

JSC National Atomic Company Kazatomprom

**Condensed interim consolidated financial statements
(unaudited)**

for six months ended 30 June 2015

Content

REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Report on review of condensed interim consolidated financial statements

To Management, Board of Directors and Shareholder of National Atomic Company Kazatomprom JSC

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of National Atomic Company Kazatomprom JSC and its subsidiaries as of 30 June 2015 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

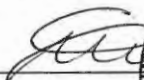
PricewaterhouseCoopers LLP

6 August 2015
Almaty, Kazakhstan

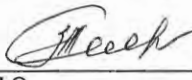
JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the six months ended 30 June 2015

<i>In millions of Kazakhstani Tenge</i>	Note	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Revenue	5	141,732	146,272
Cost of sales	6	(114,467)	(111,511)
Gross profit		27,265	34,761
Distribution expenses	7	(1,663)	(1,742)
General and administrative expenses	8	(10,412)	(10,026)
Impairment losses	9	(3,957)	(444)
Gain on disposal of subsidiary		-	208
Net foreign exchange loss		(677)	(20,474)
Other income	10	571	158
Other expenses	11	(1,201)	(1,409)
Finance income	12	1,811	4,075
Finance costs	13	(3,977)	(4,568)
Share of results of associates	19	10,905	3,578
Share of results of joint ventures	20	6,515	2,495
Profit before tax		25,180	6,612
Income tax expense	14	(2,252)	(3,763)
PROFIT FOR THE PERIOD		22,928	2,849
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		557	5,279
Share in other comprehensive income of equity method investments		104	-
Other comprehensive income for the period		661	5,279
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		23,589	8,128
Profit for the period attributable to:			
- Owners of the Company		22,891	2,461
- Non-controlling interest		37	388
Profit for the period		22,928	2,849
Total comprehensive income for the period attributable to:			
- Owners of the Company		23,552	7,839
- Non-controlling interest		37	289
Total comprehensive income for the period		23,589	8,128
Earnings per share from continuing operations, basic and diluted (rounded to Tenge)		624	67

These condensed interim consolidated financial statements were approved by management on 6 August 2015:


Yashin S.A.
Acting Chairman of the Management




Kaliyeva Z.G.
Chief Accountant

JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Financial Position as at 30 June 2015

<i>In millions of Kazakhstani Tenge</i>	Note	30 June 2015 (unaudited)	31 December 2014 (audited)
ASSETS			
Non-current assets			
Intangible assets		7,675	7,290
Property, plant and equipment	15	143,617	147,518
Mine development assets	16	31,932	32,623
Mineral rights	17	2,559	2,625
Exploration and evaluation assets	18	9,708	8,717
Investments in associates	19	90,488	96,708
Investments in joint ventures	20	36,980	37,529
Other investments		67,052	67,052
Accounts receivable		574	1,047
Deferred tax assets		1,390	835
Term deposits		1,988	1,971
Loans to related parties	21	21,293	20,362
Other non-current assets	25	33,623	33,326
		448,879	457,603
Current assets			
Accounts receivable	22	51,220	56,049
Prepaid income tax		10,030	10,490
Value-added tax		19,507	31,102
Inventories	23	85,405	70,790
Term deposits		1,428	2,566
Loans to related parties	21	1,224	1,224
Cash and cash equivalents	24	24,612	29,432
Other current assets	25	22,530	6,495
		215,956	208,148
Non-current assets held for sale and disposal group		1,292	246
		217,248	208,394
TOTAL ASSETS		666,127	665,997
EQUITY			
Share capital	26	36,692	36,692
Additional paid-in capital		4,785	4,785
Foreign currency translation reserve		2,115	1,558
Retained earnings		384,262	363,590
Equity attributable to shareholders of the Company		427,854	406,625
Non-controlling interest		12,100	12,128
TOTAL EQUITY		439,954	418,753
LIABILITIES			
Non-current liabilities			
Loans and borrowings	27	74,350	14,671
Accounts payable	28	321	315
Provisions	29	17,174	16,902
Deferred tax liabilities		5,172	4,604
Employee benefits		1,460	1,460
Other liabilities	30	4,898	4,949
		103,375	42,901
Current liabilities			
Loans and borrowings	27	56,068	122,401
Accounts payable	28	46,613	63,244
Provisions	29	50	98
Other tax and compulsory payments liabilities		6,599	7,012
Employee benefits		100	131
Income tax liabilities		189	117
Other current liabilities	30	13,052	11,340
		122,671	204,343
Liabilities of disposal group classified as held for sale		127	-
		122,798	204,343
TOTAL LIABILITIES		226,173	247,244
TOTAL EQUITY AND LIABILITIES		666,127	665,997

These condensed interim consolidated financial statements were approved by management on 6 August 2015:

Yashin S.A., Acting Chairman of the Management Board  Kaliyeva Z.G., Chief accountant 

JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement of Cash Flows for the six months ended 30 June 2015

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
OPERATING ACTIVITIES		
Cash receipts from customers and refund of VAT	175,497	163,280
Interest received	626	656
Payments to suppliers	(157,329)	(119,814)
Payments to employees	(17,735)	(17,105)
Cash flows from operating activities	1,059	27,017
Income tax paid	(1,599)	(2,025)
Interest paid	(3,553)	(3,776)
Cash flows (used in)/from operating activities	(4,093)	21,216
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,188)	(4,864)
Proceeds from disposal of property, plant and equipment	17	112
Acquisition of intangible assets	(122)	(104)
Acquisition of mine development assets	(4,257)	-
Acquisition of exploration and evaluation assets	(127)	(762)
Placement of term deposits	(1,382)	(3,892)
Redemption of term deposits	2,314	1,581
Dividends received from associates, joint ventures and other investments	14,079	6,309
Advances paid for property, plant and equipment	-	(2,259)
Proceeds from disposal of subsidiary	-	1,201
Acquisition of investments in associates and joint ventures	-	(6,435)
Other	(1,036)	(294)
Cash flows from/(used in) investing activities	5,298	(9,407)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	133,253	40,918
Repayment of loans and borrowings	(46,190)	(53,776)
Repayment of bonds	(93,434)	-
Dividends paid to non-controlling interest	(4)	(6)
Cash flows used in financing activities	(6,375)	(12,864)
Net decrease in cash and cash equivalents	(5,170)	(1,055)
Cash and cash equivalents at the beginning of the period	29,432	17,152
Effect of exchange rate fluctuations on cash and cash equivalents	350	1,354
Cash and cash equivalents at the end of the period	24,612	17,451

These condensed interim consolidated financial statements were approved by management on 6 August 2015:

Yashin S.A.
Acting Chairman of the Management Board

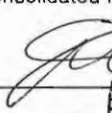


Kaliyeva Z.G.
Chief accountant

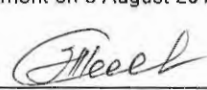
JSC National Atomic Company Kazatomprom
Condensed Interim Consolidated Statement Of Changes In Equity
for the six months ended 30 June 2015

<i>In millions of Kazakhstani Tenge</i>	Attributable to the shareholder of the Company				Total	Non-controlling interest	Total equity
	Share capital	Foreign currency translation reserve	Retained earnings	Additional paid-in capital			
Balance at 1 January 2014	36,692	(405)	353,267	4,785	394,339	12,452	406,791
Profit for the period	-	-	2,461	-	2,461	388	2,849
Exchange differences arising on translation of foreign operations	-	5,378	-	-	5,378	(99)	5,279
Total comprehensive income for the period (unaudited)	-	5,378	2,461	-	7,839	289	8,128
Dividends declared	-	-	(5,386)	-	(5,386)	(226)	(5,612)
Balance at 30 June 2014 (unaudited)	36,692	4,973	350,342	4,785	396,792	12,515	409,307
Balance at 1 January 2015	36,692	1,558	363,590	4,785	406,625	12,128	418,753
Profit for the period	-	-	22,891	-	22,891	37	22,928
Exchange differences arising on translation of foreign operations	-	557	-	-	557	-	557
Share of other comprehensive income in equity method investments	-	-	104	-	104	-	104
Total comprehensive income for the period (unaudited)	-	557	22,995	-	23,552	37	23,589
Dividends declared	-	-	(2,323)	-	(2,323)	(65)	(2,388)
Balance at 30 June 2015 (unaudited)	36,692	2,115	384,262	4,785	427,854	12,100	439,954

These condensed interim consolidated financial statements were approved by management on 6 August 2015:


Yashin S.A.
Acting Chairman of the Management Board




Kaliyeva Z.G.
Chief accountant

JSC National Atomic Company Kazatomprom
Notes to the Condensed Interim Consolidated Financial Statements
for the six months ended 30 June 2015

1. General Information

Organisational structure and operations

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* for the six-month period ended 30 June 2015 for JSC National Atomic Company Kazatomprom (the "Company") and its subsidiaries (hereafter collectively referred to as "the Group" or JSC NAC Kazatomprom).

The Company is a joint stock company set up in accordance with regulations of the Republic of Kazakhstan. The Company was established pursuant to the Decree of the President of the Republic of Kazakhstan on the establishment of National Atomic Company Kazatomprom No. 3593, dated 14 July 1997, and the Decree of the Government of the Republic of Kazakhstan National Atomic Company Kazatomprom Issues No. 1148 dated 22 July 1997 as a closed joint stock company with a 100% Government shareholding. Currently, 100% of the Company's shares are held by the National Welfare Fund Samruk-Kazyna (hereinafter the "Shareholder"). The Company's registered address is 10 Kunayev Street, Astana, the Republic of Kazakhstan. The principal place of business is Kazakhstan.

The Group's key activities are the production of uranium and sale of uranium products. The Group is among the leading uranium production companies in the world. In addition, Group operates in mining of rare metals; production and sale of beryllium and tantalum products; development of high technologies; supply of energy resources; and development of renewable energy sources.

The Group's products are sold in Kazakhstan and exported.

Operating environment

Kazakhstan economy displays certain characteristics of an emerging market. Its economy is particularly sensitive to prices for mineral resources. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations.

The ongoing uncertainty and volatility of the financial markets, in particular in Europe and Russian Federation, and other risks could have significant negative effects on financial and corporate sectors in Kazakhstan. Management assessed possible impairment of the Group's non-current assets by considering the current economic environment and outlook. The future economic and regulatory situation may differ from management's current expectations.

Changes in the Group structure

There were no significant changes in the Group structure during the six months ended 30 June 2015.

2. Basis of Preparation

Condensed interim consolidated financial statements

These condensed interim consolidated financial statements as at and for the six-month period ended 30 June 2015 have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for 2014 prepared in accordance with International Financial Reporting Standards (IFRS), such as accounting policies and details of accounts which have not changed significantly in amount or composition. Additionally, the Group has provided disclosures where significant events have occurred subsequent to the issuance of the Group's annual consolidated financial statements for 2014 prepared in accordance with IFRS.

Management believes that the disclosures in these condensed interim consolidated financial statements provide sufficient information if these financial statements are read in conjunction with the Group's annual consolidated financial statements for 2014 prepared in accordance with IFRS. In the opinion of management, these condensed interim consolidated financial statements reflect all adjustments necessary to present fairly the Group's financial position, results of operations, statements of changes in equity and cash flows for the interim reporting periods.

2. Basis of Preparation (Continued)

Critical accounting judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Group's annual consolidated financial statements for 2014 prepared in accordance with IFRS.

3. Summary of Significant Accounting Policies

Accounting policies

The accounting principles applied in the preparation of the condensed interim consolidated financial statements are in line with the principles applied in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

Exchange rates

The following exchange rates were used by the Group for translation of amounts in foreign currencies:

	30 June 2015	31 December 2014
Closing exchange rates – Tenge		
1 US Dollar	186.20	182.35
	30 June 2015	30 June 2014
Average exchange rates for the six months – Tenge		
1 US Dollar	185.25	176.23

Seasonality

The Group's operations do not significantly depend on seasonal fluctuations.

Income tax

Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings.

New standards and interpretations

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date. The Group adopted the following standards effective for annual periods beginning 1 January 2015:

Amendments to IAS 19 – “Defined benefit plans: Employee contributions” (issued in November 2013 and effective for annual periods beginning 1 July 2014). The amendment allows entities to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service.

3. Summary of Significant Accounting Policies (Continued)

Annual Improvements to IFRSs 2012 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014, unless otherwise stated below). The improvements consist of changes to seven standards. IFRS 2 was amended to clarify the definition of a 'vesting condition' and to define separately 'performance condition' and 'service condition'. The amendment is effective for share-based payment transactions for which the grant date is on or after 1 July 2014. IFRS 3 was amended to clarify that (1) an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, and (2) all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Amendments to IFRS 3 are effective for business combinations where the acquisition date is on or after 1 July 2014. IFRS 8 was amended to require (1) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (2) a reconciliation of segment assets to the entity's assets when segment assets are reported. The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided.

Annual Improvements to IFRSs 2013 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014). The improvements consist of changes to four standards. The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented. IFRS 3 was amended to clarify that it does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. The amendment of IFRS 13 clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including contracts to buy or sell non-financial items) that are within the scope of IAS 39 or IFRS 9. IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

There are no new or revised IFRSs or interpretations that would have a material impact on the Group, presentation of amounts in its condensed interim consolidated financial statements and results of its activities and balances.

Certain new standards, amendments to standards and interpretations have not become effective as of 30 June 2015. Requirements of these standards were not accounted for during preparation of these condensed interim consolidated financial statements. The Group expects adoption of these standards when they become effective.

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 9 Financial Instruments: classification and measurement (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018).
- IFRS 14 – Regulatory deferral accounts (issued in January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Amendments to IFRS 11 – Joint arrangements (issued on 6 May 2014 and effective beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 38 – Explanations to the permissible methods of depreciation and amortisation (issued on 12 May 2014 and effective beginning on or after 1 January 2016).
- IFRS 15 – Revenue from contracts with customers (issued on 28 May 2014 and effective beginning on or after 1 January 2017).
- Agriculture: Bearer plants – Amendments to IAS 16 and IAS 41 (issued on 30 June 2014 and effective for annual periods beginning 1 January 2016).
- Equity Method in Separate Financial Statements – Amendments to IAS 27 (issued on 12 August 2014 and effective for annual periods beginning 1 January 2016).

JSC National Atomic Company Kazatomprom
Notes to the Condensed Interim Consolidated Financial Statements
for the six months ended 30 June 2015

3. Summary of Significant Accounting Policies (Continued)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements to IFRSs 2014 (issued on 25 September 2014 and effective for annual periods beginning on or after 1 January 2016).
- Disclosure Initiative Amendments to IAS 1 (issued in December 2014 and effective for annual periods on or after 1 January 2016).
- Investment Entities: Applying the Consolidation Exception Amendment to IFRS 10, IFRS 12 and IAS 28 (issued in December 2014 and effective for annual periods on or after 1 January 2016).

4. Balances and Transactions with Related Parties

Entities under common control include companies under control of Samruk-Kazyna JSC. Transactions with other government owned entities are not disclosed when they are entered into in the ordinary course of business with terms consistently applied to all public and private entities i) when they are not individually significant, ii) if the Group's services are provided on the standard terms available for all customers, or iii) where there is no choice of supplier of such services as electricity transmission services, telecommunications and etc.

The outstanding balances with related parties as at 30 June 2015 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Accounts receivable and other assets (Note 22,25)	Dividends receivable (Note 25)	Loans given (Note 21)	Accounts payable and other liabilities (Note 28,30)
Associates	5,741	6,265	10,936	15,263
Joint ventures	2,713	8,237	3,645	13,337
Entities under common control	217	-	-	6,481
Other	128	-	7,936	38
Total	8,799	14,502	22,517	35,119

The income and expenses items with related parties for the period ended 30 June 2015 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Sale of goods and services	Dividends received (Note 19, 20)	Purchase of goods and services	Dividends to the Shareholder	Interest income	Interest expense
Associates	10,553	17,547	25,567	-	633	47
Joint ventures	6,963	7,267	20,893	-	333	-
Entities under common control	9,261	-	18,880	-	-	-
Shareholder	-	-	-	2,323	-	-
Other	679	-	1	-	392	-
Total	27,456	24,814	65,341	2,323	1,358	47

JSC National Atomic Company Kazatomprom
Notes to the Condensed Interim Consolidated Financial Statements
for the six months ended 30 June 2015

4. Balances and Transactions with Related Parties (Continued)

The outstanding balances with related parties as at 31 December 2014 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Accounts receivable and other assets (Note 22,25)	Dividends receivable (Note 25)	Loans given (Note 21)	Accounts payable and other liabilities (Note 28,30)
Associates	4,141	-	10,398	35,350
Joint ventures	1,794	3,768	3,645	3,528
Entities under common control	252	-	-	5,538
Other	132	-	7,543	17
Total	6,319	3,768	21,586	44,433

The income and expenses items with related parties for the period ended 30 June 2014 are as follows:

<i>In millions of Kazakhstani Tenge</i>	Sale of goods and services	Dividends received (Note 19, 20)	Purchase of goods and services	Dividends to the Shareholder	Interest income	Interest expense
Associates	10,349	11,378	46,549	-	2,195	45
Joint ventures	5,117	6,382	17,077	-	444	-
Entities under common control	10,158	-	17,123	-	-	-
Shareholder	-	-	-	5,386	-	-
Other	1,177	-	1	-	1,187	-
Total	26,801	17,760	80,750	5,386	3,826	45

The table below shows the remuneration of key management personnel:

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)		30 June 2014 (unaudited)	
	Expenses	Accrued liability	Expenses	Accrued liability
<i>Short-term benefits</i>				
Salaries and bonuses	746	67	699	69
Total	746	67	699	69

JSC National Atomic Company Kazatomprom
Notes to the Condensed Interim Consolidated Financial Statements
for the six months ended 30 June 2015

5. Revenue

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Sales of uranium products	90,246	96,908
Sales of utilities	23,580	22,953
Drilling services	5,797	4,728
Sales of tantalum	5,490	5,597
Sales of purchased goods	5,227	2,376
Processing services	3,833	4,334
Sales of beryllium	3,688	3,448
Transportation services	2,499	2,062
Sales of photovoltaic cells	20	2,873
Research and development services	13	33
Other	1,339	960
Total revenue	141,732	146,272

6. Cost of Sales

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Materials and supplies	80,534	72,966
Wages and salaries	13,444	12,370
Depreciation and amortisation	6,806	7,703
Processing and other services	6,305	7,911
Taxes other than income tax	4,034	5,846
Transportation expenses	1,516	1,748
Utilities	999	1,143
Maintenance and repair	790	460
Other	39	1,364
Total cost of sales	114,467	111,511

7. Distribution Expenses

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Shipping, transportation and storage	938	985
Wages and salaries	379	327
Commissions	76	146
Rent	66	88
Materials and supplies	38	79
Other	166	117
Total distribution expenses	1,663	1,742

JSC National Atomic Company Kazatomprom
Notes to the Condensed Interim Consolidated Financial Statements
for the six months ended 30 June 2015

8. General and Administrative Expenses

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Wages and salaries	5,902	5,467
Consulting, auditing and information services	972	445
Depreciation and amortisation	456	419
Rent	454	474
Provision for doubtful debts	445	470
Research expenses	354	360
Taxes other than income tax	338	438
Travel	213	215
Materials and supplies	213	207
Maintenance and repair	132	113
Communication	124	133
Utilities	113	120
Training expenses	106	74
Security services	68	23
Bank charges	63	69
Corporate events	45	60
Stationery	31	33
Entertainment expenses	20	19
Insurance	15	19
Other	348	868
Total general and administrative expenses	10,412	10,026

9. Impairment Losses

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Impairment of assets for production of photovoltaic cells	2,982	-
Other impairment losses	1,064	471
Reversal of impairment losses	(89)	(27)
Total impairment losses	3,957	444

Deviation from initial plans, decrease in sales and prices were considered by management as impairment indications of the assets representing a cash generating unit for production of photovoltaic cells. Recoverable amount (Tenge 23,605 million) was determined as value in use. The applied discount rate was 13.92%.

10. Other Income

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Gain on disposal of non-current assets	190	10
Fines and penalties	180	20
Property received free of charge	119	88
Other	82	40
Total other income	571	158

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11. Other Expenses

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Social sphere expenses	406	462
Loss on suspension of production	276	234
Depreciation of property, plant and equipment during cease of production	164	186
Sponsorship and charitable donations	62	110
Non-recoverable VAT	40	17
Other	253	400
Total other expenses	1,201	1,409

12. Finance Income and Finance Costs

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Finance income		
Interest income	1,217	1,789
Gain on remeasurement of financial assets	329	2,181
Other	265	105
Total finance income	1,811	4,075
Finance costs		
Interest expense on loans and borrowings	3,069	3,761
Unwinding of discount on provisions	533	560
Unwinding of discount on other financial liabilities	119	128
Other finance costs	256	119
Total finance costs	3,977	4,568

13. Personnel Costs

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Wages and salaries	23,003	21,954
Social tax and social contributions	2,416	2,301
Total personnel costs	25,419	24,255

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14. Income Tax Expense

(a) Components of income tax expense

Income tax expense recorded in profit or loss comprises the following:

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Current income tax	2,240	1,654
Deferred income tax	12	2,109
Total income tax expense	2,252	3,763

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Group's and its subsidiaries' profits is 20%.

A reconciliation between the expected and the actual taxation charge is provided below:

<i>In millions of Kazakhstani Tenge</i>	Six months ended 30 June 2015 (unaudited)	Six months ended 30 June 2014 (unaudited)
Profit before tax	25,180	6,612
Theoretical tax charge at statutory tax rate of 20% (30 June 2014: 20%):	5,036	1,322
Tax effect of items which are not deductible or assessable for taxation purposes:		
Income which is exempt from taxation	(82)	(825)
Non-deductible expenses	470	3,530
Transfer pricing adjustment	126	202
Elimination of unrecognised profits in finished goods	(6)	763
Share of results of associates	(2,181)	(716)
Share of results of joint ventures	(1,303)	(499)
Utilisation of previously unrecognised tax losses	(203)	(76)
Current period tax losses and temporary differences for which no deferred tax asset is recognised	1,005	375
Prior periods adjustments	8	(466)
Other	(618)	153
Income tax expense	2,252	3,763

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15. Property, Plant and Equipment

		<i>In millions of Kazakhstani Tenge</i>						
		Land	Buildings	Machinery and equipment	Vehicles	Other	Construction in progress	Total
At 1 January 2015								
Cost		325	83,240	67,602	13,119	5,096	44,182	213,564
Accumulated depreciation and impairment		-	(19,139)	(32,254)	(6,834)	(2,616)	(5,203)	(66,046)
Carrying amount		325	64,101	35,348	6,285	2,480	38,979	147,518
Additions		18	219	887	82	160	4,389	5,755
Transfers		(1)	1,351	759	-	2	(2,111)	-
Depreciation charge		-	(2,070)	(3,033)	(518)	(295)	-	(5,916)
Impairment loss		-	-	-	-	-	(3,002)	(3,002)
Disposals		(4)	(21)	(22)	(7)	(24)	(188)	(266)
Transfer from inventories		-	-	32	4	5	68	109
Transfers to intangible assets		-	-	-	-	-	(135)	(135)
Transfers to non-current assets held for sale		-	(220)	(113)	(92)	(19)	(2)	(446)
At 30 June 2015 (unaudited)								
Cost		338	85,473	69,093	12,872	5,154	44,269	217,199
Accumulated depreciation and impairment		-	(22,113)	(35,235)	(7,118)	(2,845)	(6,271)	(73,582)
Carrying amount		338	63,360	33,858	5,754	2,309	37,998	143,617

Additions for the period are mainly represented by development facilities at Central Mynkuduk field (Tenge 1,359 million), upgrade of heat and power generation equipment (Tenge 740 million), reconstruction of roads (Tenge 962 million) and routine replacements (Tenge 1,365 million).

As of 30 June 2015, the cost of fully depreciated property, plant and equipment still in use was Tenge 6,006 million (31 December 2014: Tenge 5,816 million). As of 30 June 2015, commitments relating to the acquisition of property, plant and equipment were Tenge 2,638 million (31 December 2014: Tenge 4,130 million).

Borrowing costs, capitalised in the period amounted to Tenge 290 million. At an average rate of capitalisation of interest cost of 4.21%.

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16. Mine Development Assets

<i>In millions of Kazakhstani Tenge</i>	Field preparation	Site restoration asset	Ion- exchange resin	Total
At 1 January 2015				
Cost	36,777	7,371	3,453	47,601
Accumulated depreciation and impairment	(13,440)	(736)	(802)	(14,978)
Carrying amount	23,337	6,635	2,651	32,623
Additions	4,170	-	-	4,170
Transfers from inventory	199	-	46	245
Depreciation charge	(4,218)	(236)	(176)	(4,630)
Impairment loss	(215)	-	-	(215)
Changes in accounting estimates	-	(261)	-	(261)
At 30 June 2015 (unaudited)				
Cost	41,146	7,110	3,499	51,755
Accumulated depreciation and impairment	(17,873)	(972)	(978)	(19,823)
Carrying amount	23,273	6,138	2,521	31,932

Additions for the period are represented by capitalised drilling costs of new wells.

17. Mineral Rights

<i>In millions of Kazakhstani Tenge</i>	
At 1 January 2015	
Cost	8,784
Accumulated amortisation and impairment	(6,159)
Carrying amount	2,625
Amortisation charge	(66)
At 30 June 2015 (unaudited)	
Cost	8,784
Accumulated amortisation and impairment	(6,225)
Carrying amount	2,559

18. Exploration and Evaluation Assets

<i>In millions of Kazakhstani Tenge</i>	Tangible assets	Intangible assets	Total
At 1 January 2015			
Additions	7,461	1,256	8,717
Transfers from/(to) inventories	398	-	398
Transfers from non-current assets held for sale	588	(3)	585
	-	8	8
At 30 June 2015 (unaudited)			
	8,447	1,261	9,708

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19. Investments in Associates

The table below summarises the changes in the carrying value of the Group's investments in associates:

In millions of Kazakhstani Tenge

Carrying value at 1 January 2015	96,708
Share of results of associates	10,905
Dividends received from associates	(17,547)
Effect of translation to presentation currency	422
Carrying value at 30 June 2015 (unaudited)	90,488

The Group has the following investments in associates:

	Country	Key activities	At 30 June 2015 (unaudited)		At 31 December 2014	
			Interest/ voting rights	In millions of Kazakhstani Tenge	Interest/ voting rights	In millions of Kazakhstani Tenge
JV KATCO LLP	Kazakhstan	Extraction, processing and export of uranium products	49%	40,149	49%	43,737
JV Inkai LLP	Kazakhstan	Extraction, processing and export of uranium products	40%	20,294	40%	18,884
JV Betpak Dala LLP	Kazakhstan	Extraction, processing and export of uranium products	30%	8,775	30%	14,872
JV Zarechnoe LLP	Kazakhstan	Extraction, processing and export of uranium products	49.979%	7,274	49.979%	6,970
Kyzylkum LLP	Kazakhstan	Extraction, processing and export of uranium products	30%	4,117	30%	4,190
Kaustik LLP	Kazakhstan	Supply of caustic soda	40%	3,913	40%	4,352
Uranenergo LLP	Kazakhstan	Transmission and distribution of electric energy , operation of electric networks and substations	54.04%	2,782	54.04%	2,758
JV South Mining Chemical Company LLP	Kazakhstan	Extraction, processing and export of uranium products	30%	1,863	30%	-
JV SKZ Kazatomprom LLP	Kazakhstan	Production of sulphuric acid	9.89%	687	22%	629
JV Rosburmash LLP	Kazakhstan	Geological exploration and research	49%	545	49%	251
PKF Ulba Electro	Kazakhstan	Design of engineering systems and networks	30%	64	30%	64
JV Khorasan-U (Khorasan-U) LLP	Kazakhstan	Extraction, processing and export of uranium products	33.98%	25	33.98%	-
JV IFASTAR	France	The feasibility study at a ratio of cooperation between parties in the field of nuclear fuel cycle	49%	-	49%	1
Kazgeomash LLP	Kazakhstan	Pipes production	49%	-	49%	-
Total investments in associates				90,488		96,708

Although the Group's interest in JV SKZ Kazatomprom LLP reduced, the Group retained significant influence, as the Group has representation in the Supervisory Board.

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20. Investments in Joint Ventures

The table below summarises the changes in the carrying value of the Group's investments in joint ventures:

In millions of Kazakhstani Tenge

Carrying value at 1 January	37,529
Share of results of joint ventures	6,515
Share of other comprehensive income of joint ventures	104
Dividends received from joint ventures	(7,267)
Impairment	(39)
Effect of translation to presentation currency	138
Carrying value at 30 June 2015 (unaudited)	36,980

The Group has the following investments in joint ventures:

	Country	Key activities	At 30 June 2015 (unaudited)		At 31 December 2014	
			Interest/ voting rights	In millions of Kazakhstani Tenge	Interest/ voting rights	In millions of Kazakhstani Tenge
JV Akbastau JSC	Kazakhstan	Extraction, processing and export of uranium products	50%	12,902	50%	14,517
Karatau LLP	Kazakhstan	Extraction, processing and export of uranium products	50%	9,122	50%	8,718
Semizbay-U LLP	Kazakhstan	Extraction, processing and export of uranium products	51%	8,694	51%	8,704
SKZ-U LLP	Kazakhstan	Production of sulphuric acid	49%	3,797	49%	3,472
COU JSC	Russia	Production of uranium products with a high degree of redistribution	50%	2,400	50%	2,051
Kazperoxide LLP	Kazakhstan	Implementation of hydrogen peroxide	50%	47	50%	42
Kazatamprom-Sorbent LLP	Kazakhstan	Delivery of ion-exchange resin	51%	13	51%	20
CJSC JV UKR TVS	Ukraine	Production of nuclear fuel	33.33%	3	33.33%	3
KAS JSC	Germany	Development and implementation of high-tech innovative projects	50%	2	50%	2
Yingtian Ulba Shine Metal Materials Co.,Ltd	China	Production of ribbons and other products made of beryllium bronze	50%	-	50%	-
Ulba Conversion LLP	Kazakhstan	Construction and management of the conversion facility in Kazakhstan	50%	-	50%	-
Atomic Power stations JSC Kazakhstan – Russian Company	Kazakhstan	Development of design and technical documentation of nuclear power units and nuclear power plants	50%	-	50%	-
Total investments in joint ventures				36,980		37,529

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21. Loans to Related Parties

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Non-current		
Kyzylkum LLP	10,936	10,398
Baiken U LLP	7,936	7,543
Semizbay-U LLP	2,421	2,421
Total non-current loans	21,293	20,362
Current		
Semizbay-U LLP	1,211	1,211
JV KRKAS JSC	13	13
Total current loans	1,224	1,224

In September and December 2010, as a financial support the Group provided interest-bearing long-term loans to Kyzylkum LLP and Baiken-U LLP. In 2012 the repayment schedule was revised to extend the terms of maturity of Kyzylkum LLP and Baiken-U LLP loans to 2024 and 2022, respectively. The loans are collateralised by the property of the borrowers.

In September 2012, the Group provided a five-year loan to Semizbay-U LLP. This loan is secured by property of Semizbay-U LLP. The loan is repayable starting from 2014.

22. Trade and Other Receivables

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Trade receivables	45,706	52,939
Trade receivables from related parties	7,138	4,330
Total gross trade receivables	52,844	57,269
Provision for doubtful debts	(1,735)	(1,328)
Total net trade receivables	51,109	55,941
Other receivables	106	103
Other receivables from related parties	5	5
Total other receivables	111	108
Total trade and other receivables	51,220	56,049

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23. Inventories

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Finished goods and goods for resale	54,353	41,606
Work-in-progress	14,552	12,563
Raw materials	11,959	11,998
Spare parts	788	932
Fuel	915	585
Materials in process	2,352	2,715
Other materials	2,358	2,104
Provision for obsolescence	(1,872)	(1,713)
Total inventories	85,405	70,790

24. Cash and Cash Equivalents

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Current bank accounts	23,465	28,432
Demand deposits	1,056	918
Cash in hand	91	82
Total cash and cash equivalents	24,612	29,432

25. Other Assets

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Non-current		
Advances paid for non-current assets	14,547	13,870
Restricted cash	6,495	5,981
Long-term inventories	5,591	6,302
Dividends receivable from related parties	2,512	2,512
Recoverable VAT	1,706	1,706
Loans to employees	1,353	1,507
Advances to related parties for non-current assets	797	797
Prepaid expenses	622	651
Total other non-current assets	33,623	33,326
Current		
Dividends receivables from related parties	11,990	1,256
Advances for goods and services	8,447	2,709
Advances to related parties for goods and services	859	1,187
Due from employees	436	465
Prepaid insurance	367	360
Prepaid expenses	318	353
Prepaid taxes other than income tax	96	116
Other	17	49
Total other current assets	22,530	6,495

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26. Share Capital

In March 2015 the Company registered an increase in number of authorised ordinary shares by 92,600 with par value of Tenge 1,000. As of 30 June 2015 the total authorised number of ordinary shares is 36,784,961, including (1) 36,692,361 issued shares and (2) 92,600 shares to be redeemed by the Shareholder.

All issued ordinary shares of the Company are owned by NWF Samruk-Kazyna JSC (Note 1), which solely and ultimately decides on dividend distribution. Each ordinary share carries one vote.

Dividends declared and paid during the year were as follows:

<i>In millions of Kazakhstani Tenge</i>	
Dividends payable at 1 January	-
Dividends declared during the period	2,323
Dividends paid during the period	-
Dividends payable at 30 June 2015	2,323
Dividends per share declared during the period, in Tenge	63

27. Loans and borrowings

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Non-current		
Bank loans	74,067	14,401
Non-bank loans	283	270
Non-current loans and borrowings	74,350	14,671
Current		
Bank loans	55,732	29,911
Non-bank loans	336	249
Bonds issued	-	91,705
Other	-	536
Total current loans and borrowings	56,068	122,401

On 19 January 2015 the Group signed an agreement on unsecured syndicated loan with five banks for the total amount of USD 450 million. The purpose of the syndicated loan is to refinance bonds. The loan is repayable by equal instalments starting from September 2015 till June 2019. Covenants of the loan include restriction on significant sale and leaseback and factoring transactions by the Group as well as significant mergers, splits, amalgamations and corporate restructuring, significant acquisition and establishment of entities, except for allowed under the agreement. The Group is also required to maintain ratio of financial liabilities to EBITDA of not more than 3.5 to 1 and ratio of financial liabilities to equity of not more than 1 to 1.

On 20 May 2015 the Group repaid bonds for USD 500,000,000.

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28. Trade and Other Payables

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Non-current		
Trade payables	321	315
Total non-current trade receivables	321	315
Current		
Trade payables to related parties	31,416	34,479
Trade payables	14,611	22,369
Total current trade and receivables	46,027	56,848
Other payables to related parties	4	5,896
Other payables	582	500
Total other payables	586	6,396
Total current trade and other payables	46,613	63,244

29. Provisions

<i>In millions of Kazakhstani Tenge</i>	Compensation for occupational diseases	Environment protection	Site restoration	Other	Total
At 1 January 2015					
Non-current	568	2,576	13,732	26	16,902
Current	98	-	-	-	98
Total	666	2,576	13,732	26	17,000
Provision for the period	-	-	-	1	1
Unwinding of discount	21	81	431	-	533
Provision used	(48)	-	-	-	(48)
Change in estimates	-	-	(262)	-	(262)
At 30 June 2015 (unaudited)					
Non-current	589	2,657	13,901	27	17,174
Current	50	-	-	-	50
Total	639	2,657	13,901	27	17,224

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30. Other Liabilities

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)	31 December 2014
Non-current		
Historical cost liabilities	2,205	2,382
Advances received from related parties	1,784	1,704
Deferred revenues	644	598
Liabilities to the holders of preferred shares	265	265
Total non-current other liabilities	4,898	4,949
Current		
Provision for vacation and other remuneration	3,155	3,218
Dividends payable	2,323	-
Salaries payable	2,270	1,874
Advances received from related parties	1,915	2,354
Advances received	1,823	1,729
Social contribution payable	485	771
Historical cost liabilities	567	560
Other financial liabilities	259	559
Dividends payable to non-controlling interest	235	240
Deferred income	13	27
Other current liabilities	7	8
Total current other liabilities	13,052	11,340

31. Contingencies and Commitments

Except for items disclosed below, as of 30 June 2015, there are no contingent liabilities, commitments and operating risks in addition to those disclosed in the consolidated financial statements for the year ended 31 December 2014.

Tax legislation

In July 2015 a documentary thematic inspection on state control over transfer pricing for 2008 was completed at the Company. As a result of the inspection the Company received report and notice No. 2041 of 22 July 2015 of payment of additional corporate income tax, penalties and interest for total amount of Tenge 3,302 million. The Group did not agree with the notice and intends to appeal the results of the inspection as prescribed by the applicable legislation. The Group has positive experience of appealing results of 2002-2006 tax inspection in court.

Guarantees

The maximum credit risk under financial guarantees given for financing of certain related parties as at 30 June 2015 is Tenge 39,724 million (31 December 2014: Tenge 43,860 million). Management assessed potential obligations to the Group from these guarantees and concluded that no liability should be recognised at 30 June 2015.

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32. Fair Value of Financial Instruments

With the exception of instruments specified in the following table, the Group believes that the carrying value of financial assets and financial liabilities are recognised in the financial statements approximate their fair value due to their short-term nature:

<i>In millions of Kazakhstani Tenge</i>	30 June 2015 (unaudited)		31 December 2014	
	Carrying amount	Fair value	Carrying value	Fair value
Financial liabilities				
Bank loans	129,799	129,410	44,312	44,301
Historical costs liabilities	2,772	1,782	2,942	3,516
Non-bank loans	619	446	519	386
Bonds	-	-	91,705	85,074
Total	133,190	131,638	139,478	133,277

In assessing fair values, management used the following major methods and assumptions: (a) for interest free financial liabilities and financial liabilities with fixed interest rate, financial liabilities were discounted at effective interest rate which approximates the market rate; (b) for financial liabilities with floating interest rate, the fair value is not materially different from the carrying amount because the effect of the time value of money is immaterial.

As in previous periods, management could not reliably estimate the fair value of the Group's investment in shares of TNEH-US and TNEH-UK with carrying value of Tenge 66,004 million. The investment is carried at cost. The investees have not published recent financial information about their operations, their shares are not quoted and recent trade prices are not publicly accessible.

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33. Principal Subsidiaries

These condensed interim consolidated financial statements include the following subsidiaries:

	Principal activity	Ownership/voting	
		30 June 2015	31 December 2014
MAEK-Kazatomprom LLP	Production, transfer and sales of electric power and heat, production and sales of potable, technical and distilled water, transportation of sea water and gas	100%	100%
Kazatomprom-Demeu LLP	Social services, construction and management of social services facilities in subsurface use areas	90%	90%
Bailanys-NAK LLP	Communication services	100%	100%
Korgan Kazatomprom LLP	Security services	100%	100%
APPAK LLP	Exploration, extraction and initial processing of uranium-containing ores	65%	65%
Ulba Metallurgical Plant JSC	Production and processing of uranium materials, production of rare metals and semiconductor materials	90%	90%
Volkovgeologiya JSC	Exploration and research of uranium reserves, drilling services, monitoring of radiation level and environment conditions	90%	90%
High Technology Institute LLP	Research, project, development and engineering consulting services	100%	100%
Kyzyltu LLP	Exploration, extraction and processing of molybdenum-copper ores with uranium content	76%	76%
JV SARECO LLP	Ore enrichment, hydro-metallurgical production of rare metals concentrates, chemical production of rare metals	51%	51%
Ecoenergomash LLP	Production of vertical wind power station for complex renewable power supply systems	100%	100%
MK KazSilicon LLP	Production and sale of metallurgical and polycrystalline silicon, recycling of silicon production waste	100%	100%
Kazakhstan Solar Silicon LLP	Production of silicon of solar quality, silicon slices and photovoltaic slices	100%	100%
Astana Solar LLP	Production of silicon of solar quality, silicon slices and photovoltaic modules	100%	100%
JV KT Rare Metals Company LLP	Project feasibility works for exploration of rare metals	51%	51%
DP Ortalyk LLP	Production services, processing to chemical uranium concentrate and mine development services	100%	100%
Kazakhstan Nuclear University LLP	Education services	100%	100%
TGHP LLP	Exploration, production and preliminary processing of uranium ore	100%	100%
Stepnoe RU LLP	Exploration, production and preliminary processing of uranium ore	100%	100%
Rudopravlenie 6 LLP	Exploration, production and preliminary processing of uranium ore	100%	100%
Trade and Transportation Company LLP	Procurement and transportation services	100%	100%
SC CAM LLP	Testing, quality control, metrology and standardisation	99.9998%	99.9998%
Kutkarushi Tau-ken LLP	Firefighting services	100%	100%
Geotechnoservice LLP	Development of mining works plans, mining projects, geophysical research	100%	100%
Remmontazhservice LLP	Field piping, repairs, production of non-standard equipment and maintenance	100%	100%

34. Events After the Reporting Date

As disclosed in Note 31, in July 2015 a documentary thematic inspection on state control over transfer pricing for 2008 was completed at the Company. As a result of the inspection the Company received report and notice No. 2041 of 22 July 2015 of payment of additional corporate income tax, penalties and interest for total amount of Tenge 3,302 million. The Group did not agree with the notice and intends to appeal the results of the inspection as prescribed by the applicable legislation. The Group has positive experience of appealing results of 2002-2006 tax inspection in court.

In July 2015, the Group repaid USD 60 million of short-term borrowings under the credit line from Societe Generale.