



ҚазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

NC KMG

Operational and financial results 3Q and 9M 2017



Disclaimer

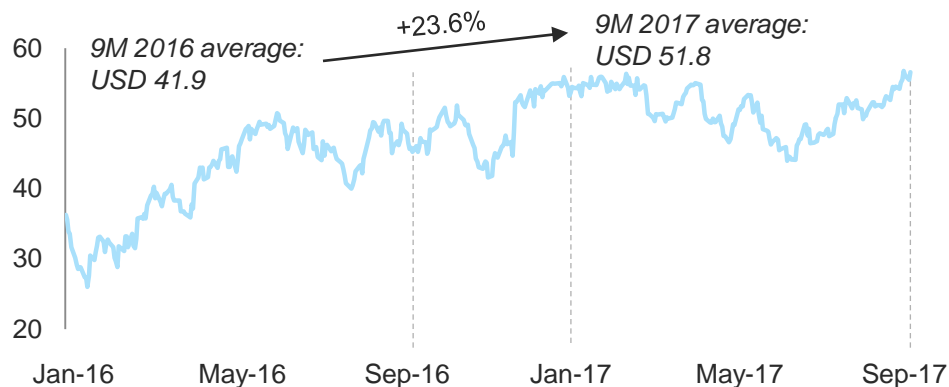
Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “target”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include, but are not limited to, statements regarding the JSC NC KazMunaiGas (The Company) intentions, beliefs and statements of current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and as to the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur.

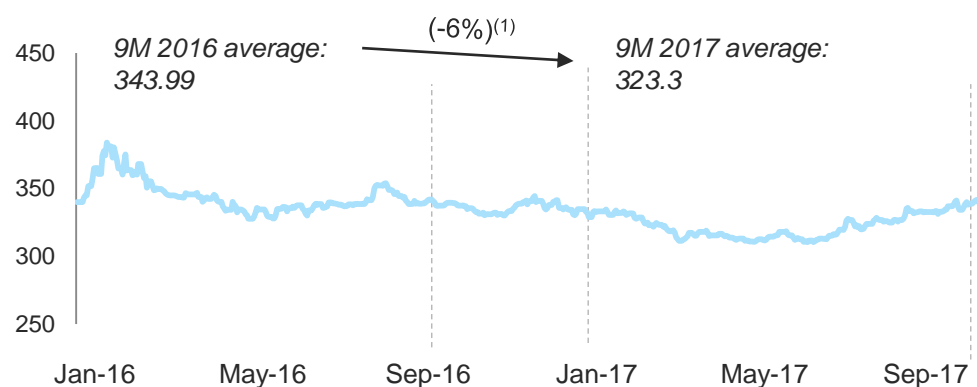
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Macroeconomic environment

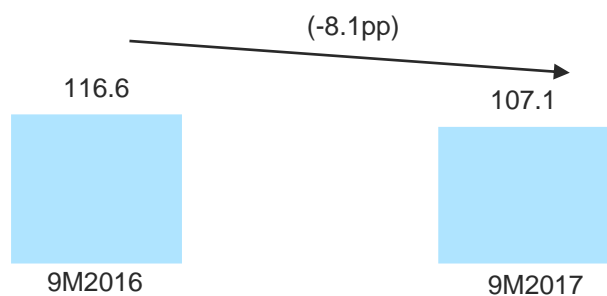
Brent price (USD/bbl)



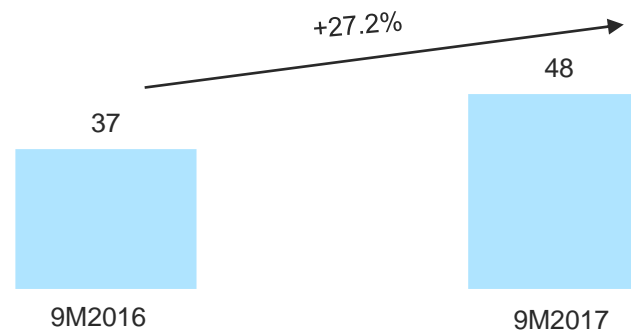
USD/KZT rate



Kazakhstan CPI



Export duty per barrel (USD/tonne)



(1) Or 6% appreciation of KZT vs USD
Source: Company data

Key developments over 9M 2017

Upstream

- ✓ Commercial production at Kashagan field (one of the world's largest oil & gas fields) resumed in November 2016. In 9M 2017 Kashagan produced 480kt of oil net to NC KMG share (8,44%)

Midstream

- ✓ Upgrades of the Asia Gas Pipeline are expected to increase capacity from 30 bcm pa to 55 bcm pa in 2017
- ✓ Expansion of the capacity of CPC Pipeline from 33 mt pa to 67 mt pa was completed in 2017
- ✓ KazTransGas ("KTG") and PetroChina signed purchase-sale agreement on gas supplies to China in the amount of 5 bcm pa

Downstream

- ✓ NC KMG has entered into an agreement with CEFC ("China Energy Company Limited") over the sale of 51% in KMG International. The deal is expected to strengthen the KMG International business and set up a platform for further potential joint projects and cooperation
- ✓ An aromatics production complex has been launched at the Atyrau refinery, which has considerably increased output of high-octane gasolines
- ✓ On 30 June 2017, Phase 1 of Shymkent refinery modernisation was completed (a gasoline tops isomerization plant commissioned). Shymkent refinery's full upgrade to be completed in 2018
- ✓ Modernisation works at Atyrau and Pavlodar refineries planned to be completed in 2017

Corporate

- ✓ Kazakhstan government has announced the launch of a major complex privatisation programme, which is expected to streamline and optimise NC KMG's business structure through sell-downs at corporate level as well as divestments of non-core assets. KMG/CEFC is expected to be the first transaction in the program. Additionally, in November 2017, NC KMG agreed to sell LLP Euro-Asia Air as part of the programme
- ✓ In 2017 NC KMG has merged KMG RM as part of the transformation programme, implying a new organizational structure focused on operational management of assets, instead of formerly applied "portfolio investor" management concept

Financial

- ✓ In April 2017, NC KMG issued a new triple-tranche USD Eurobond rated Baa3/BB/BBB- for the total amount of USD2.75bn, which represented the largest corporate transaction from the CIS since 2013
- ✓ In August KMG Kashagan b.v. received an additional prepayment (US\$ 600 mln), which was used to repay the second tranche of deferred obligation under the 2008 PSA
- ✓ In September 2017, KTG issued a US\$ 750 mln Eurobond. The proceeds were used to repay US\$ 400 mln to partially redeem a US\$ 750 mln loan
- ✓ In October 2017, NC KMG conducted consent solicitation, which resulted in alignment of the terms of both the 2023 Notes and the 2044 Notes with terms of notes issued in April 2017

Summary operating and financial highlights (9M 2017)

	Item	Unit	9M 2017	9M 2016	% change
Upstream	Oil and condensate production	kt	17,445	16,743	+4.2%
	Gas production	mcm	5,930	5,359	+10.7%
Midstream	Oil transportation	kt	48,711	47,553	+2.4%
	Pipelines	kt	43,706	42,405	+3.1%
	Sea transport	kt	5,005	5,148	-2.8%
	Gas transportation	Mcm	73,889	62,948	+17.4%
Downstream	Refining volume ⁽⁷⁾	kt	12,513	12,065	+3.7%
Financial highlights	Revenue	KZTbn	1,716	1,171	+46.5%
		USDbn ⁽⁴⁾	5.31	3.40	+55.9%
	EBITDA ⁽¹⁾⁽²⁾	KZTbn	940	633	+48.5%
		USDbn ⁽⁴⁾	2.9	1.8	+61.1%
	Net profit	KZTbn	444	217	+104.4%
		USDbn ⁽⁴⁾	1.37	0.63	+117.5%
	Capex ⁽³⁾	KZTbn	434	362	+19.8%
		USDbn ⁽⁴⁾	1.34	1.05	+27.4%
	Net debt ⁽¹⁾⁽⁶⁾	KZTbn	1,500	1,130 ⁽⁶⁾	+32.7%
		USDbn ⁽⁵⁾	4.40	3.39	+29.6%

(1) Calculated with relevant adjustments made for the assets classified as for sale

(2) The Company calculates EBITDA for any relevant period as profit before income tax for such period plus finance cost for such period plus depreciation, depletion, amortisation and impairment of long-lived assets for such period

(3) Capital expenditure as reported in segmental reporting section of the financial statements

(4) Converted from KZT to USD at the following average exchange rates: for 9M 2017 – 323.30, for 9M 2016 – 343.99

(5) Converted from KZT to USD at the following period-end exchange rates: for 9M 2017 – 341.19, for 9M 2016 – 335.46

(6) Net debt is as at YE2016

(7) The volume includes Kazakh refineries + KMG I (Petromidia)

Source: Company data

Summary operating and financial highlights (3Q 2017)

	Item	Unit	3Q 2017	2Q 2017	% change
Upstream	Oil and condensate production	kt	5,828	5,856	-0,5%
	Gas production	mcm	1,889	2,002	-5.1%
Midstream	Oil transportation	kt	16,722	16,227	+3.0%
	Pipelines	kt	14,812	14,631	+1.2%
	Sea transport	kt	1,909	1,596	+19.6%
	Gas transportation	mcm	26,222	19,253	+36.2%
Downstream	Refining volume ⁽¹⁾	kt	4,277	3,981	+7.4%
Financial highlights	Revenue	KZTbn	572	552	+3.6%
		USDbn ⁽²⁾	1.72	1.75	-1.8%
	Net profit	KZTbn	170	171	-1.0%
		USDbn ⁽²⁾	0.51	0.54	-6.2%
	Capex ⁽³⁾	KZTbn	168	137	+22.8%
		USDbn ⁽²⁾	0.51	0.43	+16.4%

(1) The volume includes Kazakh refineries + KMG I (Petromidia)

(2) Converted from KZT to USD at the following average quarter exchange rates: for 3Q 2017 – 332,42, for 2Q 2017 – 315.0

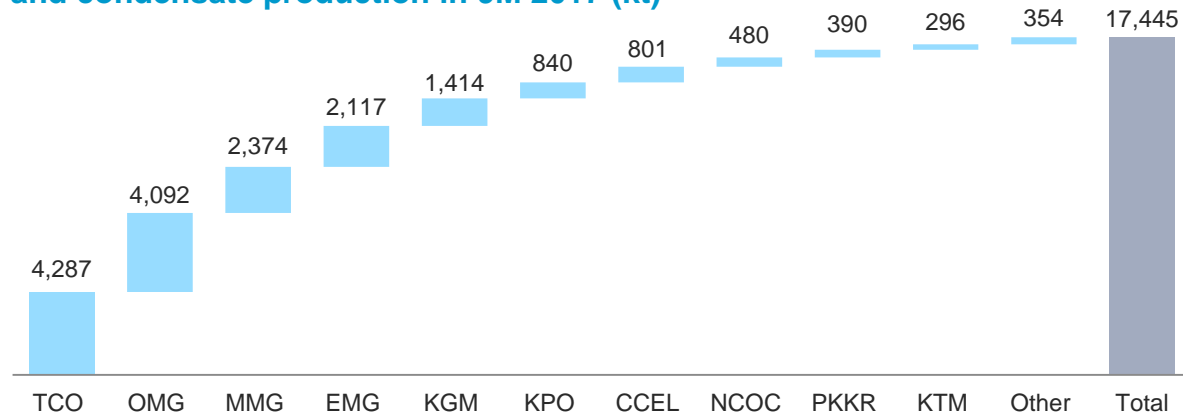
(3) Capital expenditure as reported in segmental reporting section of the financial statements

Source: Company data

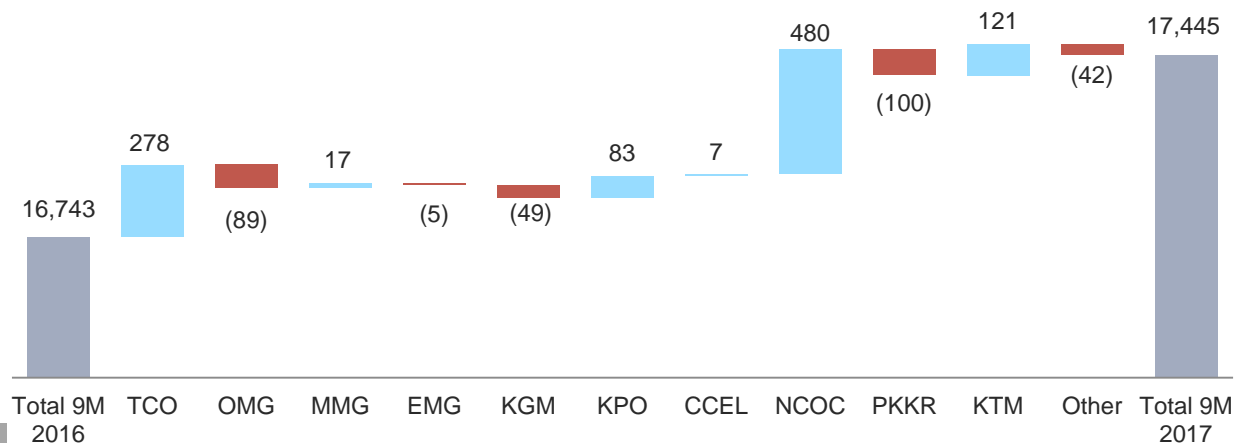
Key operating results: upstream (1/2)

Oil and gas condensate

Oil and condensate production in 9M 2017 (kt)



Oil and condensate production (9M 2017 vs 9M 2016, kt)

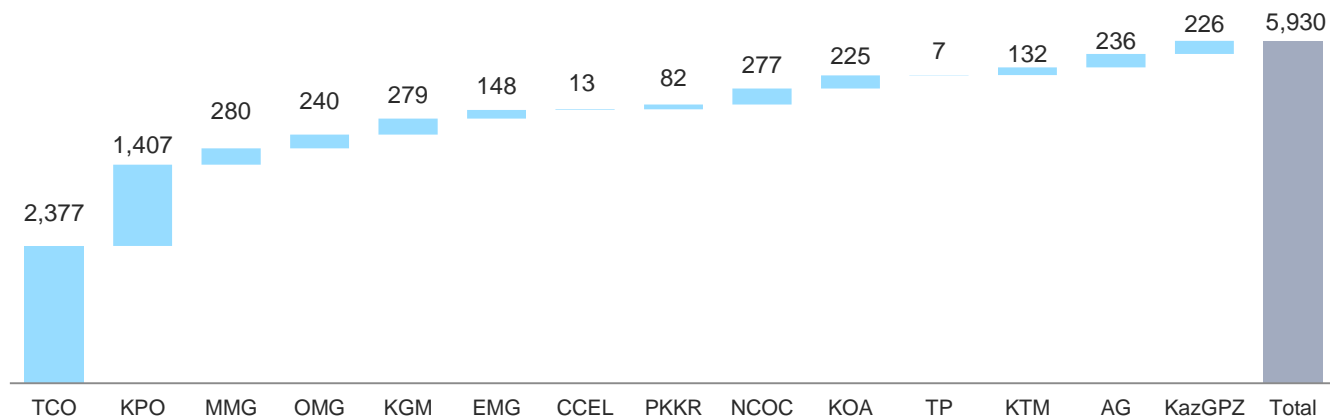


- During 9M 2017 net production volume of oil and condensate to the share of NC KMG reached 17.4 mln. tonnes. The major producers were the following TCO (24%), OMG (23%), MMG (13%) and EMG (12%)
- Increase at NCOC (Kashagan) by 480 kt in 9M 2017: no production in 9M 2016, production resumed in November 2016
- TCO volumes rose 7% (278 kt): Stable and reliable operation of SGI/KTL/SGP plants and favourable weather conditions
- Production increase at KTM by 69% (121 kt): thanks to geological and technical measures taken in 9M 2017
- Production increase at KPO (Karachaganak) by 11% (83 kt): production suspensions in 2016
- Production decline at OMG by 2% (89 kt): the smaller number of production wells commissioned and lower level of production from the existing well stock
- Production decline of PKKR (PetroKazakhstan Kumkol Resources), KGM by 20% and 3% respectively (100, 49 kt): natural decline in oil production

Key operating results: upstream (2/2)

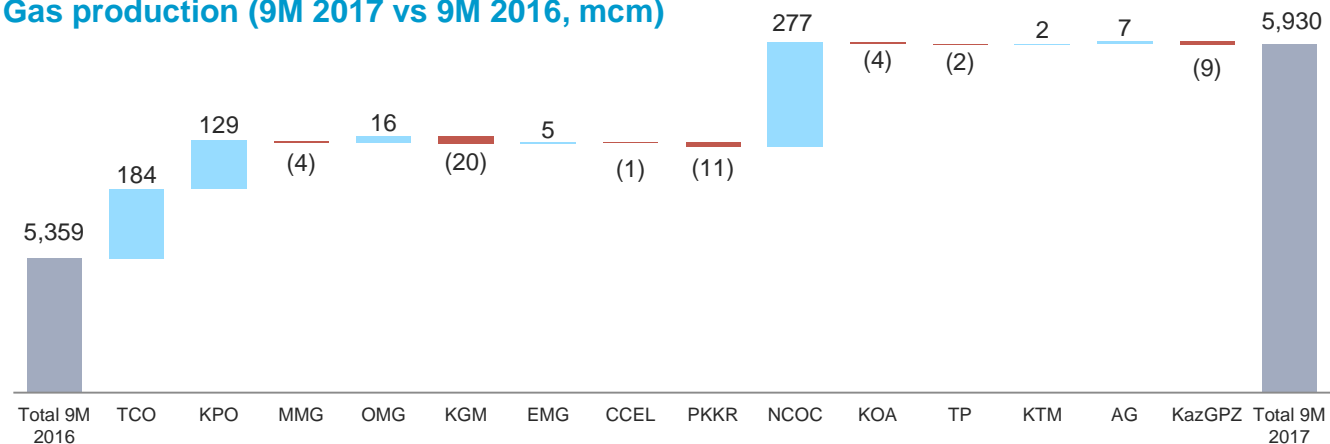
Natural and associated gas

Gas production in 9M 2017 (mcm)



- Over 9M 2017 net volume of natural gas production to the share of NC KMG reached 5.9 bln. m³. The major producers were TCO (40%) and KPO - Karachaganak (24%)

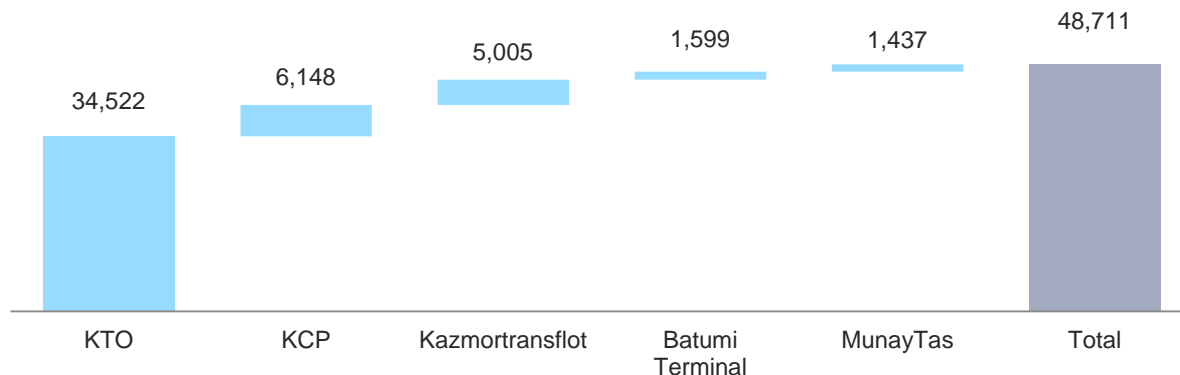
Gas production (9M 2017 vs 9M 2016, mcm)



- Production increase at NCOC (Kashagan) by 277 mcm: no production in 9M 2016, production resumed in November 2016
- Production increase at TCO by 8% (184 mcm): in line with production growth of oil, associated gas posted an +8% increase
- Production increase of KPO (Karachaganak) by 10% (129 mcm): production suspensions in 2016

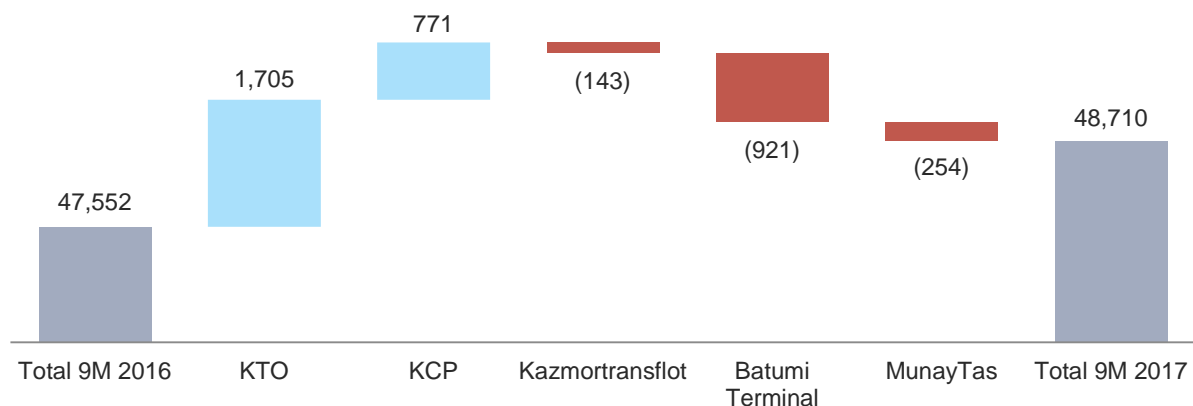
Key operating results: midstream (1/3)

Oil transportation in 9M 2017 (kt)



- In 9M 2017, net volume of oil transportation (pipelines and marine fleet) to the share of NC KMG amounted to 48.7 mln. tonnes.

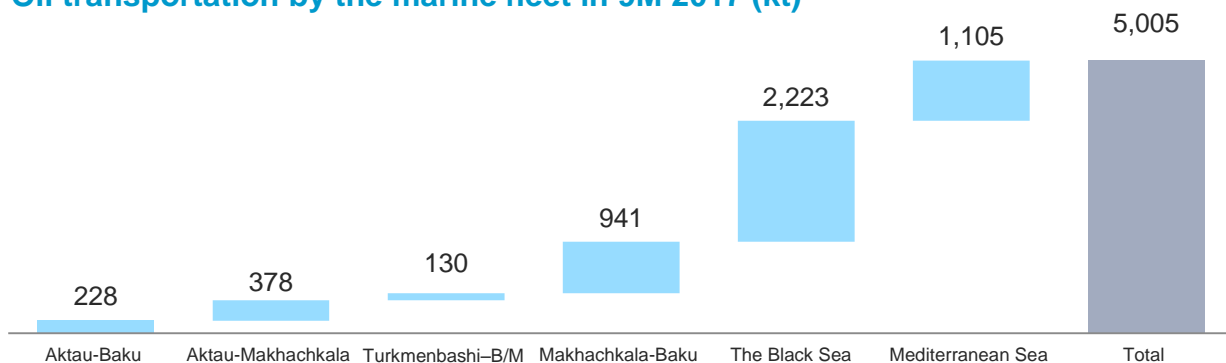
Oil transportation (9M 2017 vs 9M 2016, kt)



- Increase of transportation volumes at KTO, KCP by 5% and 14% (1,705 and 771 kt) respectively: an additional agreement between KTO and PJSC NC "Rosneft" for increasing of oil transit, as well as the resumption of oil production at Kashagan
- Decrease of transportation volume at Batumi Oil terminal (BTL) by 37% (921 kt): the decline is due to the increase in excise tax on light oil products import to Georgia from January 1, 2017, as well as with the redirection of cargo to the port of Kulevi

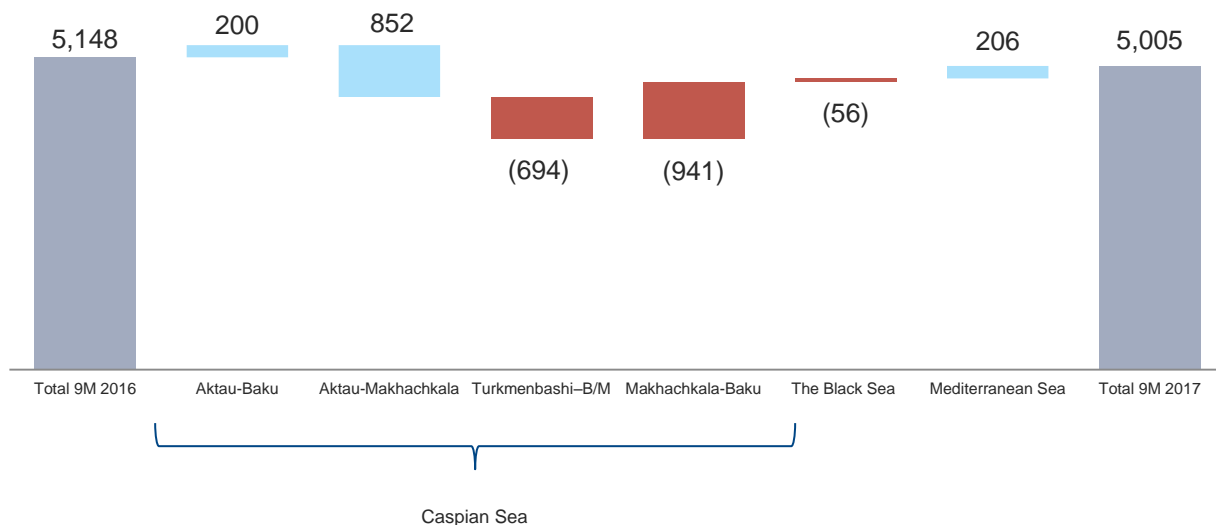
Key operating results: midstream (2/3)

Oil transportation by the marine fleet in 9M 2017 (kt)



- Over 9M 2017, net volume of oil transportation by the marine fleet to the share of NC KMG amounted to 5 mln. tonnes. The share in the volumes are as follows: the Black Sea (44%), the Mediterranean Sea (22%), the Caspian Sea (34%)

Oil transportation by the marine fleet (9M 2017 vs 9M 2016, kt)



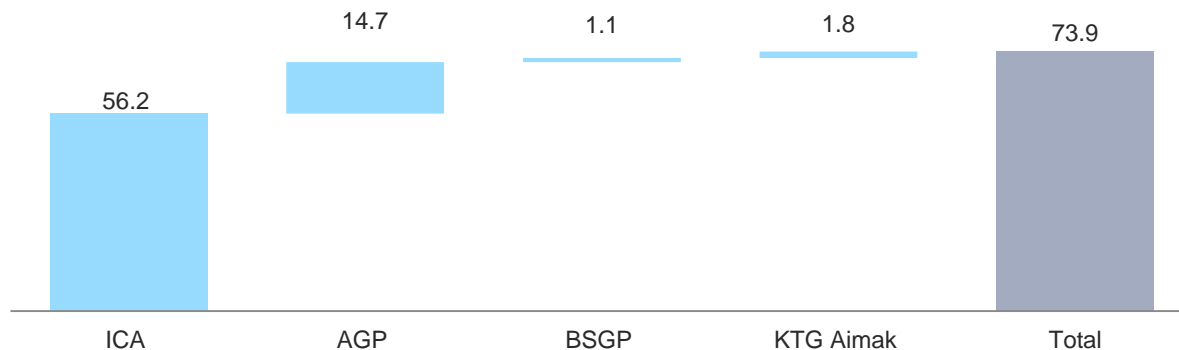
9M 2017 dynamics of Caspian Sea oil transportation:

- An increase in Aktau-Baku destination by 200 kt: additional resources of the consignor
- Changes in transportation volume in Makhachkala-Baku, Turkmenbashi - Baku/Makhachkala (B/M) destinations: reorientation of tankers
- Turkmenbashi - Baku/Makhachkala: in the same period last year there were additional volumes

Key operating results: midstream (3/3)

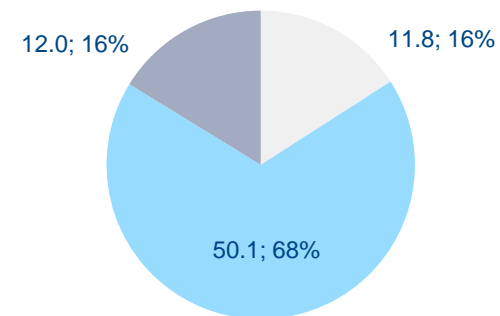
Transportation of gas

Gas transportation through pipelines in 9M 2017 (bcm)

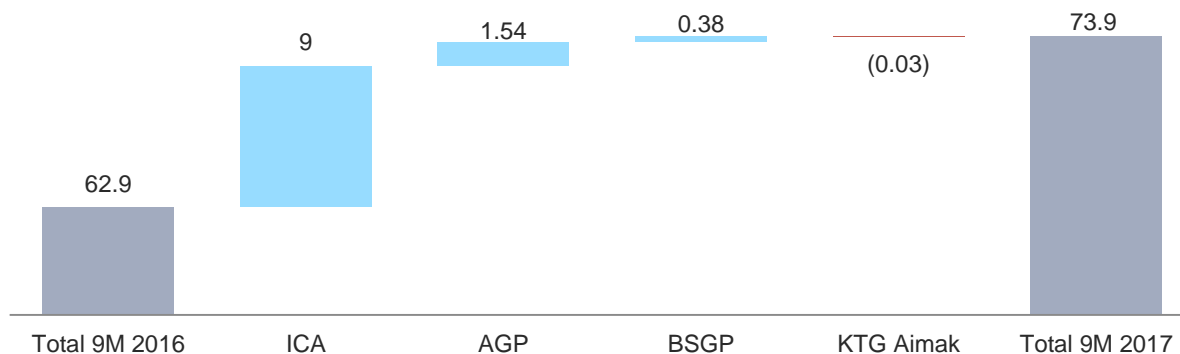


- Over 9M 2017, net volume of gas transportation to the share of NC KMG amounted to 73.9 bcm. International transit accounted for 68% with 50.1 bcm
- A 19% increase at ICA (Intergas Central Asia) (9 bcm): in line with gas production growth and increased demand for supplies in the Southern regions of Kazakhstan

■ Domestic transportation ■ International transit ■ Export



Gas transportation through pipelines (9M 2017 vs 9M 2016, bcm)

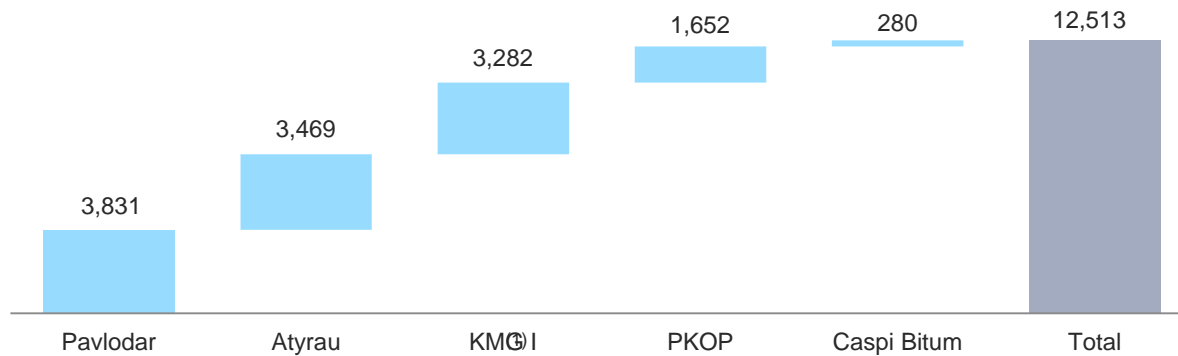


- International transit rose by 17% (7.2 bcm): increasing gas flows by Gazprom through ICA facilities
- Domestic transportation increased by 10% (1.1 bcm): growth in demand for supplies to the southern regions
- Export expanded 29% (2.7 bcm): increased volumes of gas transportation from Zhanazhol, Shogyrly-Shomyshy, Tengiz fields

Key operating results: downstream

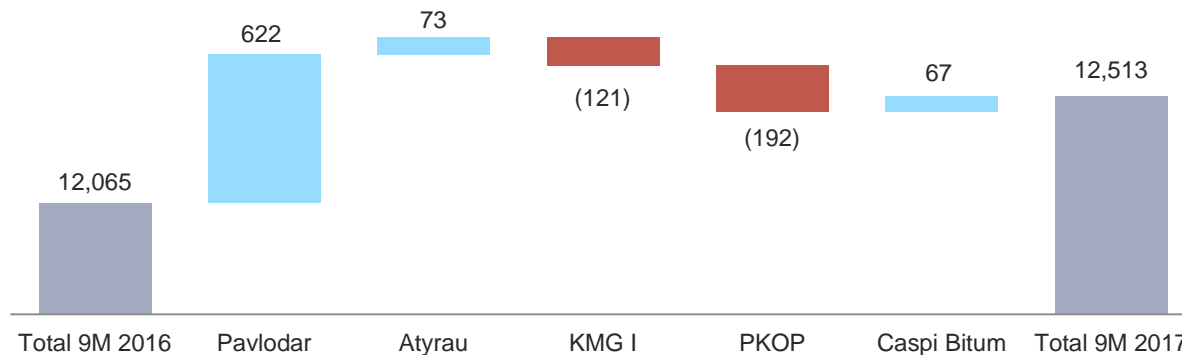
Refining volumes

Refining volumes of oil and naphtha in 9M 2017 (kt)



- In 9M 2017 net refining volume to the share of NC KMG amounted to 12.5 mln. tonnes.
- Contributions by assets: Pavlodar refinery (30%), Atyrau refinery (27%), KMG I (28%), PKOP (13%) and Caspi Bitum (2%)

Refining volumes (9M 2017 vs 9M 2016, kt)



- Growth in refining volumes at Pavlodar and Atyrau refineries by 19% and 2%, respectively (622 kt and 74 kt): increase in the oil supply from KMG EP and third parties
- A 3% decline at KMG I (121 kt): severe weather conditions in January 2017 and as regular maintenance was moved from November to May due to reforming plant break-down.
- Decline of refining volumes of PKOP (PetroKazakhstan Kumkol Resources) by 10% (192 kt): conducting scheduled plant maintenance in March-April 2017

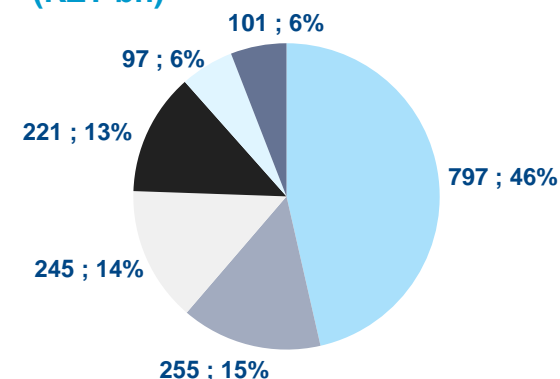
(1) The volume of KMG I includes Petromidia refinery only

Key financial results: revenue

Revenue dynamics (KZT bn)



Revenue composition in 9M 2017 (KZT bn)



- Sale of crude oil
- Sale of gas and gas products
- Transportation fee
- Sale of refined products
- Refining of oil and oil products
- Other revenue

- Increase in revenue is primarily driven by:
 - KZT 418 bn growth in sales of crude oil under TCO Advance Oil Sale Transaction or 107%YoY²
 - higher oil prices in 9M 2017 compared to 9M 2016 (average Brent price increase by 24% YoY to US\$ 51.8/bbl)
 - sale of gas and gas products went up 38% YoY by KZT 71bn. This is mainly explained by additional export sales to Uzbekistan and growth of demand by households and industrial enterprises domestically

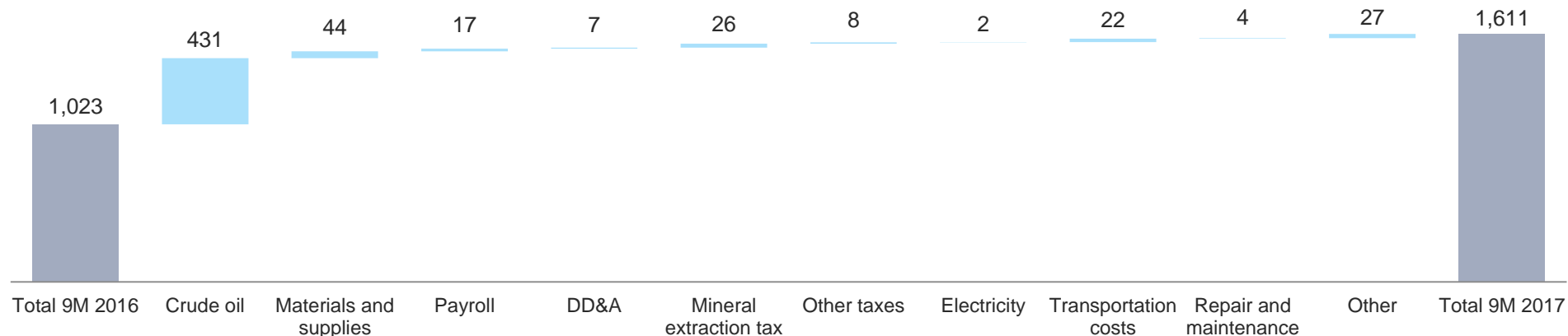
(1) Including change in quality bank for crude oil

(2) Excluding change in quality bank for crude oil

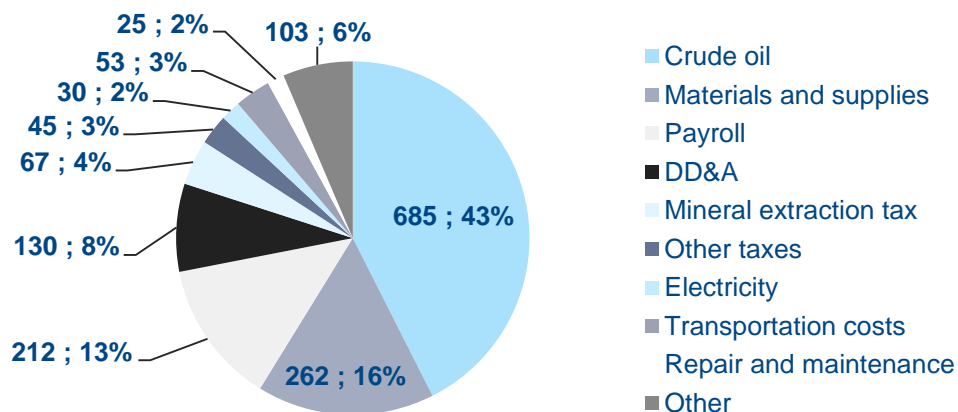
Source: Company data

Key financial results: cost of sales

Cost of sales (KZT bn)



Cost of sales composition in 9M 2017 (KZT bn)



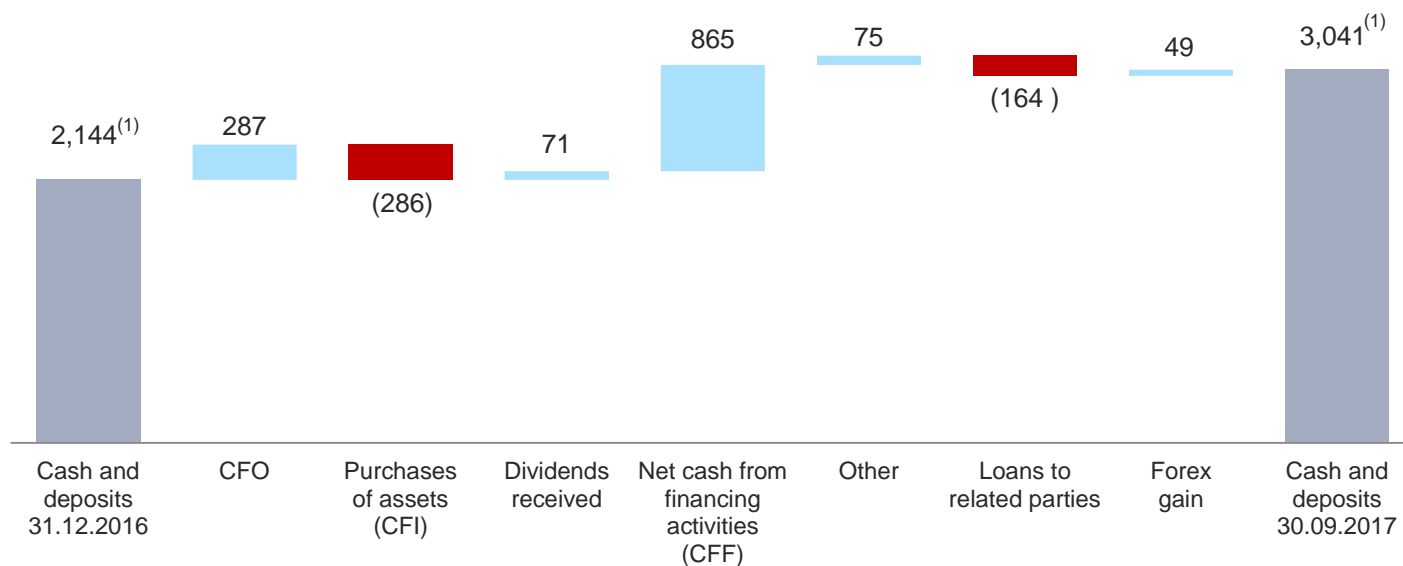
Source: Company data

Increase in cost of sales is primarily explained by:

- A growth in cost of crude by KZT 301 bln or +118%YoY, which was related to sales of crude under prepaid oil supply contract
- A rise in cost of materials and supplies by KZT 44 bln or +20% YoY due to increased volumes of sale under prepaid oil supply contract
- A growth in MET by KZT 26 bln or +65%YoY. This is due to higher oil price environment in 9M 2017 vs last year
- Transportation costs were up by KZT 22 bln or +70%YoY due to the increase of sales through Beineu Shymkent gas pipeline

Cash & deposits

Changes in cash and deposits over 9M 2017⁽¹⁾ (KZT bn)



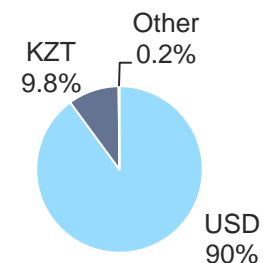
- NC KMG demonstrated positive cash dynamics in 9M 2017, primarily driven by substantial cashflows from financing activities (mainly from USD 2.75bln Eurobond issue) as well as contribution of cash flows from operating activities (KZT 287 bln)
- In 9M 2017 NC KMG was operating cash flow positive after CAPEX
- Loans to related parties is mainly attributable to Beineu Shymkent gas pipeline (KZT 136 bln or US\$ 400 mln) given by KTG to partially redeem BSGP's indebtedness.

(1) Including the share of discontinued operations

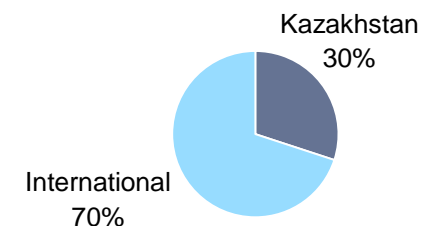
Source: Company data

Cash and deposits as of 9M 2017

By currency



By allocation

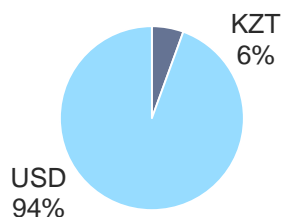


Debt overview

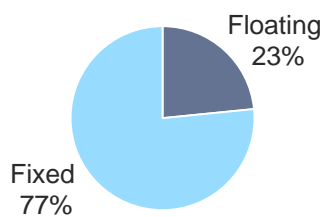
Debt position (as of 30-Sept-17)

- Total debt as of 30-Sept-2017 is KZT 4 541bn or c. US\$ 13.3bn

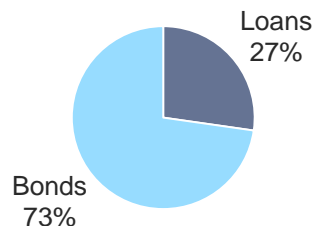
By currency



By interest rate



By instrument type



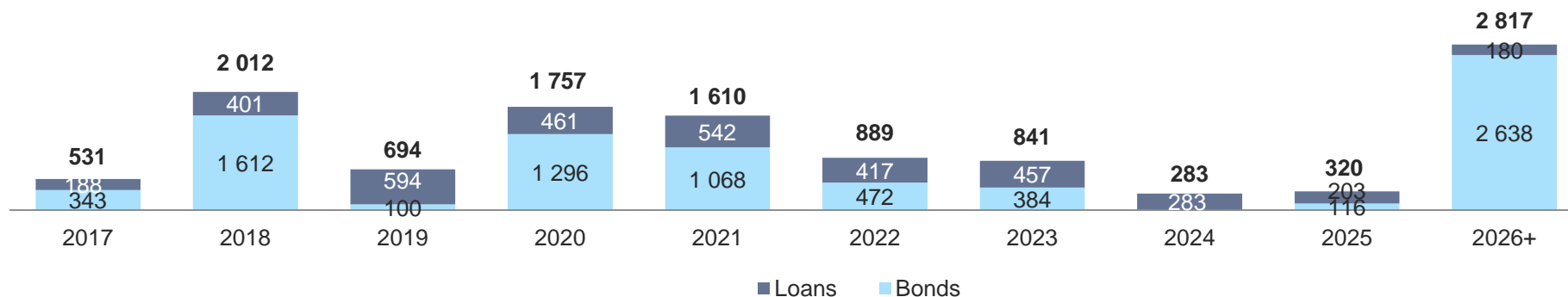
Highlights

- Rated Baa3/BBB-/BB- by Moody's / Fitch / S&P
- In 9M 2017, NC KMG further improved its debt portfolio structure and, among other things:
 - optimised debt maturity schedule shifting a significant share of indebtedness to 2026 and beyond
 - issued a new triple-tranche USD 2.75 billion Eurobond (due in 2022, 2027 and 2047)

NC KMG credit rating

Moody's	S&P	Fitch
...
Baa3	BBB-	BBB-
Ba1	BB+	BB+
Ba2	BB	BB
Ba3	BB-	BB-
...

Long-term debt maturity profile (USDm⁽¹⁾)



(1) Converted from KZT to USD at the exchange rate of 341.19 (as of 30 September 2017)
Source: Company data

Leverage dynamics

Item	Unit	YE2014	YE2015	YE2016	9M2017
Gross debt	USD mln	17,018	10,197	9,825	13,309
Cash	USD mln	8,878	5,309	6,433	8,912
Net debt	USD mln	8,141	4,888	3,392	4,397
Guaranteed obligations ⁽¹⁾	USD mln	545	566	718	330
Net Debt/EBITDA⁽²⁾	x	3.18	2.75	1.66	-

- Growth of gross debt and cash position was mainly attributable to NC KMG's April, 2017 Eurobond issue (US\$ 2.75 bln) and KTG September, 2017 Eurobond issue (US\$ 750 mln)
- Net debt increased as KTG bond issue, i.e. part of consolidated NC KMG cash, was used to partially redeem BSGP's loan in the amount of US\$ 400 mln., whilst the latter does not constitute a part of NC KMG's consolidated debt. However net debt for covenant purposes remained neutral as the result of this transaction, since guarantees of NC KMG declined by the amount of partial redemption. **NB:** For the purposes of covenant testing, net debt includes guaranteed obligations at Beineu-Shymkent Gas Pipeline LLP
- Net debt was also up due to the redemption of prepayment in the amount of US\$ 500 mln under TCO advance oil sale agreement

(1) Beineu-Shymkent Gas Pipeline LLP (50% owned by KMG)

(2) In accordance with Bond definition for covenant testing. Tested on a semiannual basis

Source: Company data

Prepayments overview

Item	Unit	YE2016	9M2017
Prepayments for TCO crude oil deliveries	USD mln	3,000	2,500
Prepayments for Kashagan crude oil deliveries ⁽¹⁾	USD mln	1,000	1,600

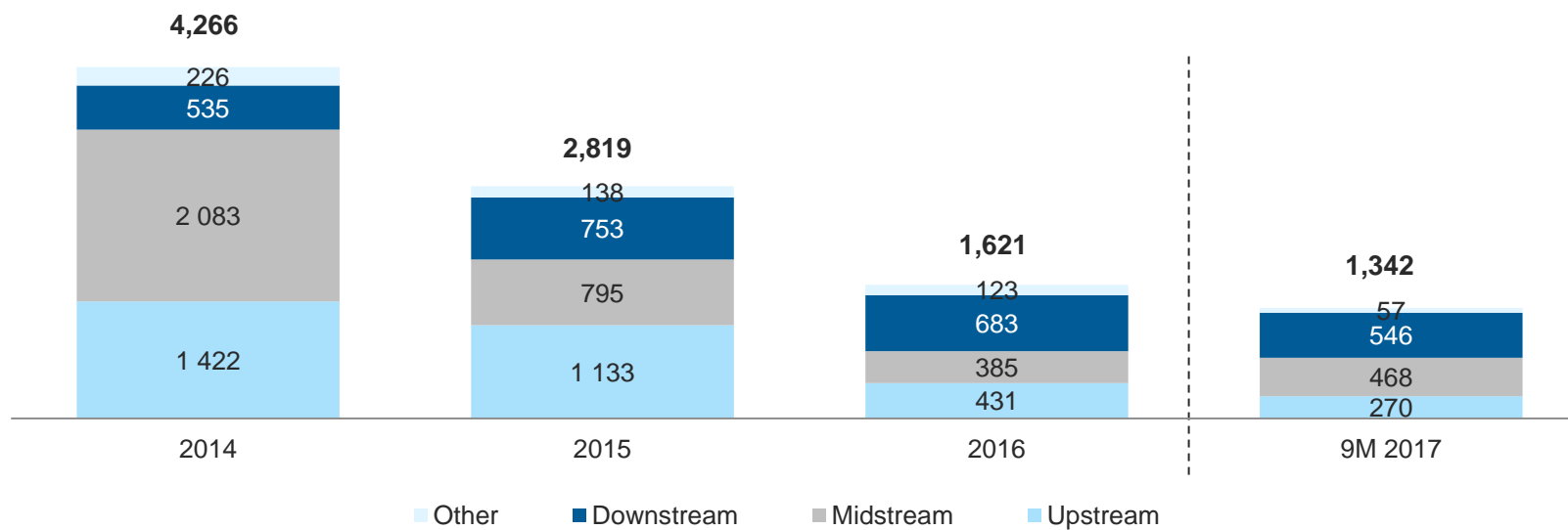
- In 2016 NC KMG entered into a long-term crude oil and LPG supply agreement involving prepayments. Total minimum delivery volume is c.30 mt of crude oil and 1 mt of LPG in the period from the date of the contract to March 2020.
- Over 9M 2017 NC KMG partially settled the prepayments related to TCO crude oil deliveries in the total amount of US\$ 500 mln
- In 3Q2017 KMG Kashagan b.v. received an additional prepayment of US\$ 600 mln, which was used to repay the second tranche of deferred obligation under the 2008 PSA

(1) At Kashagan b.v. level (50% owned by KMG)

Source: Company data

Capex overview

Historical capex (USD mln⁽¹⁾)



Key investment projects

- Modernisation works at the Atyrau refinery
- Construction works at the Pavlodar refinery
- NC KMG exploration projects
- KMG EP production support and volume increase capex

(1) Converted from KZT to USD at the following exchange rates: for 2014 – 179.1, for 2015 – 222.3, for 2016 – 341.8, for 9M 2017 – 323.3

Source: Company data



Appendix

Interim condensed consolidated balance sheet

	(000s of KZT)	
	As of 30 September 2017	As of 31 December 2016
Assets		
Non-current assets		
Property, plant and equipment	3,243,877,892	2,953,135,665
Exploration and evaluation assets	244,869,637	231,553,168
Investment property	28,510,134	29,480,044
Intangible assets	114,377,713	116,488,612
Long-term bank deposits	49,774,588	50,027,102
Investments in joint ventures and associates	4,027,918,643	3,706,276,810
Deferred income tax assets	69,180,992	71,909,033
VAT receivable	84,031,379	71,918,992
Advances for non-current assets	147,236,639	139,185,121
Bonds receivable from the Samruk-Kazyna	37,918,943	37,683,003
Note receivable from a shareholder of a joint venture	20,279,529	16,695,758
Note receivable from associate	30,568,918	34,837,804
Loans due from related parties	637,718,124	476,777,932
Other non-current assets	21,873,863	20,687,850
Total non-current assets	8,758,136,994	7,956,656,894
Current assets		
Inventory	112,176,345	98,776,900
VAT receivable	85,213,376	68,719,671
Income tax prepaid	25,809,207	74,457,414
Trade accounts receivable	214,817,695	279,811,631
Short-term bank deposits	1,992,510,660	1,182,669,493
Bonds receivable from Samruk-Kazyna	3,330,000	4,440,000
Loans due from related parties	120,539,016	113,616,133
Note receivable from a shareholder of a joint venture	18,034,170	17,617,100
Other current assets	117,873,020	149,079,608
Cash and cash equivalents	951,044,684	878,438,350
Total current assets	3,641,348,173	2,867,626,300
Assets classified as held for sale	1,092,556,349	1,058,794,076
	4,733,904,522	3,926,420,376
Total assets	13,492,041,516	11,883,077,270

Source: Consolidated financial statements for the nine months ended 30 September 2017

Interim condensed consolidated balance sheet (cont'd)

	(000s of KZT)	
	As of 30 September 2017	As of 31 December 2016
Equity		
Share capital	709,344,505	696,376,625
Additional paid-in capital	243,866,385	243,655,405
Other equity	93,895	222,074
Currency translation reserve	1,367,877,960	1,372,771,521
Retained earnings	3,482,727,876	3,163,685,193
Attributable to equity holder of the Parent Company	5,803,910,621	5,476,710,818
Non-controlling interest	866,662,243	801,560,097
Total equity	6,670,572,864	6,278,270,915
Non-current liabilities		
Borrowings	3,487,490,887	2,706,101,321
Provisions	150,975,235	139,371,823
Deferred income tax liabilities	309,999,384	264,599,978
Financial guarantee	7,641,447	12,259,980
Prepayment on oil supply agreements	504,471,934	738,572,306
Other non-current liabilities	49,776,863	52,509,205
Total non-current liabilities	4,510,355,750	3,913,414,613
Current liabilities		
Borrowings	875,362,376	366,438,649
Provisions	84,693,638	94,394,277
Income tax payable	13,920,081	2,301,839
Trade accounts payable	235,545,861	260,137,009
Other taxes payable	66,613,021	34,014,457
Financial guarantee	4,589,090	1,211,481
Prepayment on oil supply agreements	341,190,000	249,967,500
Other current liabilities	123,219,807	119,042,249
Total current liabilities	1,745,133,874	1,127,507,461
Liabilities directly associated with assets classified as held for sale	565,979,028	563,884,281
Total liabilities	6,821,468,652	5,604,806,355
Total equity and liabilities	13,492,041,516	11,883,077,270

Source: Consolidated financial statements for the six months ended 30 September 2017

Interim condensed consolidated income statement

	(000s of KZT)	
	9M 2017	9M 2016
Revenue	1,715,580,966	1,171,058,937
Cost of sales	(1,611,077,406)	(1,022,920,111)
Gross profit	104,503,560	148,138,826
General and administrative expenses	(63,417,354)	-76,362,929
Transportation and selling expenses	(201,495,751)	-145,963,675
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets, other than goodwill	(4,863,284)	-6,187,380
Loss on disposal of property, plant and equipment, intangible assets and investment property, net	(1,507,359)	-5,327,310
Other operating income	12,703,331	12,653,217
Other operating expenses	(17,054,174)	-13,182,443
Operating profit/(loss)	(171,131,031)	(86,231,694)
Net foreign exchange gain/(loss)	82,777,103	(7,985,282)
Finance income	89,824,853	142,891,615
Finance cost	(211,675,393)	(167,774,541)
Reversal of impairment of investments in joint ventures	14,686,162	-
Net loss on acquisition on subsidiary	(3,249,292)	-
Share in profit of joint ventures and associates, net	284,889,964	119,512,672
Profit/(loss) before income tax	86,122,366	412,770
Income tax expense	(143,280,833)	(113,617,320)
Gain/(loss) for the period from continuing operations	-57,158,467	(113,204,550)
Profit after income tax for the period from discontinued operations	501,177,297	330,425,333
Net profit for the period attributable to:	444,018,830	217,220,783
Equity holders of the Parent Company	372,681,128	168,525,446
Non-controlling interests	71,337,702	48,695,337
	444,018,830	217,220,783

Source: Consolidated financial statements for the six months ended 30 September 2017

Interim condensed consolidated income statement (cont'd)

	(000s of KZT)	
	9M 2017	9M 2016
Other comprehensive income		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	2,463,901	(24,261,342)
Disposal of joint ventures	(423,776)	-
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	2,040,125	-24,261,342
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		
Actuarial (loss)/gain on defined benefit plans of the Group	(37,718)	161,355
Actuarial loss on defined benefit plans of joint ventures	(103,399)	(912,757)
Write-off of deferred tax assets	(150,746)	-
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods	(291,863)	(751,402)
Other comprehensive income/(loss) for the period	1,748,262	(25,012,744)
Total comprehensive income for the period, net of tax	445,767,092	192,208,039
Total comprehensive income for the period attributable to:		
Equity holders of the Parent Company	367,510,881	142,997,060
Non-controlling interests	78,256,211	49,210,979
	445,767,092	192,208,039

Source: Consolidated financial statements for the six months ended 30 September 2017

Interim condensed consolidated statement of cash flows

	(000s of KZT)	
	9M 2017	9M 2016 (restated) ⁽¹⁾
Cash flows from operating activities		
Receipts from customers	3,815,838,442	3,961,727,783
Payments to suppliers	(2,532,449,104)	(1,790,784,918)
Other taxes and payments	(637,191,444)	(573,839,218)
Income taxes paid	(61,620,231)	(78,127,452)
Interest received	74,139,171	42,593,516
Interest paid	(124,944,352)	(129,430,853)
Payments to employees	(264,594,295)	(242,253,589)
Taxes received from Tax authorities	67,850,451	4,916,314
Other payments	(49,901,983)	30,048,043
Net cash flow from operating activities	287,126,655	1,224,849,626
Cash flow from investing activities		
(Withdrawal)/placement of bank deposits, net	(734,394,280)	(452,430,561)
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	(286,337,220)	(316,885,678)
Proceeds from sale of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	690,875	873,848
Proceeds from acquisition of subsidiaries	180,678	-
Dividends received from joint ventures and associates	70,581,239	59,021,692
Acquisition of and contribution to joint ventures	(2,625)	(89,058,017)
Refund of contribution to joint ventures	1,714,856	1,672,268
Repayment of loan due from related parties	336,925	22,821,548
Note receivable from associate	117,358	5,115,767
Loans given to related parties	(164,377,696)	(129,020,262)
Net cash flow used in investing activities	(1,111,489,890)	(897,889,395)

(1) The Group changed method of presentation of consolidated cash flow statement
Source: Consolidated financial statements for the six months ended 30 September 2017

Interim condensed consolidated statement of cash flows

	(000s of KZT)	
	9M 2017	9M 2016 (restated) ⁽¹⁾
Cash flows from financing activities		
Proceeds from borrowings	1,461,048,047	410,322,517
Repayment of borrowings	(537,491,564)	(592,032,090)
Distributions to Samruk-Kazyna	-	(2,202,898)
Dividends paid to Samruk-Kazyna and national Bank of RK	(45,877,366)	(73,079,132)
Dividends paid to non-controlling interests	(12,383,659)	(5,284,424)
Issue of shares	1	1
Net cash flow from/ (used in) financing activities	865,295,459	(262,276,026)
Effects of exchange rate changes on cash and cash equivalents	49,010,912	(12,086,228)
Net change in cash and cash equivalents	89,943,136	52,597,977
Cash and cash equivalents, at the beginning of the period	905,452,511	808,434,139
Cash and cash equivalents, at the end of the period	995,395,647	861,032,116

(1) The Group changed method of presentation of consolidated cash flow statement
Source: Consolidated financial statements for the six months ended 30 September 2017

Interim condensed consolidated statement of cash flows (indirect)(not part of financial statements)

	(000s of KZT)	
	9M 2017	9M 2016 (restated) ⁽¹⁾
Cash flows from operating activities		
Profit before income tax from continuing operations	86,122,366	412,770
Profit before income tax from discontinued operations	500,553,970	329,304,926
Profit before income tax	586,676,336	329,717,696
Adjustments for:		
Depreciation, depletion and amortization	144,793,776	132,847,800
Depreciation, depletion and amortization from discontinued operation	42,025,364	
Share in profit of joint ventures and associates, net	(284,889,964)	(119,512,672)
Share in profit of joint ventures and associates from discontinued operation, net	(279,272)	(1,468,127)
Finance costs	211,675,393	167,774,541
Finance costs from discontinued operation	8,354,506	10,490,810
Finance income	(89,824,853)	(142,891,615)
Finance income from discontinued operation	(911,550)	(3,517,156)
Unrealized gain/(losses) from derivatives on petroleum products	(557,804)	1,349,425
Realized gain from derivatives on petroleum products	2,479,075	(2,994,889)
Loss on disposal of property, plant and equipment, intangible assets and investment property, net	1,507,359	5,327,310
Impairment of property, plant and equipment, intangible assets	4,863,284	6,187,380
Impairment of property, plant and equipment, intangible assets from discontinued operation	677,780	-
Adjustment on the re-measurement to fair value less costs to sell	9,716,471	42,346,719
Impairment of investments in joint ventures	(14,686,162)	
Impairment of VAT recoverable	(26,414,367)	(13,361,794)
Change in share of ownership in joint ventures		(9,550)
Provisions	9,170,738	5,562,245
Allowance for impairment of trade accounts receivable and other current and non-current assets	390,610	6,403,923
Allowance for impairment of trade accounts receivable and other current assets from discontinued operation	325,438	377,868

(1) The Group changed method of presentation of consolidated cash flow statement

Interim condensed consolidated statement of cash flows (indirect) (not part of financial statements)

	(000s of KZT)	
	9M 2017	9M 2016 (restated) ⁽¹⁾
Provision for obsolete and slow-moving inventories	1,679,969	627,837
Provision for obsolete and slow-moving inventories from discontinued operation	180,873	430,665
Recognition of share based payments	(12,678)	1,347,560
Unrealized foreign exchange gain	(101,112,191)	(18,036,222)
Operating profit before working capital changes	505,828,131	408,999,754
Change in inventory	(20,278,936)	301,733
Change in VAT receivable	(1,995,671)	(24,241,023)
Change in trade accounts receivable and other assets	(69,881,147)	(103,361,698)
Change in other taxes payable	40,373,004	(1,684,857)
Change in trade accounts payable	(51,274,485)	80,411,500
Изменения в авансах под поставку нефти	-	1,012,020,000
Change in other liabilities	(7,185,505)	16,424,519
Cash generated from operations	395,585,391	1,388,869,928
Cash received from derivatives, net	257,035	944,487
Income taxes paid	(40,218,834)	(78,127,452)
Interest received	74,139,172	42,593,516
Interest paid	(142,636,108)	(129,430,853)
Net cash flow from operating activities	287,126,656	1,224,849,626

(1) The Group changed method of presentation of consolidated cash flow statement

Interim condensed consolidated statement of cash flows (indirect) (not part of financial statements)

	(000s of KZT)	
	9M 2017	9M 2016 (restated) ⁽¹⁾
Cash flows from investing activities		
Withdrawal of bank deposits, net	(734,394,280)	(452,430,561)
Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	(286,337,220)	(316,885,678)
Proceeds from sale of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets	690,875	873,848
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Proceeds from acquisition of subsidiaries	180,678	
Acquisition of and contribution to joint ventures	(2,625)	(89,058,017)
Loans given to related parties	(164,377,697)	(129,020,262)
Repayment of loans and receivable due from related parties	336,925	22,821,548
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Net cash flow from / (used in) investing activities	-1,111,489,891	-897,889,395
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Net change in cash and cash equivalents	89,943,136	52,597,977
Cash and cash equivalents at the beginning of the year	905,452,511	808,434,139
Cash and cash equivalents at the end of the year	995,395,647	861,032,116

(1) The Group changed method of presentation of consolidated cash flow statement

Abbreviations list

AG – Amangeldy gas	KZT –Tenge (national currency)
AGP – Asia gas pipeline	LPG – liquefied petroleum gas
bbl – barrel	mcm – million cubic meters
bcm – billion cubic meters	MET - mineral extraction tax
bn – billion	mIn - million
BSGP – Beineu-Shymkent gas pipeline	MMG – JSC Mangystaumunaigaz
Caspi – JSC “Caspi Bitum JV”	mt – million tonnes
CPC - Caspian pipeline consortium	MunayTas – JSC MunayTas North-West Pipeline Company
CCEL – CITIC Canada Energy Limited (JSC Karazhanbasmunai)	NC KMG – JSC National Company KazMunaiGas
CEFC - China Energy Company Limited	NCOC – North Caspian Operating Company N.V.
EMG – JSC EmbaMunaiGas	OMG – JSC OzenMunaiGas
ICA – JSC Intergas Central Asia	PKKR – JSC PetroKazakhstan Kumkol Resources
KazGPZ – Kazakhstan gas production plant	PKOP – PetroKazakhstan Oil Products LLP
KCP - Kazakhstan-China Pipeline LLP	PSA - Purchase-sale agreement
KGM – JV Kazgermunai LLP	TCO – Tengizchevroil LLP
KMG EP - JSC KazMunayGas Exploration Production	USD - US dollars
KMG I – KMG International	
KMG RM - JSC KazMunayGas Refinery and Marketing	
KOA - Kazakhoil Aktobe LLP	
KPO - Karachaganak Petroleum Operating B.V.	
KCP – Kazakhstan-China pipeline	
kt – thousand tonnes	
KTM - Kazakhturkmunai LLP	
KTG – JSC KazTransGas	
KTO – JSC KazTransOil	