

**National Atomic Company
Kazatomprom JSC**

**Condensed interim consolidated financial statements
(unaudited)**
for the six months ended 30 June 2014

Translated from the Russian original

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NATIONAL ATOMIC COMPANY KAZATOMPROM JSC

Statement of Management's Responsibilities for the Preparation and Approval of the Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2014

Management of National Atomic Company Kazatomprom JSC and its subsidiaries (hereinafter the "Group") is responsible for the preparation of condensed interim consolidated financial statements of the Group that present fairly, in all material respects, the financial position of the Group as at 30 June 2014 and the results of its operations, cash flows and changes in equity for the six-month period ended 30 June 2014 in compliance with International Accounting Standard (IAS) 34.

In preparing the condensed interim consolidated financial statements, management is responsible for:


- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's condensed interim consolidated financial position and financial performance;
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls at all the entities of the Group;
- maintaining proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the condensed interim consolidated financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial statements of the Group comply with IAS 34;
- maintaining statutory accounting records in compliance with the legislation of the Republic of Kazakhstan and IAS 34;
- taking such steps as are reasonably available to safeguard the assets of the Group; and
- preventing and detecting financial abuse and other irregularities.

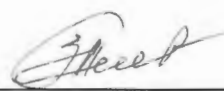
The condensed interim consolidated financial statements for the six months ended 30 June 2014 were authorised for issue by management on 14 August 2014.

On behalf of management of the Group:


Yashin S.A.
Acting Chairman of the Management Board

14 August 2014
Astana, Republic of Kazakhstan




Kaliyeva Z.G.
Chief accountant

14 August 2014
Astana, Republic of Kazakhstan



Report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Atomic Company Kazatomprom JSC and its subsidiaries as of 30 June 2014 and the related condensed 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 consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim 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 consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.


PricewaterhouseCoopers LLP

14 August 2014
Almaty, Kazakhstan

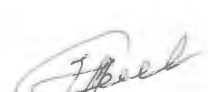
NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for
the six months ended 30 June 2014

<i>In thousands of Kazakhstani Tenge</i>	Note	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Revenue	6	146,272,690	118,612,661
Cost of sales	7	(111,511,432)	(92,666,812)
Gross profit		34,761,258	25,945,849
Distribution expenses	8	(1,742,451)	(1,919,768)
Administrative expenses	9	(10,025,796)	(10,711,356)
(Impairment)/reversal of impairment of assets		(444,258)	843,282
Gain on settlement of financial liability and disposal of subsidiary	31	208,151	23,929,927
Foreign exchange loss	3	(20,474,241)	(647,041)
Other income	11	158,301	1,560,405
Other expenses	12	(1,409,432)	(2,399,684)
Finance income	10	4,075,450	2,226,857
Finance costs	10	(4,567,680)	(3,808,837)
Share of profit of associates	19	3,577,807	10,429,011
Share of profit of joint ventures	20	2,495,143	4,973,889
Profit before tax		6,612,252	50,422,534
Income tax expense	14	(3,763,344)	(5,170,751)
PROFIT FOR THE PERIOD		2,848,908	45,251,783
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		5,279,293	144,718
Other comprehensive income for the period		5,279,293	144,718
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,128,201	45,396,501
Profit for the period attributable to:			
Owners of the Company		2,461,050	44,659,781
Non-controlling interest		387,858	592,002
		2,848,908	45,251,783
Total comprehensive income for the period attributable to:			
Owners of the Company		7,839,407	44,804,499
Non-controlling interest		288,794	592,002
		8,128,201	45,396,501
Earnings per share from continuing operations			
Basic and diluted (rounding to a Tenge)		67	1,217

These condensed interim consolidated financial statements were approved by management on 14 August 2014 and were signed on its behalf by:


Yashin S.A.
Acting Chairman of the Management Board

14 August 2014
 Astana, Republic of Kazakhstan


Kaliyeva Z.G.
Chief Accountant

14 August 2014
 Astana, Republic of Kazakhstan

The accompanying notes on pages 8-35 form an integral part of these condensed interim consolidated financial statements.

NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Condensed Interim Consolidated Statement of Financial Position as at 30 June 2014

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2014 (unaudited)	31 December 2013 (audited)
ASSETS			
Non-current assets			
Intangible assets		7,226,537	7,205,953
Property, plant and equipment	15	141,890,522	136,855,548
Mine development assets	16	62,432,317	33,718,775
Mineral rights	17	3,151,667	2,710,270
Exploration and evaluation assets	18	9,807,232	6,066,621
Investments in associates	19	87,869,443	86,336,938
Investments in joint ventures	20	46,216,789	47,480,502
Other investments		67,055,487	67,055,487
Investment property		-	800
Non-current accounts receivable		267,028	726,502
Other non-current assets	22	35,819,462	37,388,212
Deferred tax assets		1,098,323	2,447,355
Term deposits		931,645	969,643
Loans to related parties	24	21,011,504	18,192,451
Total non-current assets		484,777,956	447,155,057
Current assets			
Current accounts receivable	21	42,038,268	32,916,921
Prepaid income tax		4,896,418	4,856,112
Other current assets	22	23,257,573	6,941,916
Value-added tax		30,198,940	31,218,143
Inventories	23	61,455,123	60,370,349
Term deposits		3,295,334	1,626,846
Loans to related parties	24	1,340,439	1,341,644
Non-current assets held for sale		97,783	168,311
Cash and cash equivalents	25	17,450,995	17,152,101
Total current assets		184,030,873	156,592,343
TOTAL ASSETS		668,808,829	603,747,400

The accompanying notes on pages 8-35 form an integral part of these condensed interim consolidated financial statements.

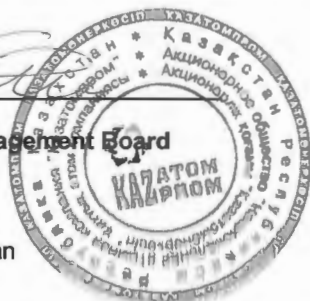
NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Condensed Interim Consolidated Statement of Financial Position as at 30 June 2014

<i>In thousands of Kazakhstani Tenge</i>	Note	30 June 2014 (unaudited)	31 December 2013 (audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	26	36,692,362	36,692,362
Additional paid-in capital		4,784,842	4,784,842
Foreign currency translation reserve		4,973,413	(404,944)
Retained earnings		350,341,762	353,266,293
Equity attributable to shareholders of the Company		396,792,379	394,338,553
Non-controlling interest		12,514,914	12,452,457
TOTAL EQUITY		409,307,293	406,791,010
Non-current liabilities			
Loans and borrowings	27	16,982,563	90,868,454
Provisions	28	20,091,238	15,724,186
Accounts payable	29	316,287	2,361,214
Retirement benefit plans		881,634	881,634
Other liabilities	30	7,354,012	6,331,170
Deferred tax liabilities		4,436,940	3,707,583
Total non-current liabilities		50,062,674	119,874,241
Current liabilities			
Loans and borrowings	27	116,111,524	29,803,328
Provisions	28	75,075	97,729
Accounts payable	29	70,351,395	31,764,073
Other current liabilities	30	17,010,787	10,600,276
Retirement benefit plans		192,285	232,313
Other tax and compulsory payments liabilities		5,239,749	3,539,004
Income tax liabilities		458,047	1,045,426
Total current liabilities		209,438,862	77,082,149
TOTAL LIABILITIES		259,501,536	196,956,390
TOTAL EQUITY AND LIABILITIES		668,808,829	603,747,400

These condensed interim consolidated financial statements were approved by management on 14 August 2014 and were signed on its behalf by:

Yashin S.A.
 Acting Chairman of the Management Board

14 August 2014
 Astana, Republic of Kazakhstan



Kaliyeva Z.G.
 Chief Accountant

14 August 2014
 Astana, Republic of Kazakhstan

The accompanying notes on pages 8-35 form an integral part of these condensed interim consolidated financial statements.

NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Condensed Interim Consolidated Statement of Cash Flows for the six months ended 30 June 2014

<i>In thousands of Kazakhstani Tenge</i>	Note	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
OPERATING ACTIVITIES			
Cash receipts from customers and VAT refund		163,279,832	197,514,723
Interest received		656,415	392,785
Payments to suppliers		(119,814,467)	(143,903,097)
Payments to employees		(17,105,309)	(17,326,538)
Cash flows from operating activities		27,016,471	36,677,873
Income tax paid		(2,024,699)	(4,365,461)
Interest paid		(3,776,199)	(3,111,184)
Cash flows from operating activities		21,215,573	29,201,228
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		111,523	13,222
Redemption of term deposits		1,580,989	2,175,743
Dividends received from associates and other investments		6,309,074	4,407,841
Compensation for the loss of control over subsidiaries		1,201,299	-
Placement of term deposits		(3,891,782)	(1,085,388)
Acquisition of property, plant and equipment		(4,863,767)	(8,317,755)
Advances paid for property, plant and equipment		(2,259,256)	(2,110,382)
Cash of disposed subsidiary		(191,808)	(1,238,566)
Acquisition of intangible assets		(103,599)	(89,511)
Acquisition of mine development assets		-	(1,063,893)
Acquisition of exploration and evaluation assets		(761,698)	(98,996)
Acquisition of investments in associates		(6,435,306)	(1,887,423)
Other		(102,235)	442,978
Cash flows used in investing activities		(9,406,566)	(8,852,130)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		40,917,572	38,637,897
Repayment of loans and borrowings		(53,775,444)	(21,226,345)
Payment for settlement of financial liability		-	(19,972,920)
Transaction costs relating to borrowings		(348)	(1,867)
Payment of finance lease liabilities		-	(6,475)
Dividends paid to the shareholder		(5,946)	(11,756,651)
Cash flows used in financing activities		(12,864,166)	(14,326,361)
Net (decrease)/increase in cash and cash equivalents		(1,055,159)	6,022,737
Cash and cash equivalents at the beginning of the period	25	17,152,101	38,038,905
Effect of exchange rate fluctuations on cash and cash equivalents		1,354,053	115,631
Cash and cash equivalents at the end of the period	25	17,450,995	44,177,273

These condensed interim consolidated financial statements were approved by management on 14 August 2014 and were signed on its behalf by:

Yashin S.A.
Acting Chairman of the Management
Board

14 August 2014
Astana, Republic of Kazakhstan



Kaliyeva Z.G.
Chief Accountant

14 August 2014
Astana, Republic of Kazakhstan

The accompanying notes on pages 8-35 form an integral part of these condensed interim consolidated financial statements.

NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Condensed Interim Consolidated Statement Of Changes In Equity for the six months ended 30 June 2014

<i>In thousands of Kazakhstani Tenge</i>	Share capital	Foreign currency translation reserve	Retained earnings	Additional paid-in capital	Equity attributable to shareholders of the Company	Non-controlling interest	Total equity
Balance at 1 January 2013	36,692,362	(1,032,661)	324,999,663	4,784,842	365,444,206	11,912,025	377,356,231
Profit for the period	-	-	44,659,781	-	44,659,781	592,002	45,251,783
Foreign currency translation gain	-	144,718	-	-	144,718	-	144,718
Total comprehensive income for the period (unaudited)	-	144,718	44,659,781	-	44,804,499	592,002	45,396,501
Dividends declared	-	-	-	-	-	(204,928)	(204,928)
Change in non-controlling interest	-	-	-	-	-	48,931	48,931
Balance at 30 June 2013 (unaudited)	36,692,362	(887,943)	369,659,444	4,784,842	410,248,705	12,348,030	422,596,735
Balance at 1 January 2014	36,692,362	(404,944)	353,266,293	4,784,842	394,338,553	12,452,457	406,791,010
Profit for the period	-	-	2,461,050	-	2,461,050	387,858	2,848,908
Foreign currency translation gain	-	5,378,357	-	-	5,378,357	(99,064)	5,279,293
Total comprehensive income for the period (unaudited)	-	5,378,357	2,461,050	-	7,839,407	288,794	8,128,201
Dividends declared	-	-	(5,385,581)	-	(5,385,581)	(226,337)	(5,611,918)
Balance at 30 June 2014 (unaudited)	36,692,362	4,973,413	350,341,762	4,784,842	396,792,379	12,514,914	409,307,293

These condensed interim consolidated financial statements were approved by management on 14 August 2014 and were signed on its behalf by:



Yashin S.A.
Acting Chairman of the Management Board
 14 August 2014
 Astana, Republic of Kazakhstan

Kaliyeva Z.G.
Chief Accountant
 14 August 2014
 Astana, Republic of Kazakhstan

The accompanying notes on pages 8-35 form an integral part of these condensed interim consolidated financial statements.

1. General Information

(a) Organisational structure and operations

National Atomic Company Kazatomprom JSC (the "Company") and its subsidiaries, associates and joint ventures (together, the "Group") are joint stock companies and limited liability partnerships as defined in the Civil Code of the Republic of Kazakhstan. The Company was established pursuant to Decree of the President of the Republic of Kazakhstan on the establishment of National Atomic Company Kazatomprom No. 3593, dated 14 July 1997, and Decree of the Government of the Republic of Kazakhstan National Atomic Company Kazatomprom Issues No. 1148 dated 22 July 1997.

In accordance with Order of the President of the Republic of Kazakhstan No. 669 dated 13 October 2008, on 19 January 2009 the National Welfare Fund Samruk-Kazyna (the "Shareholder") became the sole owner of the Company. The Shareholder is wholly owned by the Government of the Republic of Kazakhstan. The Company's registered address is 10 Kunayev Street, Astana, Republic of Kazakhstan. In June 2011, the Company relocated its head office to Astana in accordance with the decision of the Management Board of the Shareholder.

The Group's key activities are:

- The production of uranium, processing and sale of uranium products;
- The manufacture and sale of beryllium products as well as related research and development;
- The manufacture and sale of tantalum products as well as related research and development;
- The generation and sale of electricity, heating and water;
- The production and sale of equipment for alternative energy; and
- The generation and sale of other products and rendering auxiliary products.

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

(b) Operating environment

Emerging markets such as Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations governing businesses in Kazakhstan continue to change rapidly. Tax, currency and customs legislation within Kazakhstan are subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Kazakhstan. The future development tendency of Kazakhstan mainly depends on national economic, fiscal and monetary policies, on the adopted laws and regulations as well as on the change of political situation in the country.

The global financial system continues to show signs of deep stress and many economies around the world are experiencing lesser than in prior years or no growth. Additionally there is increased uncertainty about the creditworthiness of some sovereign states in the Eurozone and financial institutions with exposure to the sovereign debt of such states. These conditions could slow or disrupt Kazakhstan's economy, adversely affect the Group's access to capital and cost of capital for the Group and, more generally, its business, results of operations, financial condition and prospects.

As Kazakhstan produces and exports large volumes of mineral resources, the country's economy is particularly sensitive to the price of mineral resources on the world market that fluctuated significantly during the first half of 2014 and the first half of 2013.

The condensed interim consolidated financial statements reflect management's assessment of the impact of the Kazakhstan's business and political environment on the Group's performance and financial position. The actual impact of the future business conditions may differ from management's assessment.

2. Basis of Preparation

(a) Condensed interim consolidated financial statements

These condensed interim consolidated financial statements as at and for the six-month period ended 30 June 2014 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 2013 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 2013 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 2013 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.

(b) Critical accounting judgments and key sources of estimation uncertainty

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 2013 prepared in accordance with IFRS, except for the following:

Accounting for transferred mineral rights

As disclosed in Note 16, in June 2014 the mineral rights at three fields were transferred to the Group. Management of the Group exercised judgment for accounting of the transferred mineral rights, based on which management concluded that as at the reporting date: (a) the Group did not exercise control over the entities which transferred the rights; (b) the transfer does not contain lease arrangements; (c) the Group acts as a principal in transactions related to production of output at transferred contract territories and its subsequent sales; (d) and the criteria for recognition of related assets and liabilities for amount of 32,221,715 thousand Tenge were met.

3. Significant Accounting Policies

(a) Accounting principles

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 2013.

(b) Exchange rates

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

	30 June 2014	31 December 2013
Closing exchange rates – Tenge		
1 US Dollar (USD)	183.51	151.65
	30 June 2014	30 June 2013
Average exchange rates for the six months – Tenge		
1 US Dollar (USD)	176.23	150.90

On 11 February 2014, the National Bank of the Republic of Kazakhstan decided to cease supporting exchange rate and reduce currency interventions. As a result, the exchange rate decreased to 184.50 Tenge for 1 USD. As a result, the Group recognised in its condensed interim consolidated financial statements significant foreign exchange losses, mainly, on carrying amounts of borrowings and trade payables denominated in foreign currency. Loss is partially offset by foreign exchange gain as a result of translation of trade receivables in foreign currency.

3. Significant Accounting Policies (Continued)

(c) Seasonality

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

(d) Income tax

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

(e) New standards and interpretations

New and amended standards and interpretations are 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 2014:

- Offsetting financial assets and financial liabilities – amendment to IAS 32;
- Amendment to IFRS 10, IFRS 12 and IFRS 27 – Investment enterprises;
- IFRIC 21 – Levies;
- Amendments to IAS 36 – Recoverable amount disclosures for non-financial assets;
- Amendments to IAS 39 – Novation of derivatives and continuation of hedge accounting.

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 2014. 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 (without mandatory date of entry into force);
- Amendments to IAS 19 Employee benefits (issued in June 2011 and effective for annual periods beginning on 1 July 2014);
- Improvements to International Financial Reporting Standards 2012 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014);
- Improvements to International Financial Reporting Standards 2013 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014);
- 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 in 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).

4. Segment Information

The Group operates in the following operating segments:

Uranium products	- Uranium extraction, processing and sale of the uranium products
Beryllium products	- Manufacturing and sale of the beryllium products and research and development.
Tantalum products	- Manufacturing and sale of the tantalum products and research and development.
Utilities	- Generation and sale of electric energy, heat power and water.
Equipment for alternative energy	- Production and sale of equipment for alternative energy.
Other operations	- Production and sale of other products and rendering the services for the primary production.

The information regarding the Group's reportable segments is given below.

a) Segment revenues and results

The accounting policy of the reportable segments is in line with the accounting policy of the Group for the year ended 31 December 2013.

NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Notes to the Condensed Interim Consolidated Financial Statements for the six months
ended 30 June 2014

4. Segment Information (Continued)

Following is an analysis of the Group's revenue and results by reportable segment for the six months ended 30 June 2014 (unaudited):

<i>In thousands of Kazakhstani Tenge</i>	Uranium products	Beryllium products	Tantalum products	Energy sources	Equipment for alternative energy	Other	Elimination	Consolidation
Revenue								
External sales	97,678,217	3,447,827	5,597,546	22,953,687	2,880,579	13,714,834	-	146,272,690
Intersegment sales	-	-	-	-	-	20,004,672	(20,004,672)	-
Total revenue	97,678,217	3,447,827	5,597,546	22,953,687	2,880,579	33,719,506	(20,004,672)	146,272,690
Segment result	26,504,510	546,282	638,842	3,566,734	1,117,082	4,413,590	(2,025,782)	34,761,258
Distribution expenses								(1,742,451)
Administrative expenses								(10,025,796)
Gain on settlement of financial liability and disposal of subsidiary								208,151
Foreign exchange loss								(20,474,241)
Other income								158,301
Other expenses								(1,853,690)
Finance income								4,075,450
Finance costs								(4,567,680)
Share of profit of associates and joint ventures								6,072,950
Profit before tax								6,612,252

NATIONAL ATOMIC COMPANY KAZATOMPROM JSC
Notes to the Condensed Interim Consolidated Financial Statements for the six months
ended 30 June 2014

4. Segment Information (Continued)

Following is an analysis of the Group's revenue and results by reportable segments for the six months ended 30 June 2013 (unaudited):

<i>In thousands of Kazakhstani Tenge</i>	Uranium products	Beryllium products	Tantalum products	Energy sources	Equipment for alternative energy	Other	Elimination	Consolidation
Revenue								
External sales	71,239,464	3,605,733	6,135,085	19,791,024	326,755	17,514,600	-	118,612,661
Intersegment sales	-	-	-	-	-	14,306,912	(14,306,912)	-
Total revenue	71,239,464	3,605,733	6,135,085	19,791,024	326,755	31,821,512	(14,306,912)	118,612,661
Segment result	15,392,534	416,520	750,938	3,531,021	(303,482)	7,281,862	(1,123,544)	25,945,849
Distribution expenses								(1,919,768)
Administrative expenses								(10,711,356)
Gain on settlement of financial liability and disposal of subsidiary								23,929,927
Foreign exchange loss								(647,041)
Other income								1,560,405
Other expenses								(1,556,402)
Finance income								2,226,857
Finance cost								(3,808,837)
Share of profit of associates and joint ventures								15,402,900
Profit before tax								50,422,534

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4. Segment Information (Continued)

b) Segment assets

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Uranium products	306,675,221	305,293,369
Equipment for alternative energy	38,961,579	37,607,202
Energy sources	28,103,621	28,169,493
Tantalum products	14,205,933	10,932,872
Beryllium products	12,147,674	6,644,232
Other	44,004,116	34,478,604
Elimination	(26,553,475)	(67,005,763)
Total segment assets	417,544,669	356,120,009
Unallocated assets	251,264,160	247,627,391
Consolidated assets	668,808,829	603,747,400

c) Segment liabilities

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Uranium products	118,462,000	86,564,148
Equipment for alternative energy	7,812,854	7,027,973
Energy sources	7,321,892	8,199,018
Tantalum products	1,795,270	1,126,171
Beryllium products	1,535,158	684,407
Other	7,458,231	2,710,773
Elimination	(28,207,601)	(39,568,340)
Total segment liabilities	116,177,804	66,744,150
Unallocated liabilities	143,323,732	130,212,240
Consolidated liabilities	259,501,536	196,956,390

There has been no material change in segment information in total assets from the amounts disclosed in the latest annual consolidated financial statements. There are also no differences from the latest annual consolidated financial statements in the basis of segmentation or measurement of segment's profit or loss.

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5. Consolidation of Controlled Entities

These condensed interim consolidated financial statements include the following controlled entities:

These consolidated financial statements include the following subsidiaries:

			30 June 2014	31 December 2013
	Country	Type of activity	Ownership	Ownership
MAEK-Kazatomprom LLP	Kazakhstan	Production, transmission and sale of electric power and energy, production and sale of drinking water, service water and distilled water, pumping sea water and gas transportation.	100%	100%
GRK LLP	Kazakhstan	Exploration, production and primary processing of uraniferous ores.	-	100%
Kazatomprom-Demeu LLP	Kazakhstan	Provision of social services, organisation of construction and operation of social assets in the subsoil use regions.	90%	90%
Bailanys LLP	Kazakhstan	Communications services provision.	100%	100%
Korgan KAP LLP	Kazakhstan	Security service provision.	100%	100%
Appak LLP	Kazakhstan	Exploration, production and preliminary processing of uranium ore.	65%	65%
Ulba Metallurgical Plant JSC	Kazakhstan	Production and processing of uranium materials, production of rare metals and semiconducting materials.	90%	90%
Volkovgeology JSC	Kazakhstan	Geological exploration and study of uranium deposits, drilling works, monitoring of radioactivity levels, environmental conditions.	90%	90%
Institute of High Technologies LLP	Kazakhstan	Provision of scientific research, design, development and engineering consulting services.	100%	100%
Kyzyltu LLP	Kazakhstan	Exploration, production and processing of molybdenum-copper ores containing uranium.	76%	76%
JV SARECO LLP	Kazakhstan	Ore processing, hydrometallurgical production of rare metals concentrates, chemical production from the decay of rare metals into some metal oxides.	51%	51%
Energomash LLP	Kazakhstan	Production of vertical-axis wind power stations in the complex energy systems for supply of autonomous objects on the basis of renewable energy sources.	100%	100%
MK KazSilicon LLP	Kazakhstan	Production and sale of metallurgical and polycrystalline silicon, processing of waste silicon production.	100%	100%
Kazakhstan Solar Silicon LLP	Kazakhstan	Production of solar grade silicon, silicon wafers and photovoltaic plates.	100%	100%

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5. Consolidation of Controlled Entities (Continued)

			30 June 2014	31 December 2013
	Country	Type of activity	Ownership	Ownership
Astana Solar LLP		Production of solar grade silicon, silicon wafers, PV wafers (cells), PV modules and electrical systems based on them.	100%	100%
JV KT Raremetals Company	Kazakhstan	Implementation of a feasibility study on the exploration of rare metals.	51%	51%
DP Ortalyk LLP	Kazakhstan	Provision of services for production, processing to chemical concentrates of uranium and services for mining and preparatory works.	100%	100%
Kazakhstan Nuclear University LLP	Kazakhstan	Providing services for organisation of educational programs, courses, seminars and trainings.	100%	100%
Stepnoye RU LLP		Services for exploration, mining and primary processing of uraniferous ores.	100%	-
Trade and Transport Company LLP	Kazakhstan	Stock supply services.	99.9998%	-
Remmontazhservice LLP	Kazakhstan	Equipment repair services.	100%	-
Rudoupravlenie 6 LLP	Kazakhstan	Services for exploration, mining and primary processing of uraniferous ores.	100%	-
TGHP LLP	Kazakhstan	Services for exploration, mining and primary processing of uraniferous ores.	100%	-
Geotehnoservice LLP	Kazakhstan	Geophysical services.	100%	-
Control, Analysis, Metrology JV LLP	Kazakhstan	Chemical laboratory services.	100%	-
Kutkarushi-Tau-ken LLP	Kazakhstan	Fire protection services.	100%	-

Reorganisation of GRK LLP

In February 2014, NAC Kazatomprom JSC was reorganised by merger with GRK LLP.

As a result of the reorganisation of GRK LLP all assets, liabilities and equity items were transferred to the balance of Kazatomprom JSC. Investments in subsidiaries Stepnoye RU LLP, Trade and Transport Company LLP, Remmontazhservice LLP, Rudoupravlenie 6 LLP, TGHP LLP, Geotehnoservice LLP, Control, Analysis, Metrology JV LLP were transferred as part of the assets.

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6. Revenue

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Sales of uranium products	96,908,193	71,239,464
Sales of electricity and other energy sources	22,953,687	19,791,024
Sales of tantalum products	5,597,546	6,135,085
Drilling of wells	4,727,690	6,178,403
Processing services	4,334,008	4,732,346
Sales of beryllium products	3,447,827	3,605,733
Sales of photovoltaic modules	2,873,359	-
Sales of purchased goods	2,376,174	2,923,977
Transportation services	2,061,847	2,668,804
Research and development services	32,745	29,478
Other	959,614	1,308,347
Total revenue	146,272,690	118,612,661

7. Cost of Sales

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Materials and supplies	72,966,303	55,724,649
Wages and salaries	12,369,661	12,233,259
Processing and other services	7,911,006	9,033,975
Depreciation and amortisation	7,702,785	7,240,885
Taxes other than income tax	5,846,452	5,396,186
Transportation expenses	1,748,134	129,589
Utilities	1,142,783	669,453
Maintenance and repair	460,623	1,125,210
Rent expenses	117,663	136,622
Other	1,246,022	976,984
Total cost of sales	111,511,432	92,666,812

8. Distribution Expenses

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Shipping, transportation and storage	985,010	1,025,920
Wages and salaries	327,465	344,888
Commissions	145,888	245,632
Rent	88,031	93,552
Materials and supplies	78,524	85,010
Depreciation and amortisation	28,403	25,537
Business trip expenses	17,680	19,505
Advertising and marketing expenses	17,858	19,128
Cargo insurance	14,181	24,551
Customs duties	6,690	6,675
Other	32,721	29,370
Total distribution expenses	1,742,451	1,919,768

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9. Administrative Expenses

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Wages and salaries	5,467,411	5,657,852
Rent	474,267	488,516
Provision for doubtful debts	469,958	203,951
Consulting, auditing and information services	444,476	391,910
Taxes other than income tax	437,555	512,150
Depreciation and amortisation	419,154	484,371
Research expenses	359,428	455,833
Business trip expenses	215,364	255,557
Materials and supplies	207,451	234,074
Communication services	132,461	151,140
Utilities	120,374	74,463
Maintenance and repair	112,664	141,814
Training expenses	74,358	175,606
Bank charges	69,033	100,752
Corporate events	59,673	63,050
Stationery	32,947	54,539
Security services	23,325	95,841
Insurance	19,117	45,426
Representative expenses	18,689	20,875
Other	868,091	1,103,636
Total administrative expenses	10,025,796	10,711,356

10. Finance Income and Costs

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Finance income		
Income from indexation of loans to related parties	2,180,924	-
Interest income on term deposits and deposits on demand, current accounts and loans provided	1,788,951	858,165
Dividend income	-	1,267,509
Other	105,575	101,183
Total finance income	4,075,450	2,226,857

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Finance costs		
Interest expenses on loans and borrowings	3,761,249	3,169,257
Unwinding of discount on provisions	560,105	386,241
Unwinding of discount on other financial liabilities	127,676	86,473
Loss on sales of foreign currency	-	66,851
Other finance costs	118,650	100,015
Total finance costs	4,567,680	3,808,837

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11. Other Income

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Property received free of charge	87,813	422,215
Income from fines and penalties	20,144	336,486
Gain on assets disposal	9,832	559,124
Other	40,512	242,580
Total other income	158,301	1,560,405

12. Other Expenses

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Social sphere expenses	461,920	618,106
Loss on suspension of production	233,890	142,940
Depreciation of idle property, plant and equipment	186,125	61,199
Loss on energy sources distribution	144,999	-
Sponsorship and charitable donations	110,193	975,757
Payments for excessive emissions	57,438	-
Unrecoverable value added tax	16,674	601,260
Other	198,193	422
Total other expenses	1,409,432	2,399,684

13. Personnel Costs

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Wages and salaries	21,954,292	22,137,843
Social tax and social contributions	2,300,906	2,052,518
Total personnel costs	24,255,198	24,190,361

14. Income Tax Expense

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited)
Corporate income tax	2,120,338	3,058,702
Accruals for prior periods	(466,213)	287,313
Current income tax	1,654,125	3,346,015
Deferred income tax	2,109,219	1,824,736
Total income tax expense	3,763,344	5,170,751

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14. Income Tax Expense (Continued)

Starting 1 January 2009, the income tax rate is set at 20%.

Reconciliation of effective income tax rate:

<i>In thousands of Kazakhstani Tenge</i>	Six months ended 30 June 2014 (unaudited)	%	Six months ended 30 June 2013 (unaudited)	%
Profit before tax	6,612,252	100	50,422,534	100
Income tax, at applicable rate	1,322,450	20.00	10,084,507	20.00
Tax effect from:				
Tax exempt income	(825,734)	(12.49)	(381,520)	(0.76)
Non-deductible expenses	3,682,696	55.70	1,537,179	3.05
Non-taxable gain from transactions with non-controlling interest	-	-	(4,833,386)	(9.59)
Transfer pricing income adjustments	202,222	3.06	372,603	0.74
Margin elimination in finished goods	762,946	11.54	207,492	0.41
Share of profit of associates	(715,560)	(10.82)	(2,085,802)	(4.14)
Share of profit of joint ventures	(499,029)	(7.55)	(994,778)	(1.97)
Use of previously unrecognised tax losses	(75,540)	(1.14)	(116,009)	(0.23)
Current year losses in respect of which deferred tax asset was not recognised	375,106	5.67	1,093,152	2.17
Accruals for prior periods	(466,213)	(7.05)	287,313	0.57
Total	3,763,344	56.92	5,170,751	10.25

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15. Property, Plant and Equipment

<i>In thousands of Kazakhstani Tenge</i>	Land	Buildings	Machinery and equipment	Vehicles	Other	Construction in progress	Total
<i>Cost</i>							
At 31 December 2013 (audited)	318,161	74,398,093	61,476,947	12,805,702	3,712,290	41,721,026	194,432,219
Acquisitions	6,826	110,266	2,280,142	198,656	170,910	8,618,890	11,385,690
Transfers	1	2,467,711	(6,066)	(86,649)	1,361,293	(3,736,290)	-
Disposals	-	(2,654,412)	(1,318,055)	(235,058)	(194,533)	(11,079)	(4,413,137)
Loss of control over subsidiary	-	(435,579)	(154,781)	(56,480)	(23,170)	(199,801)	(869,811)
Transfers from inventories	-	163	18,902	-	(14,965)	128,652	132,752
Transfers from assets held for sale	-	-	7,605	-	-	-	7,605
Transfers to intangible assets	-	-	-	-	-	(26,250)	(26,250)
Transfers to mine development assets	-	-	-	-	-	(14,600)	(14,600)
At 30 June 2014 (unaudited)	324,988	73,886,242	62,304,694	12,626,171	5,011,825	46,480,548	200,634,468
<i>Depreciation and impairment losses</i>							
At 31 December 2013 (audited)	-	17,297,751	29,193,981	5,448,160	1,825,947	3,810,832	57,576,671
Depreciation charge	-	1,899,501	2,048,271	606,914	792,259	-	5,346,945
Impairment	-	-	(300)	(9)	(250)	2,378	1,819
Disposal of impairment	-	-	-	-	-	(3,581)	(3,581)
Disposals	-	(2,516,833)	(1,270,324)	(206,448)	(182,346)	-	(4,175,951)
Loss of control over subsidiary	-	-	(1,149)	(633)	(175)	-	(1,957)
At 30 June 2014 (unaudited)	-	16,680,419	29,970,479	5,847,984	2,435,435	3,809,629	58,743,946
Net book value							
At 31 December 2013 (audited)	318,161	57,100,342	32,282,966	7,357,542	1,886,343	37,910,194	136,855,548
At 30 June 2014 (unaudited)	324,988	57,205,823	32,334,215	6,778,187	2,576,390	42,670,919	141,890,522

15. Property, Plant and Equipment (Continued)

(a) Depreciation expenses

Depreciation expenses of 4,994,868 thousand Tenge have been reflected in cost of sales; of 28,026 thousand Tenge have been reflected in distribution expenses, and of 324,051 thousand Tenge have been reflected in administrative expenses.

(b) Construction in progress

Construction in progress comprises construction of new assets and capital repairs of existing property, plant and equipment, which extend their useful life.

(c) Fully depreciated property, plant and equipment

As of 30 June 2014, the gross book value of fully depreciated property, plant and equipment still in use was 4,944,120 thousand Tenge (31 December 2013: 6,948,629 thousand Tenge).

(d) Idle property, plant and equipment

As of 30 June 2014, the book value of temporary idle property, plant and equipment was 55 thousand Tenge (31 December 2013: 80,626 thousand Tenge).

(e) Commitments

As of 30 June 2014, commitments relating to the acquisition of property, plant and equipment were 5,664,542 thousand Tenge (31 December 2013: 840,658 thousand Tenge).

(f) Capitalised interests costs

The amount of interest costs capitalised in property, plant and equipment as at 30 June 2014 amounted to 324,905 thousand Tenge (31 December 2013: 294,446 thousand Tenge) with an average rate of capitalisation of interest costs of 2.33% (31 December 2013: 2.98%).

16. Mine Development Assets

<i>In thousands of Kazakhstani Tenge</i>	Field preparation	Site restoration asset	Ion-exchange resin	Total
<i>Cost</i>				
At 31 December 2013 (audited)	56,036,975	9,168,303	3,488,773	68,694,051
Additions related to transfer of mineral rights	26,745,570	2,616,718	-	29,362,288
Additions	4,536,186	62	86,546	4,622,794
Transfers from property, plant and equipment	14,600	-	-	14,600
At 30 June 2014 (unaudited)	87,333,331	11,785,083	3,575,319	102,693,733
<i>Accumulated depreciation and impairment</i>				
At 31 December 2013 (audited)	32,746,329	1,059,518	1,169,429	34,975,276
Depreciation charge	4,660,638	287,824	217,520	5,165,982
Impairment	120,158	-	-	120,158
At 30 June 2014 (unaudited)	37,527,125	1,347,342	1,386,949	40,261,416
<i>Net book value</i>				
At 31 December 2013 (audited)	23,290,646	8,108,785	2,319,344	33,718,775
At 30 June 2014 (unaudited)	49,806,206	10,437,741	2,188,370	62,432,317

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16. Mine Development Assets (Continued)

In 2004-2005 the Company transferred mineral rights for Akdala, Inkai (lot 4), and Northern Kharasan (lot Kharasan-1) to JV Betpak Dala LLP and Kyzylkum LLP, the Group's associates. Pursuant to the court decision dated 4 June 2014 transfer of rights has been annulled. The mineral rights related to the above contracts were returned to the Company on 4 June 2014. By the end of 2014 it is planned to transfer mineral rights and related assets and liabilities to newly created entities with the same ownership structures as JV Betpak Dala LLP and Kyzylkum LLP (Note 34).

To comply with uranium production contractual obligations the Company purchased from JV Betpak Dala LLP and Kyzylkum LLP exploration and mine development assets, related to developed reserves, for 28,769,389 thousand Tenge; this is comprised of mine development assets of 26,745,570 thousand Tenge, mineral rights of 37,203 thousand Tenge (Note 17), and exploration and evaluation assets of 1,986,616 thousand Tenge (Note 18). The related liability is presented in Note 29.

In connection to the abovementioned transfer, during the first half of 2014, the Group also recognised mine retirement costs as part of mine development assets and corresponding provision for mine retirement obligation for 2,616,718 thousand Tenge. The Group also capitalised historical costs as part of mining rights and recognized corresponding financial liability for 419,192 thousand Tenge.

17. Mineral Rights

<i>In thousands of Kazakhstani Tenge</i>	Total
<i>Cost</i>	
At 31 December 2013 (audited)	8,847,027
Additions related to transfer of mineral rights (Note 16)	456,395
Additions (Note 16)	56,092
At 30 June 2014 (unaudited)	9,359,514
<i>Accumulated amortisation and impairment losses</i>	
At 31 December 2013 (audited)	6,136,757
Amortisation charge	71,090
At 30 June 2014 (unaudited)	6,207,847
<i>Net book value</i>	
At 31 December 2013 (audited)	2,710,270
At 30 June 2014 (unaudited)	3,151,667

18. Exploration and Evaluation Assets

<i>In thousands of Kazakhstani Tenge</i>	Tangible assets	Intangible assets	Total
<i>Cost</i>			
At 31 December 2013 (audited)	4,807,912	1,258,709	6,066,621
Additions related to transfer of mineral rights (Note 16)	1,858,070	128,546	1,986,616
Additions	1,866,707	630	1,867,337
Transfers to inventory	(112,545)	(797)	(113,342)
At 30 June 2014 (unaudited)	8,420,144	1,387,088	9,807,232

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19. Investments in Associates

The Group has the following investments in associates:

	Country	At 30 June 2014 (unaudited)		At 31 December 2013 (audited)	
		Interest/ Voting right	Thousand Tenge	Interest/ Voting right	Thousand Tenge
JV KATCO LLP	Kazakhstan	49%	39,202,729	49%	42,757,376
JV Inkai LLP	Kazakhstan	40%	17,318,555	40%	14,347,080
JV Betpak Dala LLP	Kazakhstan	30%	11,560,774	30%	12,985,724
JV Zarechnoe JSC	Kazakhstan	49.67%	7,001,033	49.67%	1,951,896
Kaustik LLP	Kazakhstan	40%	4,739,749	40%	5,842,171
Kyzylkum LLP	Kazakhstan	30%	4,268,657	30%	4,785,776
Uranenergo LLP	Kazakhstan	54.39%	2,795,064	54.39%	2,762,874
JV SKZ Kazatomprom LLP	Kazakhstan	22%	630,486	22%	566,934
JV Rosburmash LLP	Kazakhstan	49%	222,713	49%	219,971
Kazgeomash LLP	Kazakhstan	49%	62,667	49%	47,651
PKF Ulba Electro	Kazakhstan	30%	59,865	30%	63,348
JV IFASTAR	France	49%	7,151	49%	6,137
Total investments in associates			87,869,443		86,336,938

For the six months ended 30 June 2014, the Group:

- recognised its share of profits of associates of 3,577,807 thousand Tenge (30 June 2013: 10,429,011 thousand Tenge); and share in other comprehensive income in the amount of 2,916,496 thousand Tenge (on 30 June 2013: 181,075 thousand Tenge);
- received dividends from associates of 11,377,653 thousand Tenge (30 June 2013: 12,739,285 thousand Tenge);
- increased its investment in the issued capital of associates by 6,415,855 thousand Tenge (2012: 3,400,966 thousand Tenge).

20. Investments in Joint Ventures

The Group has the following investments in joint ventures:

	Country	30 June 2014 (unaudited)		31 December 2013 (audited)	
		Interest/ Voting right	Thousand Tenge	Interest/ Voting right	Thousand Tenge
COU JSC	Russia	50%	16,388,694	50%	12,149,990
JV Akbastau JSC	Kazakhstan	50%	12,151,442	50%	12,815,464
Semizbay-U LLP	Kazakhstan	51%	8,156,122	51%	9,828,933
Karatau LLP	Kazakhstan	50%	6,360,846	50%	8,394,244
SKZ-U LLP	Kazakhstan	49%	2,795,646	49%	3,921,207
Yingtian Ulba Shine Metal Materials Co., Ltd	China	50%	253,070	50%	325,712
Kazatomprom-Sorbent LLP	Kazakhstan	51%	58,752	-	-
Kazperoxide LLP	Kazakhstan	50%	34,263	50%	34,504
ULBA Conversion LLP	Kazakhstan	50%	12,220	50%	4,714
CJSC JV UKR TVS	Ukraine	33.33%	3,341	33.33%	3,341
KAS JSC	Germany	50%	2,393	50%	2,393
Atomic Power Stations JSC Kazakhstan – Russian Company	Kazakhstan	50%	-	50%	-
Total investments in joint ventures			46,216,789		47,480,502

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20. Investments in Joint Ventures (Continued)

For the six months ended 30 June 2014 the Group:

- recognised its share of profits of joint ventures of 2,495,143 thousand Tenge (30 June 2013: 4,973,889 thousand Tenge); and share in other comprehensive income in the amount of 2,482,011 thousand Tenge (on 30 June 2013: (59,389) thousand Tenge);
- received dividends from joint ventures of 6,382,414 thousand Tenge (30 June 2013: 9,426,959 thousand Tenge);
- increased its investment in the issued capital of joint ventures by 141,547 thousand Tenge (30 June 2013: nil).

21. Trade and Other Receivables

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Trade receivables	37,498,881	27,367,755
Trade receivables from related parties	5,037,805	6,519,587
<i>Total gross trade receivables</i>	42,536,686	33,887,342
Provision for doubtful debts	(1,742,244)	(1,284,816)
<i>Total net trade receivables</i>	40,794,442	32,602,526
Other receivables	1,124,130	197,398
Other receivables from related parties	119,696	116,997
<i>Total other receivables</i>	1,243,826	314,395
Total trade and other receivables	42,038,268	32,916,921

22. Other Assets

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Non-current		
Advances paid for non-current assets	14,978,697	16,613,086
Restricted cash	7,369,234	6,589,969
Inventories	6,023,468	6,535,770
Dividends payable from related parties	3,767,910	3,767,911
Loans to employees	1,824,453	1,903,245
Value added tax receivable	1,213,668	1,213,828
Prepaid expenses	642,032	719,865
Advances paid to related parties	-	18,000
Other	-	26,538
Total other non-current assets	35,819,462	37,388,212

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22. Other Assets (Continued)

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Current		
Dividends receivable	14,149,631	1,713,565
Advances paid for goods and services	4,971,583	2,002,991
Advances paid to related parties for goods and services	2,487,785	460,680
Prepaid expenses	670,900	833,731
Insurance prepayments	251,756	188,579
Prepaid tax other than income tax	138,942	157,788
Other	586,976	1,584,582
Total other current assets	23,257,573	6,941,916

23. Inventories

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Current		
Finished goods and goods for resale	30,841,929	31,549,329
Work-in-progress	15,651,572	11,418,689
Raw materials	10,016,852	12,602,231
Fuel	1,153,250	1,090,847
Spare parts	942,476	1,175,146
Materials in process	789,115	874,033
Other materials	2,979,097	2,344,341
	62,374,291	61,054,616
Provision for obsolete inventories	(919,168)	(684,267)
Total inventories	61,455,123	60,370,349

There was no inventory pledged as collateral as of 30 June 2014 and 31 December 2013.

24. Loans to Related Parties

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Non-current		
Kyzylkum LLP	10,072,434	8,440,754
Baiken U LLP	7,306,820	6,119,447
Semizbay-U LLP	3,632,250	3,632,250
Total non-current loans	21,011,504	18,192,451
Current		
Semizbay-U LLP	1,320,439	1,321,644
JV KRKAS JSC	20,000	20,000
Total current loans	1,340,439	1,341,644

In September and December 2010, the Group provided interest-bearing non-current loans to Kyzylkum LLP and Baiken-U LLP, the entities in which the Group has ownership interests. Entities pledged their property to secure the loans. Kyzylkum LLP is an associate of the Group and the Group owns 5% of interest in Baiken-U LLP.

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24. Loans to Related Parties (Continued)

In September 2012, the Company provided a five year loan to Semizbay-U LLP. The loan was pledged by property of Semizbay-U LLP. In the Group's consolidated financial statements for 2012 Semizbay-U LLP was classified as subsidiary and, accordingly, the loan was eliminated at the consolidated level. As disclosed in Note 31, in 2013, the Group lost control over Semizbay-U LLP and recognised it as an investment in joint venture. The loan is repayable commencing September 2014.

25. Cash and Cash Equivalents

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Bank accounts	17,108,399	15,460,622
Demand deposits	251,495	1,632,028
Cash on hand	91,101	59,451
Total cash and cash equivalents	17,450,995	17,152,101

26. Share Capital

<i>In thousands of Kazakhstani Tenge</i>	Ordinary shares 30 June 2014 (unaudited)	Ordinary shares 31 December 2013 (audited)
Nominal value	1,000 Tenge	1,000 Tenge
Number of authorised and issued shares	36,692,361	36,692,361

All shares of the Company are owned by the National Welfare Fund Samruk-Kazyna JSC which makes decisions on dividend distributions to be made by the Company.

27. Loans and Borrowings

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
<i>Non-current liabilities</i>		
Secured bank loans	16,723,973	14,194,795
Unsecured non-bank loans	258,590	247,431
Bonds issued	-	76,426,228
Total non-current liabilities	16,982,563	90,868,454
<i>Current liabilities</i>		
Bonds issued	92,092,138	543,682
Unsecured bank loans	15,970,788	21,791,645
Secured bank loans	7,902,377	7,332,814
Unsecured non-bank loans	146,221	135,187
Total current liabilities	116,111,524	29,803,328

(a) Bonds

On 20 May 2010, the Group issued bonds amounting to USD 500,000,000 with 6.25% coupon rate due for repayment in 2015. Interest is payable semi-annually on 20 November and 20 May of each year.

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28. Provisions

<i>In thousands of Kazakhstani Tenge</i>	Compensation for occupational diseases	Environmental protection	Reclamation of mine sites	Other	Total
At 31 December 2013 (audited)					
<i>Non-current</i>	669,416	2,349,352	12,681,866	23,552	15,724,186
<i>Current</i>	97,729	-	-	-	97,729
Total provisions	767,145	2,349,352	12,681,866	23,552	15,821,915
Provisions accrued over the period	17,175	-	3,811,564	716	3,829,455
Unwinding of discount	24,319	74,005	461,463	318	560,105
Provisions used during the period	(47,392)	-	-	-	(47,392)
Other	-	-	2,230	-	2,230
At 30 June 2014 (unaudited)	761,247	2,423,357	16,957,123	24,586	20,166,313
Including:					
<i>Non-current</i>	686,172	2,423,357	16,957,123	24,586	20,091,238
<i>Current</i>	75,075	-	-	-	75,075

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29. Trade and Other Payables

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Non-current		
Trade payables	316,287	2,334,316
Other payables	-	26,898
Total non-current trade and other payables	316,287	2,361,214
Current		
Payables to related parties for purchased mine development and other assets (Note 16)	32,221,715	163
Trade payables to related parties	20,764,837	22,107,060
Other trade payables	14,941,029	9,158,231
Other short-term payables to related parties	1,849,490	-
Other short-term payables	574,324	498,619
Total current trade and other payables	70,351,395	31,764,073

30. Other Liabilities

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	31 December 2013 (audited)
Non-current		
Historical cost liabilities	2,900,988	2,425,355
Advances received from related parties	1,743,596	1,288,460
Deferred revenues	658,328	663,864
Liabilities to the holders of preferred shares	264,827	264,827
Other liabilities	1,786,273	1,688,664
Total other non-current liabilities	7,354,012	6,331,170
Current		
Dividends payable to related parties	5,385,581	-
Advances received	2,957,655	2,361,125
Provision for vacation and other remuneration	2,717,173	2,818,524
Salaries payable	2,202,676	2,027,797
Advances received from related parties	1,934,090	1,606,345
Historical cost liabilities	924,962	967,238
Social contributions payable	522,933	585,130
Dividends payable	352,301	196,864
Other current liabilities	13,416	37,253
Total other current liabilities	17,010,787	10,600,276

31. Transactions Related to Disposal of Investments and Loss of Control

a) Investment in Semizbay-U LLP

In 2008, the Group entered into an agreement (the "Agreement") to sell 49% of its interest in Semizbay-U LLP to Beijing Sino-Kaz Uranium Resources Investment Company Limited ("Sino-Kaz Company").

The Agreement entitled Sino-Kaz Company to a minimum distribution of annual net income of Semizbay-U LLP in the period 2010 until 2033. The payments of these distributions were guaranteed by the Company. This liability was measured at fair value at inception and was subsequently measured at amortised cost.

The disposal of the Group's interest in Semizbay-U LLP required regulatory approval in Kazakhstan and this approval was a condition precedent in the Agreement. As of 31 December 2012, approval of the Government of the Republic of Kazakhstan had not been received.

In 2012, the Group signed an amicable agreement with Sino-Kaz Company (the "Amicable Agreement") regarding reconsideration of conditions of purchase and sale of the 49% interest in Semizbay-U LLP. The relevant terms of this agreement were:

- Decree of the Government of the Republic of Kazakhstan (obtained on 30 May 2013);
- The parties agreed to reassess the fair value of the 49% interest in Semizbay-U LLP. As a result, the Group repaid to Sino-Kaz Company USD 132 million (equivalent to 19.97 billion Tenge) on 7 June 2013, which represented the difference between the original contractual obligation and the fair value of the 49% interest sold;
- The parties agreed to cancel the guaranteed minimum dividends payable to Semizbay-U LLP for the period 2012 to 2033. The amortised cost of the financial liability as of 30 May 2013 was USD 308 million (equivalent to 46.70 billion Tenge).

Pursuant to fulfilment of conditions of the Amicable Agreement the Group lost its ability to unilaterally govern the operations of Semizbay-U LLP; rather, the power over these decisions is shared with Sino-Kaz Company. The Group recognised the cancellation of minimum guaranteed dividend as settlement of financial liability. As a result, the Group deconsolidated its investment in Semizbay-U LLP and recognised its retained interest at fair value on the date control was lost.

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31. Transactions Related to Disposal of Investments and Loss of Control (Continued)

As a result of these transactions, the Group recognised a gain of 23,929,927 thousand Tenge in profit or loss for the first half of 2013. The effect of the disposal of Semizbay-U LLP was recognised as follows:

In thousands of Kazakhstani Tenge

Non-current assets	
Property, plant and equipment	20,002,141
Intangible assets	568,940
Accounts receivable	660,584
Other non-current assets	1,140,361
Total non-current assets	22,372,026
Current assets	
Inventories	7,450,456
Accounts receivable	2,819,062
Funds in credit institutions	764
Deferred tax assets	585,483
Other current assets	1,105,607
Cash and cash equivalents	1,238,566
Total current assets	13,199,938
Total assets	35,571,964
Non-current liabilities	
Loans received	4,843,000
Deferred tax liabilities	724,198
Provisions	804,310
Other non-current liabilities	5,515,068
Total non-current liabilities	11,886,576
Current liabilities	
Loans received	6,837,084
Employee benefit obligations	58,409
Accounts payable	2,647,052
Provisions	39,855
Other current liabilities	65,977
Total current liabilities	9,648,377
Total liabilities	21,534,953
Net assets/(liabilities) at the date of disposal	14,037,011
Less: Fair value of 51% non-controlling interest retained	(11,263,500)
Less: Amortised cost of the minimum guaranteed dividend payable	(46,676,358)
Payment	19,972,920
Gain on settlement of liability and disposal of subsidiary	23,929,927

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31. Transactions Related to Disposal of Investments and Loss of Control (Continued)

(b) Investment in Aktaugazservice JSC, a subsidiary of MAEK-Kazatomprom LLP

In April 2014 the Group disposed of 100% of shares in Aktaugazservice JSC, a subsidiary of MAEK-Kazatomprom LLP.

Following this transaction, the Group recognised a gain in the amount of 190,625 thousand Tenge in profit or loss for the first half of 2014. The effect of disposal of Aktaugazservice JSC was recognised in the condensed interim consolidated financial statements as follows:

In thousands of Kazakhstani Tenge

Non-current assets	
Property, plant and equipment	747,852
Intangible assets	3,556
Total non-current assets	751,408
Current assets	
Inventories	19,630
Accounts receivable	223,636
Other current assets	5,078
Cash and cash equivalents	176,609
Total current assets	424,953
Total assets	1,176,361
Non-current liabilities	
Deferred tax liabilities	27,483
Total non-current liabilities	27,483
Current liabilities	
Employee benefit obligations	24,897
Accounts payable	57,127
Other current liabilities	56,180
Total current liabilities	138,204
Total liabilities	165,687
Net assets of Aktaugazservice JSC as at the disposal date	1,010,674
Consideration received	1,201,299
Gain from disposal of subsidiary	190,625

31. Transactions Related to Disposal of Investments and Loss of Control (Continued)

c) Investment in Kazatomprom-Sorbent LLP

In 2014, the Group reclassified the investment in Kazatomprom-Sorbent LLP subsidiary into the joint venture. Following this transaction, the Group recognised a gain of 17,526 thousand Tenge in profit or loss for the first half of 2014. The effect of the reclassification of Kazatomprom-Sorbent LLP was recognised in the condensed interim consolidated financial statements as follows:

In thousands of Kazakhstani Tenge

Non-current assets	
Property, plant and equipment	120,002
Intangible assets	416
Other	20,710
Total non-current assets	141,128
Current assets	
Inventories	457,440
Accounts receivable	105,630
Other current assets	2,517
Cash and cash equivalents	15,199
Total current assets	580,786
Total assets	721,914
Non-current liabilities	
Deferred tax liabilities	3,347
Total non-current liabilities	3,347
Current liabilities	
Accounts payable	483,056
Other current liabilities	28,780
Total current liabilities	511,836
Total liabilities	515,183
Net assets (liabilities) of Kazatomprom-Sorbent LLP as at the disposal date	206,731
Non-controlling interest	102,162
Fair value of investment in joint venture	122,095
Gain from disposal of subsidiary	17,526

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32. Contingent Assets and Liabilities

Except for items disclosed below, as of 30 June 2014, 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 2013.

(a) Tax contingencies

In accordance with Astana city tax department order dated 13 February 2014 NAC Kazatomprom JSC is subject to comprehensive tax audit in respect of obligations for all taxes and other obligatory payments to the budget for 2009-2012. Pursuant to Astana tax department notice dated 8 July 2014 tax inspection has been suspended from 8 July 2014 until collection of information and documents requested by the tax authorities.

Management of the Group believes that its interpretations of tax legislation are appropriate and the tax provisions of the Group are supportable. Management believes that the Group will not incur losses in respect to outstanding and potential tax claims.

(b) Guarantees

The maximum credit risk under financial guarantees given for financing of certain related parties as at 30 June 2014 is 44,879,040 thousand Tenge (31 December 2013: 38,185,771 thousand Tenge). Management assessed potential obligations to the Group from these guarantees and concluded that no liability should be recognised at 30 June 2014.

33. Related Party Transactions

(a) Remuneration to the executive officers

The key management personnel received the following remuneration during the reporting periods which is included in personnel costs.

<i>In thousands of Kazakhstani Tenge</i>	30 June 2014 (unaudited)	30 June 2013 (audited)
Salaries and bonuses	699,017	735,033

The Group's related party transactions are disclosed in the following tables. In relation to government entities which are related parties, the Group has transactions with the group of companies controlled by the Sovereign Welfare Fund Samruk-Kazyna JSC (the "Parent company").

(b) Transactions with other related parties

(i) Revenue

<i>In thousands of Kazakhstani Tenge</i>	Transaction value	Outstanding balance	Transaction value	Outstanding balance
	30 June 2014 (unaudited)	30 June 2014 (unaudited)	30 June 2013 (unaudited)	31 December 2013 (audited)
Sale of goods and services:				
Associates	10,348,646	4,443,550	10,834,244	2,028,740
Joint ventures	5,116,504	2,850,022	5,989,710	4,328,861
Companies under common control	10,157,957	280,249	8,537,780	345,146
Other	1,176,979	261,363	952,270	344,064
Fund's associates	-	-	-	173
Dividends declared by associates	11,377,653	10,241,077	12,739,285	-
Dividends declared by joint ventures	6,382,414	7,676,464	9,426,959	6,466,549
Total	44,560,153	25,752,725	48,480,248	13,513,533

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33. Related Party Transactions (Continued)

(ii) Expenses

	Transaction value	Outstanding balance	Transaction value	Outstanding balance
	30 June 2014 (unaudited)	30 June 2014 (unaudited)	30 June 2013 (unaudited)	31 December 2013 (audited)
<i>Sale of goods and services:</i>				
Associates	46,548,887	46,168,955	24,103,717	7,824,034
Joint ventures	17,076,927	8,312,297	12,972,975	12,824,633
Companies under common control	17,122,737	4,026,676	13,515,939	4,346,404
Fund's associates	-	-	-	1,655
Dividends declared to the Shareholder	5,385,581	5,385,581	-	-
Other	823	5,800	1,107	6,952
Total	86,134,955	63,899,309	50,593,738	25,003,678

All outstanding balances with related parties are to be settled in cash within six months after the reporting date. None of the balances are secured.

34 Subsequent Events

Under existing credit facilities the Group obtained short term borrowings of USD 25 million from Citibank Kazakhstan (16 July 2014) and USD 30 million from Societe Generale bank (5 August 2014).

In July 2014 two new associates were created:

1. JV South Mining Chemical Company LLP, with 30% interest of NAC Kazatomprom and 70% interest of Uranium One Rotterdam B.V.
2. JV Khorasan-U with 33.98% interest of NAC Kazatomprom, 36.02% interest of Energy Asia Holdings Ltd. (EAHL) and 30% interest of Uranium One Utrecht B.V.