivable	**–**	(17,207)	**–**	(17,989)
Recovery of accounts receivable with related allowance	**–**	23	**–**	409,711
Currency translation	**16**	265	**18**	165
As at 30 June (unaudited)	**604,638**	551,885	**604,638**	551,885

Trade and other accounts receivable are denominated as follows:

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Tenge	**4,116,804**	2,052,571
US Dollars	**291,320**	429,910
Russian rubles	**–**	780
Other currency	**57,020**	44,620
	4,465,144	2,527,881

11. ADVANCES TO SUPPLIERS

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Advances to third parties	**1,014,618**	184,307
Advances to related parties (*Note 30*)	**449,939**	420,284
Less: allowance for doubtful debts	**(1,452)**	(1,482)
	1,463,105	603,109

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

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013**	2012	**2013**	2012
At the beginning of period	**1,512**	3,381	**1,482**	3,443
Charge/ (Reversal) of provision for the period	**(60)**	3,190	**(30)**	2,281
Write-off of advances	**–**	(3,407)	**–**	(2,560)
As at 30 June (unaudited)	**1,452**	3,164	**1,452**	3,164

12. VAT RECOVERABLE AND OTHER PREPAID TAXES

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
VAT recoverable	**2,380,655**	1,974,968
Other taxes prepaid	**92,339**	117,045
	2,472,994	2,092,013

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. OTHER CURRENT ASSETS

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Due for oil transportation coordination services	**2,000,225**	4,284,419
Prepaid insurance	**260,779**	34,635
Due from employees	**75,538**	41,315
Deferred expenses to third parties	**11,650**	7,409
Prepaid expense to related party *(Note 30)*	**521**	–
Other	**82,043**	40,700
Less: allowance for doubtful debts	**(2,616)**	(2,616)
	2,428,140	4,405,862

14. BANK DEPOSITS

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Short-term bank deposits	**53,000,000**	53,000,000
Accrued interest on deposits	**772,392**	84,676
Long-term bank deposits	**520,218**	–
	54,292,610	53,084,676

As at 30 June 2013 bank deposits comprised of the following:

Short-term deposits denominated in Tenge placed with Kazakhstani banks with maturity from 9 to 12 months (31 December 2012: 3 to 12 months), which earn interest of from 3,7% to 6,1% per annum (31 December 2012: from 3% to 7% per annum), maturing in June 2014 (31 December 2012: December 2013).

Long-term deposits, restricted in use, with interest rate 2% per annum and maturity year 2028, ensure the mortgage loan of "Halyk Bank of Kazakhstan"JSC given to the employees of the Company.

15. CASH AND CASH EQUIVALENTS

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Time deposits with banks – Tenge	**36,000,000**	10,000,000
Current accounts with banks – Tenge	**22,183,664**	8,114,269
Current accounts with banks – US Dollars	**659,070**	332,576
Current accounts with banks – Lari	**54,291**	475,434
Current accounts with banks – Euro	**41,097**	11,908
Current accounts with banks – Russian Ruble	**698**	4,759
Current accounts with banks – Other currencies	**152**	152
Other current accounts with banks	**11,482**	12,365
Cash on hand	**2,259**	2,581
	58,952,713	18,954,044

As at 30 June 2013 most current accounts and time deposits up to 3 months placed with Kazakhstani banks carried interest ranging from 1,7% to 4,5% per annum (31 December 2012: from 1,65% to 4% per annum).

16. EQUITY

Share capital

As at June 30, 2013 and December 31, 2012 the Company's share capital was comprised of 384,635,600 common shares authorized, from which 384.653.599 were issued and fully paid, in the amount of 62,503,284 thousand Tenge.

As at June 30, 2013 and December 31, 2012 the Company's share capital amounting to 61,937,567 thousand Tenge is net of consulting costs related to the issuance of shares in the amount of 565,717 thousand Tenge.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. EQUITY (continued)

Dividends

On annual general meeting of the Company's shareholders held on 28 May 2013, it was decided to pay out dividends on common shares in the amount of 28,847,670 thousand Tenge (75 Tenge per share), of which 25,962,903 thousand Tenge related to the parent Company JSC "National Company KazMunaiGas" (*Note 30*).

Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Increase in the number of share as a result of share split is applied retrospectively from the beginning of the reporting period and for previous periods.

As the parent Company 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 income and share data used in the basic earnings per share computations:

	For three months ended 30 June		For six months ended 30 June	
In thousands Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Net profit attributable to ordinary equity holders of the parent for basic earnings	**20,114,037**	7,283,691	**40,436,772**	16,899,759
Weighted average number of ordinary shares for basic earnings per share	**384,635,599**	346,172,040	**384,635,599**	346,172,040
Basic earnings per share, in relation to profit for the period attributable to ordinary equity holders of the company, as a parent company of the Group *(in Tenge)*	**52**	21	**105**	49

Book value of ordinary shares

Book value of the ordinary shares in accordance with requirements of KASE of the Parent company of the Group is as follows (share split was taken into account for the purpose of comparability):

In thousands Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Total Assets	**538,353,048**	496,450,540
Less: Intangible assets	**(5,880,451)**	(6,233,226)
Less: Total Liabilities	**(134,264,756)**	(104,136,477)
Net assets for calculation of book value of ordinary shares	**398,207,841**	386,080,837
Number of ordinary shares	**384,635,599**	384,635,599
Book value per ordinary share *(in Tenge)*	**1,035**	1,004

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. DEFERRED INCOME

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Deferred income from third parties	**3,833,409**	3,840,252
Deferred income from related parties (*Note 30*)	**416,487**	572,670
	4,249,896	4,412,922

18. TRADE AND OTHER ACCOUNTS PAYABLE

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Accounts payable to third parties for goods and services	**4,663,370**	5,905,433
Accounts payable to related parties for goods and services (*Note 30*)	**390,190**	596,783
Other payables to third parties	**183,877**	269,141
Other payables to related parties (*Note 30*)	**–**	569
	5,237,437	6,771,926

Trade and other accounts payables are denominated as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Tenge	**4,238,468**	6,274,570
US Dollars	**905,811**	223,020
Russian roubles	**10,187**	58,192
Euro	**1,971**	12,289
Other currency	**81,000**	203,855
	5,237,437	6,771,926

19. ADVANCES RECEIVED

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Advances received from related parties (*Note 30*)	**9,872,673**	10,426,287
Advances received from third parties	**5,149,889**	5,544,408
	15,022,562	15,970,695

20. OTHER TAXES PAYABLE

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
VAT payable	**1,213,969**	297,528
Personal income tax	**504,122**	432,489
Social tax	**256,843**	309,878
Property tax	**111,463**	79,651
Other taxes	**656,288**	520,255
	2,742,685	1,639,801

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. PROVISIONS

Movements in provisions were represented as follows:

In thousands of Tenge	KazTransOil (environmental provision)	KazTransOil (provisions on apartments)	BIHL (tax provisions)	Others	Total
As at 31 December 2012	167,477	–	174,406	11,814	353,697
Charged for six months ended June 30, 2013	–	45,467	–	–	45,467
Use of provision	(8,608)	(24,780)	–	(11,814)	(45,202)
Foreign currency translation	–	–	1,053	–	1,053
As at June 30, 2013	**158,869**	**20,687**	**175,459**	–	**355,015**

On February 27, 2013 the Board of Directors adopted Rules on granting apartments to employees of "KazTransOil" JSC. Thus, as of 30 June 2013 the Group has accrued a provision for the obligation to provide apartments free of charge to employees, who have reached retirement age, and also to those who will achieve this age during 2013-2020, in the amount of 45,467 thousand Tenge, which is equal to the carrying value of apartments to be provided.

Asset retirement obligation

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

Also long-term liabilities include provision on liquidation of waste disposal landfill. Provision was created in accordance with the requirements of the Environmental Code of the Republic of Kazakhstan, under which the owner of the waste disposal landfill creates a liquidation fund for land rehabilitation and monitoring of the environmental impact after closure of the landfill. The same paragraph prohibits the operation of the landfill without a liquidation fund. The amount of provision for the liquidation of the landfill is based on the discounted amount of related future expenses that will be incurred at the date of actual liquidation of the landfill. The interest rate on government securities (treasury bills) was applied as a discount rate.

In thousands of Tenge	Provision on asset retirement obligation
As at 31 December 2012	15,531,037
Charged for six months ended June 30, 2013	189,263
Unwinding of discount on asset retirement obligation *(Note 28)*	484,306
As at June 30, 2013	**16,204,606**

22. OTHER CURRENT LIABILITIES

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Accounts Payable for oil transportation coordination services to related parties *(Note 30)*	**3,202,631**	4,839,624
Salaries and wages	**2,941,308**	2,941,700
Account s Payable for oil transportation coordination services to third parties	**2,741,506**	3,190,974
Current portion of deferred income from third parties	**415,521**	444,532
Current portion of deferred income from related parties *(Note 30)*	**312,365**	312,365
Payable to pension funds	**271,528**	338,898
Other payables	**235,665**	62,406
	10,120,524	12,130,499

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. REVENUE

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Crude oil transportation	**37,322,135**	25,185,687	**75,529,698**	50,571,345
Oil reloading and railway shipment	**4,076,101**	3,248,465	**8,595,600**	6,963,816
Water transportation	**1,671,724**	1,622,464	**3,154,202**	3,195,766
Pipeline operation services	**1,605,634**	1,478,207	**3,202,250**	2,952,097
Transshipment of dry cargo	**691,773**	765,036	**1,543,454**	1,405,890
Oil transportation coordination services	**173,908**	179,836	**354,582**	365,358
Oil storage services	**53,819**	25,683	**85,053**	60,186
Other	**199,517**	439,567	**399,293**	843,096
	45,794,611	32,944,945	**92,864,132**	66,357,554

For the six months ended June 30, 2013 the revenue from the major customer amounted to 19,965,006 thousand Tenge. (For the six months ended June 30, 2012 revenue from two major customers: 13,676,606 thousand Tenge, 8,215,120 thousand Tenge, respectively).

24. COST OF SALES

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Depreciation and amortization	**7,079,685**	6,867,192	**14,104,547**	13,498,460
Personnel cost	**6,742,533**	6,916,585	**14,016,245**	13,231,988
Railway services	**2,252,535**	1,962,504	**4,900,260**	3,882,160
Electric energy	**1,459,917**	1,298,718	**2,994,777**	2,548,278
Taxes other than corporate income tax	**1,188,641**	1,053,716	**2,386,587**	2,122,075
Materials and fuel	**1,220,750**	1,244,420	**2,024,792**	2,161,053
Repair and maintenance costs	**1,011,288**	914,415	**1,646,773**	1,527,120
Security services	**875,515**	884,290	**1,699,348**	1,757,833
Gas expenses	**481,596**	504,167	**1,240,900**	1,292,782
Air services	**360,590**	565,174	**679,250**	943,013
Business trip expenses	**217,866**	213,455	**354,341**	305,825
Insurance	**142,350**	135,833	**196,307**	236,955
Post-employment benefits	**108,053**	69,474	**215,935**	139,120
Communication services	**58,772**	55,461	**118,372**	109,648
Environmental protection	**43,329**	90,821	**76,263**	387,680
Rent expense	**34,438**	184,913	**216,955**	366,759
Diagnostics of pipelines	**21,040**	6,966	**21,136**	7,012
Other	**357,185**	743,561	**846,145**	1,317,176
	23,656,083	23,711,665	**47,738,933**	45,834,937

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of Tenge	**For three months ended 30 June** 2013 (unaudited)	2012 (unaudited)	**For six months ended 30 June** 2013 (unaudited)	2012 (unaudited)
Personnel costs	**1,334,519**	1,166,284	**2,534,380**	2,329,578
Depreciation and amortization	**172,305**	155,081	**355,067**	307,248
Charity expenses	**113,502**	29,798	**124,216**	37,798
Office maintenance	**72,587**	17,824	**151,234**	17,824
Business trip expenses	**69,755**	56,060	**110,224**	89,265
Social sphere expenses	**62,891**	63,830	**121,959**	123,513
Consulting	**58,282**	384,233	**114,619**	468,416
Taxes other than corporate income tax	**57,265**	147,041	**109,887**	204,069
Insurance and security	**54,585**	61,579	**106,798**	120,282
Repair and technical maintenance	**49,142**	61,981	**84,349**	109,093
Expenses on VAT	**42,735**	59,767	**133,508**	115,768
Rent expense	**39,501**	36,650	**75,043**	74,256
Communication services	**25,145**	20,627	**50,806**	49,468
Bank costs	**24,265**	23,869	**48,675**	46,783
Training	**24,109**	32,421	**28,062**	38,041
Provision for allowance for doubtful debts *(Note 10, 11)*	**20,619**	10,937	**26,401**	52,591
Advertising expense	**19,587**	8,802	**19,916**	8,908
Information expenses	**18,883**	10,609	**31,584**	29,012
Materials and fuel	**18,037**	12,466	**27,954**	32,630
Post-employment benefits	**6,947**	4,527	**14,065**	8,881
Reversal of provision for obsolete and slow-moving inventories	**(3,400)**	(1,783)	**(4,456)**	(1,861)
Other	**126,434**	49,713	**184,263**	165,972
	2,407,695	2,412,316	**4,448,554**	4,427,535

26. OTHER OPERATING INCOME

In thousands of Tenge	**For three months ended 30 June** 2013 (unaudited)	2012 (unaudited)	**For six months ended 30 June** 2013 (unaudited)	2012 (unaudited)
Income from fines and penalties	**1,185,308**	178,493	**1,214,445**	234,098
Income from disposal of assets held for sale	**–**	–	**84,650**	–
Amortization of deferred income from related parties *(Note 30)*	**78,090**	78,090	**156,182**	156,182
Amortization of financial guarantee issued to joint venture *(Note 30)*	**–**	34,332	**26,463**	68,278
Gain on disposal of inventory	**355**	13,249	**355**	15,560
Gain on disposal of property, plant and equipment and intangible assets.	**–**	13,857	**–**	13,857
Derecognition of financial guarantee issued to joint venture *(Note 30)*	**–**	–	**177,743**	–
Other income	**64,615**	67,317	**92,744**	112,836
	1,328,368	385,338	**1,752,582**	600,811

In March 2013 MunaiTas has early repaid its obligation to EBRD under the loan agreement and obligations of the Company as s guarantor for the loan was terminated. Respectively, the Company derecognized the remaining amount of unamortized guarantee liability during the six months ended 30 June 2013 (*Note 31*).

Income from fines and penalties are mainly presented by amounts for nominated and non-delivered crude oil volumes under oil transportation contracts on "ship or pay" terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. FINANCE INCOME

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Interest income on bank deposits	**948,442**	475,662	**1,692,832**	1,045,966
Loans to employees: unwinding of discount	**9,837**	6,299	**16,109**	11,200
Other finance income from related party *(Note 31)*	**6**	10,204	**4,074**	20,384
Other finance income	**1,361**	1,334	**2,867**	2,815
	959,646	493,499	**1,715,882**	1,080,365

28. FINANCE COSTS

	For six months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Unwinding of discount on asset retirement obligation	**250,854**	–	**484,306**	–
Employee benefits: unwinding of discount	**93,000**	40,750	**186,000**	81,500
Interest on loans and borrowings	**–**	8,298	**–**	16,594
	343,854	49,048	**670,306**	98,094

29. INCOME TAX EXPENSE

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Current income tax expense	**5,167,019**	2,116,369	**10,214,061**	4,697,573
Deferred income tax benefit	**(588,244)**	(625,177)	**(1,380,011)**	(1,353,384)
Income tax expense	**4,578,775**	1,491,192	**8,834,050**	3,344,189

30. 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 30 June 2013 and 30 June 2012 and the related balances as at 30 June 2013 and 31 December 2012:

In thousands of Tenge	**30 June 2013 (unaudited)**	31 December 2012 (audited)
Trade and other accounts receivable from related parties		
Trade accounts receivable from joint ventures	**2,647,321**	471,451
Trade accounts receivable from entities under common control of KMG	**597,573**	559,841
Trade accounts receivable from entities under common control of Samruk-Kazyna Group	**847**	188
	3,245,741	1,031,480
Other accounts receivables from entities under common control of KMG and Samruk-Kazyna Group	**7,286**	198,918
Total trade and other accounts receivable from related parties	**3,253,027**	1,230,398

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. RELATED PARTY TRANSACTIONS (continued)

Trade and other accounts receivables from related parties are as follows:

Advances provided to related parties are as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Advances given to related parties		
Advances given to entities under common control of KMG	**370,629**	219,298
Advances given to entities under common control of Samruk-Kazyna Group	**79,310**	2,612
Advances given to other related parties	**–**	198,374
Total advances paid to related parties	**449,939**	420,284

Prepaid expenses on transactions with related parties are as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Prepaid expenses on transactions with related parties		
Prepaid expenses on transactions with related parties	**521**	–
	521	–

Financial guarantee issued on behalf of related parties:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Financial guarantee issued on behalf of related parties		
Financial guarantee issued on behalf of MunaiTas JSC	**–**	199,654
Total financial guarantee issued on behalf of related parties	**–**	199,654

Deferred income to related parties is as follows:

In thousands of Tenge	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Non-current portion of deferred income from related parties		
Non-current portion of deferred income from entities under common control of KMG	**416,487**	572,670
Total non-current portion of deferred income from related parties	**416,487**	572,670
Current portion of deferred income from related parties		
Current portion of deferred income from entities under common control of KMG	**312,365**	312,365
Total current portion of deferred income from related parties	**312,365**	312,365

Trade and other accounts payable to related parties are as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Accounts payables to related parties for goods and services		
Accounts payables to entities under common control of KMG	**376,171**	567,859
Accounts payables to entities under common control of Samruk-Kazyna Group	**14,019**	28,924
	390,190	596,783
Other payables to related parties		
Other payables to entities under common control of Samruk-Kazyna Group	**–**	569
	–	569
Total trade and other accounts payable to related parties	**390,190**	597,352

30. RELATED PARTY TRANSACTIONS (continued)

Advances received from related parties are as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Advances received from related parties		
Advances from entities under common control of KMG	**8,493,671**	9,143,441
Advances from entities under common control of Samruk-Kazyna Group	**1,378,981**	1,282,846
Advances from joint ventures	**21**	–
Total advances received from related parties	**9,872,673**	10,426,287

Dividends payable to related parties are as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Dividends payable to related party		
Dividends payable to KMG	**25,962,903**	–
Total dividends payable to related party	**25,962,903**	–

Other current liabilities to related parties are as follows:

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Accounts payable for oil transportation expedition for related parties		
Accounts payable for oil transportation expedition for entities under common control of KMG	**3,202,631**	4,839,624
	3,202,631	4,839,624

In thousands of Tenge	30 June 2013 (unaudited)	31 December 2012 (audited)
Employee benefits of key management personnel		
Employee benefits of key management personnel	**6,301**	19,940
	6,301	**19,940**

The Group had the following transactions with related parties:

In thousands of Tenge	For three months ended 30 June 2013 (unaudited)	For three months ended 30 June 2012 (unaudited)	For six months ended 30 June 2013 (unaudited)	For six months ended 30 June 2012 (unaudited)
Sales to related parties:				
Income from main activities with entities under common control of KMG	**22,617,019**	15,916,747	**45,917,775**	31,953,206
Income from main activities with entities under common control of Samruk-Kazyna Group	**3,146,467**	1,429,606	**5,617,044**	2,847,582
Income from main activities with joint ventures	**1,347,059**	1,231,341	**2,698,137**	2,463,284
Income from main activities with other related parties	**6**	4,002	**4,074**	8,002
Income from other activities with entities under common control of KMG	**65,105**	9,186	**66,119**	10,644
Income from other activities with entities under common control of Samruk-Kazyna Group	**–**	–	**89**	–
Income from other activities with joint ventures	**–**	4,209	**–**	4,209
	27,175,656	18,595,091	**54,303,238**	37,286,927

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. RELATED PARTY TRANSACTIONS (continued)

Purchases from related parties:				
Purchases of services from entities under common control of KMG	**2,003,726**	1,762,419	**3,981,748**	3,485,625
Purchases of services from entities under common control of Samruk-Kazyna Group	**288,299**	226,374	**611,626**	484,350
Purchases of services from other related parties	**4,114**	2,134,191	**2,698,969**	4,161,191
Purchases of inventory from entities under common control of KMG	**47,269**	22,218	**68,663**	50,433
Purchases of inventory from entities under common control of Samruk-Kazyna Group	**4,625**	12,828	**4,627**	12,837
	2,348,033	4,158,030	**7,365,633**	8,194,436

Financial income of the Group on transactions with related parties is as follows:

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Financial income from related parties:				
Income on discounting of debts of related parties	**–**	6,054	**–**	11,938
Other financial income from related parties	**6**	4,150	**4,074**	8,446
	6	10,204	**4,074**	20,384

Amortization of income from related parties is as follows:

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Amortization of income from related parties:				
Amortization of deferred income from related parties	**78,092**	78,092	**156,182**	156,182
Amortization of financial guarantee issued to related party	**–**	34,332	**26,463**	68,278
	78,092	112,424	**182,645**	224,460

The total remuneration of members of the key management personnel comprised:

	For three months ended 30 June		For six months ended 30 June	
In thousands of Tenge	**2013 (unaudited)**	2012 (unaudited)	**2013 (unaudited)**	2012 (unaudited)
Bonuses	**143,509**	–	**143,509**	–
Salary	**63,660**	26,061	**88,371**	80,690
Short-term benefits	**–**	3,601	**3,601**	3,601
Post-employment benefits	**105**	56	**208**	120
	207,274	29,718	**235,689**	84,411
Number of persons	**7**	7	**7**	7

31. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments of the Group are disclosed in the financial statements for the year ended 31 December 2012. During six months ended 30 June 2013, there were no significant transactions except for the following:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Covenants

Guarantees

On 29 July 2004 MunaiTas (joint venture of the Company) and Eurasian Bank of Reconstruction and Development (EBRD) entered into credit agreement in the amount of 81,600,000 USD. This amount was guaranteed by the Contract dated 29 July 2004, signed by EBRD and the Company, who acted as a guarantor.

In March 2013 MunaiTas has repaid its obligation to EBRD under the loan agreement and obligations of the Company under the Contract as guarantor was terminated.

Contractual commitments

As at 30 June 2013, the Group had contractual obligations to acquire property, plant and equipment, and construction services for the amount of 13,604,585 thousand Tenge (31 December 2012: 5,607,369 thousand Tenge). In addition, as at 30 June 2013, the Group has committed to purchase inventory (materials and spare parts) and services for the amount of 15,072,809 thousand Tenge (31 December 2012: 1,948,794 thousand Tenge).

Share of the Group as at 30 June 2013 in contractual obligations of joint ventures to acquire property, plant and equipment, and construction services for the amount of 7,179,144 thousand Tenge (31 December 2012: 11,623,922 thousand Tenge) and has commitments to purchase inventory (materials and spare parts) and services for the amount of 558,309 thousand Tenge (31 December 2012: 986,037 thousand Tenge).

32. FINANCIAL INSTRUMENTS

The Group's principal financial liabilities comprise of 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.

33. EVENTS AFTER THE REPORTING PERIOD

On the 4th of July 2013 the Company paid out dividends in the amount of 28,847,670 thousand Tenge (75 Tenge per share), of which 25,962,903 thousand Tenge related to the parent Company "National Company KazMunaiGas" JSC *(Note 30)*.