

## WEEK OF STOCK MARKET OF KAZAKHSTAN October 26 - November 1

1 US dollar = **142.65** tenge at official rate for the end of the period  
1 US dollar = **142.62** tenge at weighted average rate of the Exchange for the end of the period

### YIELD OF STOCK EXCHANGE INSTRUMENTS

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during October 26 - November 1. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

#### Investment attractiveness of stock exchange instruments from October 26 through November 1

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
RENTb	USD	14.96,(5.92)	0,(,0)	0,(,0)
ALKSb	USD	14.85,(14.92)	0,(,0)	0,(,0)
KOMBb	USD	13.50,(13.50)	0,(,0)	0,(,0)
KZOLb	USD	11.06,(10.78)	4.3,(,0)	30.0,(,0)
ATFBb	USD	10.95,(10.95)	0,(,0)	0,(,0)
HSBKb	USD	10.50,(10.50)	0,(,0)	0,(,0)
KZTOb	USD	10.47,(10.57)	0,(897.0)	0,(6,288.3)
MEKKAM, notes	KZT	*7.66,(7.30)	1,865.5,(1,921.6)	13,080.1,(13,471.8)
TMJLb	USD	10.00,(10.00)	0,(,0)	0,(,0)
KKGBb	USD	9.83,(9.84)	0,(,0)	0,(,0)
Euronotes-4	USD	9.60,(9.61)	1,421.9,(1,021.2)	9,970.2,(7,159.4)
Euronotes -3	USD	9.15,(9.19)	810.6,(444.1)	5,683.5,(3,113.3)
Euronotes -2	USD	9.01,(8.84)	256.4,(7.1)	1,797.8,(50.0)
TEBNb	USD	8.52,(8.59)	0,(,0)	0,(,0)
MEKAVM	USD	*7.79,(7.30)	650.7,(318.6)	4,562.7,(2,233.4)
Repo, GB	KZT	*3.48,(2.77)	2,300.8,(1,888.4)	16,132.3,(13,238.6)

**Notes:** yield of KZOLb is calculated as average of deals; for other corporate bonds - as average of bid quotations.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a **negative trend of 2.58% APR**.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

### INDICATORS OF INTERBANK DEPOSIT MARKET

Following is the table of mean values of interbank offering rates (KIBOR), calculated by the quotations put out by the banks in the trade system of KASE. The trend reflects the change of the indicator relative to the last day of previous period. Minimum quotation volume is KZT15 mln. The quotations are indicative meaning that participants do not have to conclude deals on given terms.

#### Indicators of Kazakhstan interbank deposit market as of November 1, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	<b>5.97</b>	-0.03
2 weeks	KZT	<b>6.71</b>	-0.39
1 month	KZT	<b>7.75</b>	-0.25
2 months	KZT	<b>8.42</b>	-0.48
3 months	KZT	<b>9.21</b>	-0.79

The decrease in the rates during the period was caused by a further growth in monetary base. By the data of the National Bank, in October it grew by 12.6% (KZT17 bln), and during the last two calendar weeks - by 8.5% (KZT12.0 bln). Moreover, during this period the country's head bank significantly reduced its issuing activity on the market of the notes and resumed it only during this calendar week, which were aimed at "cleanup" of "excessive" money.

## THE SECURITIES SECTOR (SS)

### Secondary market

During observed period 22 deals amounting to **\$8,972.5 th.** were made in **purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$6,699.8 th., 7 deals) weekly turnover of the sector increased by 33.9%.

In terms of deal volumes **common shares of Bank TuranAlem OJSC** (Almaty, official list of securities, category "A", BTAS) were the leaders, with their proportion in total turnover of securities reaching 45.7%. Then, common shares of VALUT-TRANZIT BANK OJSC (Karagandy, official list of securities, category "B", VTBN) - 18.3% of the market. Further, there were common shares of Kazakhtelecom (Almaty, official list of securities, category "A", KZTK) - 18.0% of the market, and common shares of Kazinterbank OJSC (Almaty, "Non-listed securities" sector, admittance level 2, KIBN) - 12.2% of the market. Volume of deals made in other interments traded during the week were insignificant. Last week the market leaders were coupon bonds of NOTC KazTransOil CJSC.

During the week the price of HSBK fell by 19.1% relative to previous successful trades, KZMS - by 67.9%, KZMSp - by 65.0%, the value of KZCR grew by 0.2%, KZEM - by 16.7%, KZTK - 5.1%, VTBN - 20.6%. The values of BTAS, CCBN did not change. The yields of the only bonds traded during the week - KZOLb grew from 11.2978% to 11.2999% APR.

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

#### Results of the trades in shares from October 26 - November 1

Issuer	Securities	Close	WA price	USD per share, unless otherwise specified		
				Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.15	0.31
Bank TuranAlem OJSC	BTAS	70.20	70.10	58,440	70.20	70.10
Bank CenterCredit OJSC	CCBN	1.40	1.40	200,000	1.40	1.40
Halyk Bank of Kazakhstan OJSC	HSBK	*0.74	0.73	2,000	1.16	0.73
Kazinterbank OJSC	KIBN	*0.70	0.67	1,626,844	0.70	0.00
KAZKOMMERTSBANK OJSC	KKGB	0.70		0	0.25	0.50
KATEP OJSC	KTEP	*2.52	2.52	1	2.52	2.52
TNC Kazchrome OJSC	KZCR	5.61	5.61	55	5.61	5.61
Kazakhol-Emba OJSC	KZEM	*2.80	2.80	26,534	2.80	2.80
Corporation Kazakhmys OJSC	KZMS	*6.73	6.73	7,289	6.73	6.73
Corporation Kazakhmys OJSC	KZMSp	*3.50	3.50	24,006	3.50	3.50
Kazakhtelecom	KZTK	14.50	14.15	114,000	16.00	13.80
Kazakhtelecom	KZTKp	*8.08		0	8.00	12.00
Rakhat JSC	RAHT			0	*0.42	
SHNOS OJSC	SYRG	1.63		0	1.30	
Temirbank OJSC	TEBN	*1.10		0	0.70	3.62
UKTMK OJSC	UTMK	*50.00		0	5.00	145.00
UKTMK OJSC	UTMKp	28.00		0	30.80	50.00
Volkovgeologya OJSC	VGEOp	*1.23	1.23	1	1.23	1.23
VALUT-TRANZIT BANK OJSC	VTBN	2.63	2.61	630,000	2.63	2.59
VALUT-TRANZIT BANK OJSC	VTBNp	*3.28		0	1.40	2.52

#### Results of the trades in bonds from October 26 - November 1

Issuer	Code	Currency	Last	WA	yield for the buyer in % APR till maturity, unless otherwise specified		
					Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb	USD	15.13		0.00	17.12	14.88
AMB CJSC	ATFBb	USD	11.38		0.00	11.37	10.95
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	12.00		0.00	12.57	10.50
KAZKOMMERTSBANK OJSC	KKGBb	USD	12.76		0.00	13.83	9.83
Komirbank OJSC	KOMBb	USD	14.50		0.00	16.50	13.50
NOC Kazakhoil CJSC	KZOLb	USD	11.30	11.06	30.00	10.70	11.30
NOTC KazTransOil CJSC	KZTOb	USD	10.57		0.00	11.30	10.49
RENATA LLP	RENTb	USD			0.00		*15.04
Temirbank OJSC	TEBNb	USD	11.28		0.00	12.13	8.55
Kazakhstan Temir Joly NSE	TMJLb	USD	10.82		0.00	10.50	10.00

**Notes:** bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

**The KASE index** that reflects the changes in the bids on the shares from the official list of the Exchange's securities of the category "A", including the market capitalization of their issuers, **grew by 0.0001 during the week**, at **100.0005** at November 1 closing.

**In the securities repo sector** no deals were made during the week. At the end of the period **four** indexed securities repos were opened at the trade floor of the Exchange for a total of **\$2,965.6 th.** Common shares of Bank TuranAlem OJSC and Bank CenterCredit OJSC were used as the object of repo deals.

## Change in the securities lists

From **October 27, 2000**, by the decision KASE Board dated October 30, 2000 and on the basis of Exchange Council resolution dated October 27, 2000, **common inscribed** (KZ1C33291013, trade code **VTBN**) and **preferred inscribed** (KZ1P33291018, trade code **VTBNp**) shares of **VALUT-TRANSIT BANK OJSC** (Karagandy) **were returned to category "B" of the official list of KASE securities**. These decisions cancelled previous resolution of Exchange Council on entering the shares into category "A" dated October 19.

The transfer was protested by the National Securities Commission of Kazakhstan (NSC) on the ground of deposit insurance system requirement. At the moment of transfer VALUT-TRANSIT BANK OJSC was not a member of Compulsory Collective Deposit Insurance Fund OJSC. This requirement was included into Securities Listing Regulation of the KASE just on October 19. After submission of the NSC protest, trades over VALUT-TRANSIT BANK OJSC shares were cancelled. They were resumed from October 31 under category "B".

By the decision of the KASE Board it was also defined that securities could be transferred into category "A" again if the bank becomes a member of the collective insurance system by April 1, 2000. In this case, none of special transferring procedures will be required from the bank.

**From October 30, 2000**, by the application of the trade member of the Kazakhstan Stock Exchange (KASE) following shares are introduced on the Non-listing trade floor at the second admission level:

- common inscribed (KZ1C28430428; issue - 18,592 shares; trade code – **KTEP**) and preferred inscribed (KZ1P28430423; issue - 978 shares; trade code – **KTEPp**) shares of **KATEP OJSC** (Almaty, main activities - commercial and foreign economic activities, issued authorized paid-up capital - KZT7,045,200.00);
- common registered (KZ1C19910412; issue - 682,713 shares; trade code – **VGEO**) and preferred inscribed (KZ1P19910417; issue - 75,857 shares; trade code – **VGEOp**) shares of **Volkovgeologya OJSC** (Almaty, main activities - exploration activity over uranium and other minerals, issued authorized paid-up capital - KZT128,957,000.00);
- common registered (KZ1C35620417; issue - 10,000,000 shares; trade code – **KIBN**) shares of **Kazakhstan International Bank OJSC** (Almaty, issued authorized capital - KZT1.0 bln, paid-up capital - KZT607,648,400.00).

**From November 1, 2000**, by the decision of the Board of the Kazakhstan Stock Exchange (KASE), inscribed discounted bonds of an open joint stock company Kazakhstan Electricity Grid Operating Company (Astana) of the first issue (KZ73LAIVAA09, trade code KEGCb; August 1,00 - October 31,00, \$100; \$2.5 mln) are removed from official list of the KASE securities under category "A". The bonds have been removed from the list due to an end of the circulation term.

These bonds were entered into official list of the KASE securities under category "A" on June 23, 2000. By the placement and repayment terms of the bonds, beginning date of the bond placement and circulation was set by the issuer from Aug.1,00, with the placement term of 80 days and 91 day circulation from the placement beginning date. However, during this period the KEGOC OJSC did not make a decision on the beginning of the issue placement. On August 7 of current year the KEGOC OJSC informed the KASE of the fact that the issue placement had been delayed due to sufficient funds that the company had. Thus, the bonds have not appeared on the market till their specified maturity date.

The KEGOC OJSC has registered its first bond issue with the purpose of providing itself with working capital during a favorable weather period in order to conduct repair works on power lines, power substations and complete construction and assembly works at its production facilities.

## Capitalization

On November 1, 2000 the **capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,239.5 mln** or KZT176.8 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number decreased by **\$61.9 mln** in terms of dollars was caused by a change in the values of the instruments traded during the week (see above).

**The capitalization of the exchange market of corporate bonds by the best bids**, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$130.2 mln** as of November 1, or KZT18,565.34 mln. This indicator fell by \$0.6 mln, which is explained by the fact that the discount bonds of KEGOC OJSC were removed from the official list of the KASE securities under category "A" (see above). In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$131.7 mln** as of this check date. or **KZT18,778.8 mln**.

## October results

Due to an end of the month the agency IRBIS has made an analysis of the securities trades in all sectors of the KASE in October. Total volume of the deals equaled **\$22,337.8 th.**, or KZT3,185.8 mln at current rate of the Exchange effective on the day the deals were made on. The amount of deals exceeds similar figure for a whole 1999. To a some extent the record in October was reached due to a great volume of repo deals.

### Volumes of deals with securities at KASE in a year 2000

(thousand US dollars)				
Month	Sector of the securities exchange market			Total
	Primary	Purchase and sale	Repo	
January		21,410.1		21,410.1
February	464.8	963.8		1,428.6
March		2,284.3	385.7	2,670.0
April	338.4	840.9	1,057.7	2,237.1
May	3.9	1,633.3	9.1	1,646.3
June	818.5	8,677.2	17.8	9,513.5
July	13,503.2	8,190.1	196.9	21,890.1
August	2,253.4	1,773.5	1,087.1	5 114.00
September		7,071.6		7,071.6
October	1,293.2	17,493.8	3,550.8	22,337.8
<b>TOTAL</b>	<b>18,675.5</b>	<b>70,338.5</b>	<b>6,298.1</b>	<b>95,312.1</b>

In 1999 the volumes of securities operations at KASE were equal to \$21,603.2 th.

**Primary market** of the month was represented by the offering of the tranche of first issue coupon bonds of Almaty Merchant Bank CJSC (KZ2CKAN3AA16; official list of the KASE securities under category "A", ATFBb; Oct.2,00 - Oct.2,01; \$100; \$5.0 mln; semiannual coupon at 10.50% APR) with the face value of \$1.3 mln.

**In purchase and sale sector** repos were closed for \$1,028.6 th. (186 days at 12.97% APR in USD) on Bank CenterCredit OJSC shares and repos were opened for \$2,453.8 th. (30 days at 2.99% APR in USD) on Bank TuranAlem OJSC shares.

Despite a noticeable increase in the volumes of the deals, in October the securities market of Kazakhstan at the Exchange (especially the market of the shares) remains narrow, relatively sluggish and does not show any clear trend in the dynamics of the market values of the securities.

## SECTOR OF GOVERNMENT BONDS (GB)

**In GB purchase and sale sector** of KASE total volume of **114 deals** equaled **KZT5,017.2 mln.** In previous week the turnover reached KZT3,847.1 mln with 65 deals made.

### Parameters of stock exchange transactions in SS from October 26 - November 1

(in parentheses are comparable figures of the previous period)							
Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals	
	min	max	last deal	weighted average			
<b>Discounted GS: MEKKAM-6, 12, notes</b>				<b>37.2% (49.9%) of purchase and sale sector's turnover</b>			
15 - 28	3.11	7.45	6.62	4.98 (6.51)	453.7	18	
37 - 42	6.98	7.41	7.41	7.19 (7.00)	73.4	2	
43 - 56	7.00	15.74	7.00	7.86 (7.44)	875.2	19	
57 - 63	7.50	7.50	7.50	7.50 (7.91)	14.8	1	
64 - 91	7.70	7.80	7.70	7.72 ( - )	51.1	9	
92 - 181	7.99	9.00	7.99	8.02 (8.28)	94.2	3	
182 - 364	9.06	11.00	10.13	9.96 (9.88)	303.0	8	
Total					1,865.5 (1,921.6)	60 (34)	
<b>Discounted indexed GS: MEKAVM-9, 12</b>				<b>13.0% (8.3%) of purchase and sale sector's turnover</b>			
8 - 14	7.60	7.60	7.60	7.60 ( - )	6.3	1	
43 - 56	8.50	8.50	8.50	8.50 ( - )	1.3	1	
92 - 181	7.35	8.99	7.60	7.62 (7.25)	643.2	15	
Total					650.7 (318.6)	17 (4)	
<b>Coupon GS: MEOKAM-36</b>				<b>0.2% (3.5%) of purchase and sale sector's turnover</b>			
1,080 - 1,084	18.04	18.04	18.04	18.04 (13.31)	12.1	3	
Total					12.1 (516.2)	3 (13)	
<b>Euronotes of Kazakhstan, USD</b>				<b>49.6% (38.3%) of purchase and sale sector's turnover</b>			
*691 - 692	8.99	9.02	8.99	9.01 (8.84)	256.4	4	
**1,427 - 1,432	9.13	9.17	9.15	9.15 (9.19)	810.6	17	
***2,350 - 2,355	9.57	9.71	9.60	9.60 (9.61)	1,421.9	13	
Total					2,488.9 (1,472.4)	34 (24)	
<b>SUBTOTAL</b>					<b>5,017.2 (3,847.1)</b>	<b>114 (65)</b>	

**Notes:** for euronotes (\* - second issue, \*\* - third issue, \*\*\* - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic GS are calculated considering official rate of USD/KZT.

This time the participants of the market were mostly focused on the work with the securities indexed by the devaluation, which seems logical, considering the developments on the currency market during the last two days and the aspiration of the National Bank to "let" the tenge free against the dollar. The latter, is likely to happen soon based on the analysis of the market situation, and the plans on the creation of the Oil fund. Moreover, the supply of dollars by the exporters is not so great during the first ten days of each month as it is during the last ten days. In general, it should be noted that the GB turnover structure at the KASE did not change much in purchase and sale sector.

**In GS repo sector 76 deals for a total of KZT6,026.2 mln** were made during the period. Of this number 38 deals (for KZT2,300.8 mln) were repo opening deals and 38 (KZT3,725.4 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT3,641.9 mln.

After closing of the trades on November 1 total amount of opened repo equaled KZT1,442.7 mln. Current weighted average rates as of November 1 (% APR) equaled: for 1 day – 1.99; for 2 days – 1.68; for 6 days – 2.50; for 7 days – 5.75; for 14 days – 6.50; for 15 days – 5.20; for 16 days – 5.50; for 23 days – 7.25; for 28 days – 9.50; for 30 days – 6.00.

**Total of 190 deals** amounting to **KZT11,043.4 mln** were made in **GB on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 156 deals was KZT10,188.5 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations (including euronotes and repo operations) equaled **74.5%**, for last week it was 78.6%.

## October results

In October 2000 683 deals for a total of **KZT42,974.3 mln** (\$301.4 mln at current rate of the Exchange) were made in all sectors of the government bonds (GB) market of Kazakhstan Stock Exchange.

### Volumes of deals in GB at KASE in year 2000

(mln KZT).				
Month	Sector of the GS exchange market			Total
	Primary	Purchase-sale	Repo	
January		7,295.9	2,133.0	9,428.9
February		13,832.7	2,854.5	16,687.2
March		10,389.4	10,448.1	20,837.4
April		7,740.1	17067.0	24,807.1
May		13,002.4	15,928.1	28,930.5
June		11,407.8	23,592.0	34,999.7
July	650.0	8,282.1	35,152.3	44,084.4
August		11,369.3	36,744.8	48,114.1
September		14,659.2	49,410.1	64,069.3
October		21,219.9	21,754.4	42,974.3
<b>TOTAL</b>	<b>650.0</b>	<b>119,198.7</b>	<b>215,084.3</b>	<b>334,933.0</b>

In 1999 the volume of GS operations at KASE was equal to KZT161,460.7 mln

Deformation in the turnover structure in the purchase and sales sector was taking place towards the increase in the proportion of deals made in MEKKAM and notes that are indexed by the devaluation (32.7% compared with 25.3% in September), decrease in the turnover proportion of MEKAVM (down to 5.1% from 10.3%) and that of euronotes (down to 57.5% from 63.0%), as well as a noticeable growth in the liquidity of MEOKAM (up to 4.7% from 1.4% in September).

In October **the share of the Exchange's turnover** in total volume of the deals made on the Kazakhstan GB secondary market based on comparable operations (including euronotes and repo deals) equaled **71.7%** (in September – 79.1%).

## KASE MEMBERS

**From October 31, 2000**, by the resolution of the KASE Board dated October 30, 2000, the member of KASE in categories "K", "P" and "H", **Greenwich Capital Management Financial Company OJSC** is dismissed from securities trades. The decision was based on suspension of the license issued to the company by the NSC to conduct brokerage and dealing activities on the stock market from October 30, 00.

**From November 1, 2000**, by the decision KASE Board and on the basis of Exchange Council resolution, dated October 19, 2000, the KASE cancels membership of Securities House EASTBROKER LLP (Almaty) in all categories ("K", "P", "H"). The decision is made on the basis of the company's application due to its liquidation.

## INFORMATION ON THE COMPANIES

**Halyk Bank of Kazakhstan OJSC** (Almaty), in accordance with the listing requirements, provided the Kazakhstan Stock Exchange (KASE) with its financial statements for 9 months of 2000: balance sheet, and income statement. By the data of the issuer, following were his results during this period (see the table).

### Comparable figures of Halyk Bank of Kazakhstan OJSC financial and economic activities in 9 months of 2000

(in th. KZT, unless otherwise specified)

Indicator	As of Oct. 1, 99	As of Oct. 1, 00	Change, %
Authorized capital (paid)	3,011,900	3,615,067	+20.0
Shareholders' equity	4,961,603	5,596,374	+12.8
Book value of the assets	48,875,002	76,329,913	+56.2
Liquid assets	18,067,251	29,336,009	+62.4
Loans and deposits	43,648,144	64,874,004	+48.6
Credits granted	20,503,015	34,976,226	+70.6
Income from operating activities	10,868,765	10,064,969	-7.4
General expenses	10,288,623	9,908,133	-3.7
Net income of the period	580,142	156,836	-73.0
Book value of one share, KZT	164.73	154.81	-6.4

Compared to similar period of 1999 following change took place: **shareholders' equity** of the bank grew by KZT634.8 mln, or 12.8% (as a result of the offering of the forth issue of the shares - by KZT603.2 mln, growth in additional capital - by KZT247.3 mln, accumulations in the funds - by KZT52.1 mln with the decrease in final amount of undistributed income - by KZT267.8 mln); **assets** increased by KZT27.5 bln, or 56.2% (of which loan portfolio growth - KZT14.5 bln, securities portfolio - by KZT9.5 bln); **liabilities** grew by KZT26.8 bln, or 61.1% of which increase in the deposits - KZT23.1 bln; **income from operating activities** decreased by KZT803.8 bln or 7.4% due to a decrease in re-evaluation expenses; **expenses** decreased by KZT380.5 mln, or 3.7% as a result of a decrease in reserve allocations.

**Net income** of Halyk Bank of Kazakhstan OJSC received during the reporting period equaled KZT156.8 mln, which is by KZT423.3 mln, or 3.7 times less than in similar period of last year.

### Dynamics of some Halyk Bank of Kazakhstan OJSC indicators during the year 2000 on a quarterly basis and non-accruing sum

(in mln KZT)

Indicator	I-2000	II-2000	Change, %	III-2000	Change, %
Client deposits	4,075.6	12,988.4	+418.7	4,959.2	-61.8
Income from operating activities	3,421.2	3,124.9	-8.7	3,518.8	+12.6
Net income	89.5	-11.2	-112.5	78.5	+801.3

**Mangistaumunaigas OJSC** (Aktau, extraction and transportation of oil and gas; oil processing, sales of oil and oil products; exploration and development of oil and gas deposit sites), in accordance with the listing requirements, provided the Kazakhstan Stock Exchange (KASE) with auditing report of Arthur Andersen (Almaty, Kazakhstan) made on its 1999 consolidated financial statements, as well as financial statements for I half of 2000: balance sheet, and income statement. Based data of an independent auditor, who finished the report on June 15, 2000, the following figures presented in the table are the results of the issuer as of December 31, 1999 and 1998.

### Comparable figures of Mangistaumunaigas OJSC financial and economic activities as of December 31, 1999 and 1998

(in th. KZT, unless otherwise specified)

Indicator	1998	1999
Authorized capital	10,894,602	10,894,602
Shareholders' equity	666,649	13,299,253
Total assets	31,608,709	43,468,180
Net working capital	-19,583,244	-11,098,750
Accounts receivable	5,480,070	7,128,656
Accounts payable	24,457,725	23,694,624
Sales	16,927,093	45,781,992
Cost of goods sold (services offered)	10,104,314	7,996,154
Net income (loss)	(211,037)	8,090,127

To be continued on the page 7

**Comparable figures of Mangistaumunaigas OJSC financial and economic activities as of December 31, 1999 and 1998**

(in th. KZT, unless otherwise specified)

Indicator	1998	1999
<b>Calculated by the data of the auditor:</b>		
Return on sales (ROS), %	40.3	82.5
Return on equity (ROE), %	–	60.8
Return on assets (ROA), %	–	18.6
Earnings per share (EPS), KZT	–	825.09
Price earnings ratio (P/E)	–	0.44
Book value of a share, KZT	61.19	1,220.72

Auditing of 1998-1999 financial statements of Mangistaumunaigas OJSC and its subsidiaries were made on the basis of the Kazakhstani and international accounting standards by Arthur Andersen. The auditing allowed the auditor to make following conclusions regarding the company's financial statements.

In the opinion of Arthur Andersen, consolidated balance sheet gives a true picture of financial conditions of Mangistaumunaigas OJSC and its subsidiaries as of December 31, 1999 in accordance with the Kazakhstani accounting standards except for the re-evaluation of fixed assets for an amount of KZT4.7 bln, which was made by the company in 1999, and the absence of provisions for unexpected tax liabilities (*reference to the Appendix 11*).

However, the auditor did not express his opinion regarding the consolidated financial statements and cash flow statements as of December 31, 1998 and 1999 due to the fact that:

- he was not satisfied with the data on residual amounts on the balance sheet as of December 31, 1997 and able to compare the results of inventory control as of December 31, 1998 that could have a noticeable impact on the company's activities in the ended on December 31, 1998 and 1999;
- the company is not capable of disclosing the information on the operations made with related parties in 1998, and not enough data was obtained to confirm the amounts of accounts receivables and payables as of December 31, 1998 because in 1998 applicable records were not made and there were no sufficient documentation on this (*reference to the Appendix 3*) that could have a noticeable impact on the results of the company in the year ended on December 31, 1999;
- consolidated cash flow statement was not made for the year 1998 as it is specified by the Kazakhstani accounting standards.

Also, auditor notes that in October 1999 he company received the assets of Pavlodar oil refinery by the decision of the Supreme Court (*reference to the Appendix 25*). Since in 1998 the reserves was created for this amounts, then as of December 31, 1999 the company had a zero residual balance of these assets. As a result of an uncertainty regarding the legal matters and future management of the refinery, as well as the possibility of reexamining the court's decision, these events were not reflected in the company's financial statements as of December 31, 1999.

Besides, the auditor notes that till the stabilization of the world oil prices (*reference to the Appendix 2*) the company had serious problems with the liquidity. However, despite the growth of oil prices, the company still had a deficit of working capital for a total of KZT11,098,750 th. as of December 31, 1999. In the opinion of the auditor, the company's ability to operate continuously depends on its capability: a) to generate sufficient cash flows to meet its liabilities on time; b) obtain additional financing; c) have successful talks on reexamining the terms or prolongation of the terms on paying back current liabilities; d) finally, achieve a constant profitability. No corrections were made in submitted financial statements due to these uncertainties.

In the auditing report of Arthur Andersen, presented to the KASE, made on 1998-1999 financial statements of Mangistaumunaigas OJSC and its subsidiaries, there are no comments to the text that the auditor made the references to, and which are considered an integral part of financial statements.

Also, Mangistaumunaigas OJSC, provided the Kazakhstan Stock Exchange (KASE) with its financial statements for I half of 2000: balance sheet, and income statement. Based on the data of the issuer, following figures given in the table are his results in I half of 2000.

**Comparable figures of Mangistaumunaigas OJSC financial and economic activities in I half of 2000**

(in th. KZT, unless otherwise specified)

<b>Indicator</b>	<b>As of July 1,99</b>	<b>As of July 1,00</b>	<b>Change, %</b>
Authorized capital	10,894,602	10,894,602	0
Shareholders' equity	18,949,104	23,580,601	+24.4
Total assets	37,237,680	62,630,571	+68.2
Net working capital	-3,679,580	-792,624	+78.5
Accounts receivable	8,583,188	26,524,349	+209.0
Accounts payable	14,163,573	35,284,702	+149.1
Sales	12,415,592	43,508,486	+250.4
Cost of goods sold	4,528,356	16,658,005	+267.9
Net income	7,924,431	1,387,554	-471.1
Book value of one share, KZT	1,739.31	2,164.43	+24.4

Compared to similar period of 1999 growth took place in: **shareholders' equity** of the company - by KZT4.6 bln, or 24.4% as a result of an increase in additional unpaid capital (re-evaluation of fixed assets) - by KZT4.1 bln, total of undistributed income - by KZT702.1 mln, with the decrease in reserve capital - by KZT152.4 mln; **assets** - by KZT25.4 bln, or 68.2%, of which accounts receivable growth - KZT18.3 bln; **liabilities** - by KZT20.7 bln, or 113.5%, of which accounts payable growth - KZT20.1 bln; **sales** - by KZT31.1 bln, or 3.5 times; **cost of goods sold** - by KZT12.1 bln, or 3.7 times; **expenses** - by KZT16.4 mln, or 4.5 times, including sales expenses growth of KZT9.1 bln, or 5.2 times.

**Tax payments** increased by KZT5.8 bln, or 4.8 times relative to similar period of last year, at KZT7.3 bln. As of July 1,00 KZT2.8 bln reserve on liquidation of oil and gas equipment and restoration of the land was created.

As a result, **net income** of the company OJSC received during the I half of the year 2000 equaled KZT1.1 bln, which is by KZT6.5 bln, or 5.7 times less than in similar period of last year.

**UKTMK OJSC** (Oskemen, production and sales of non-ferrous metals, by products, consumer goods; international economic activities), in accordance with the listing requirements, provided the Kazakhstan Stock Exchange (KASE) with its financial statements for 9 months of 2000: balance sheet, and income statement. By the data of the issuer, following figures given in the table are his results in 9 months of 2000.

**Comparable figures of UKTMK OJSC financial and economic activities in 9 months of 2000**

(in th. KZT, unless otherwise specified)

<b>Indicator</b>	<b>As of Oct.1,99</b>	<b>As of Oct.1,00</b>	<b>Change, %</b>
Authorized capital	21,582	21,582	0
Shareholders' equity	5,345,435	5,727,784	+7.2
Total assets	7,103,728	7,544,231	+6.2
Net working capital	1,347,039	1,535,989	+14.0
Accounts receivable	723,147	724,025	+0.1
Accounts payable	737,387	795,870	+7.9
Sales	4,379,869	3,836,505	-12.4
Cost of goods sold	3,319,918	3,209,182	-3.3
Net income (loss) of the period	(70,588)	124,030	-
Book value of one share, KZT	4,953.60	5,307.93	+7.2

Compared to similar period of 1999 growth took place in: **shareholders' equity** of the company - by KZT382.3 mln, or 7.2% ( additional paid capital - by KZT161.1 mln, final amount of undistributed income - by KZT263.1 mln, with the decrease in fixed assets re-evaluation fund - by KZT41.9 mln); **assets** - by KZT440.5 mln, or 6.2%; **liabilities** - by KZT58.2 mln, or 3.3%.

**Sales** fell by KZT543.4 mln, or 12.4% compared to similar period of last year, cost of goods sold - by KZT110.7 mln, or 3.3%, expenses of the period - by KZT36.7 mln, or 9.4%.

**Net income** of UKTMK OJSC in 9 months of 2000 equaled KZT124.0 mln against KZT70.6 mln incurred in corresponding period of last year as a result of KZT516.7 mln losses from secondary activities.

**Dynamics of some UKTMK OJSC indicators during the year 2000 on a quarterly basis and non-accruing sum**

(in mln KZT)

<b>Indicator</b>	<b>I-2000</b>	<b>II-2000</b>	<b>Change, %</b>	<b>III-2000</b>	<b>Change, %</b>
Sales	1,086.9	1,139.1	+4.8	1,610.4	+41.4
Net income	27.3	8.3	-69.5	88.4	+960.9



**Bayan-Sulu OJSC** (Kostanai, production and sales of confectionery), in accordance with the listing requirements, provided the KASE with its financial statements for 9 months of 2000: balance sheet, and income statement. By the data of the issuer, following figures given in the table are his results in 9 months of 2000.

**Comparable figures of UKTMK OJSC financial and economic activities in 9 months of 2000**

(in th. KZT, unless otherwise specified)

<b>Indicator</b>	<b>As of Oct.1,99</b>	<b>As of Oct.1,00</b>	<b>Change, %</b>
Authorized capital (issued)	1,000,000	1,000,000	0
Authorized capital (paid)	553,172	553,172	0
Shareholders' equity	507,405	575,191	+13.4
Total assets	761,421	826,085	+8.5
Net working capital	177,201	216,210	+22.0
Accounts receivable	244,728	250,768	+2.5
Accounts payable	184,616	202,217	+9.5
Sales	544,625	693,628	+27.4
Cost of goods sold	478,703	600,770	+25.5
Net income (loss) of the period	(62,234)	35,350	-
Book value of one share, KZT	137.59	155.97	+13.4

Compared to similar period of 1999 following changes took place: **shareholders' equity** of the company grew by KZT67.8 mln, or 13.4% (increase in total of undistributed income by KZT68.4 mln with the decrease in the fund for re-evaluation of fixed assets by KZT0.6 mln); **assets** grew by KZT64.7 mln, or 8.5%; **liabilities** decreased by KZT3.1 mln, or 1.2%.

**Sales** grew by KZT149.0 mln, or 27.4%, cost of goods sold - by KZT122.1 mln, or 12.4%. Meanwhile, expenses from secondary activities decreased by KZT72.3 mln, or 98.6%, that are covered by net income.

**Net income** of Bayan-Sulu OJSC received during 9 months of the year 2000 equaled KZT35.4 mln against KZT62.2 mln of loss incurred in similar period of last year.

**Dynamics of sales and net income of Bayan-Sulu OJSC during the year 2000 on a non-accruing sum**

(in mln KZT)

<b>Indicator</b>	<b>I-99</b>	<b>II-99</b>	<b>Change, %</b>	<b>III-99</b>	<b>Change, %</b>
Sales	244,165	221,894	-9.1	227,569	+2.6
Net income	15,336	10,772	-29.8	9,242	-14.2

Prepared by the agency «IRBIS»