

**“National Atomic Company
“Kazatomprom” JSC**

**Interim condensed consolidated financial
statements**

For the six months ended 30 June 2013 (unaudited)
(restated)

NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of JSC "National Atomic Company "Kazatomprom" and its subsidiaries (collectively - the "Group") as at 30 June 2013 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Emphasis of matter

We draw attention to Note 4 to the interim condensed consolidated financial statements. The previously issued interim condensed consolidated financial statements for the six months ended 30 June 2013 were restated and reissued as a result of reassessment of control over LLP "Semizbay-U" and LLP "Uranenergo" investments. This review report on the reissued interim condensed consolidated financial statements supersedes our previously issued review report on interim condensed consolidated financial statements for the six months ended 30 June 2013 dated 16 August 2013. Our review conclusion is not qualified in that respect.

DELOITTE, LLP

16 August 2013 (26 June 2014 as of to the effect of the restatement discussed in Note 4).

Almaty, Republic of Kazakhstan

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED)

	Notes	Six months ended 30 June 2013 (unaudited) (restated) ‘000 KZT	Six months ended 30 June 2012 (unaudited) ‘000 KZT
Revenue	7	118,612,661	105,322,321
Cost of sales	8	(92,666,812)	(84,312,635)
Gross profit		26,945,849	21,009,686
Distribution expenses	9	(1,919,768)	(1,453,211)
Administrative expenses	10	(10,711,356)	(9,411,840)
Financial income	11	2,226,857	1,872,369
Financial expenses	11	(3,808,837)	(6,373,942)
Foreign exchange loss		(647,041)	(1,293,920)
Share of profits of associates	20	10,429,011	8,150,945
Share of profits of joint ventures	21	4,973,889	4,121,092
Impairment/(reversal of impairment) of assets		843,282	(609,053)
Gain on extinguishment of financial liability and disposal of subsidiary	33	23,929,927	-
Other income	12	1,560,405	261,115
Other expenses	13	(2,399,684)	(1,230,566)
Profit before tax		50,422,534	15,042,675
Income tax expense	15	(5,170,751)	(2,491,715)
PROFIT FOR THE PERIOD		45,251,783	12,550,960
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		144,718	48,027
Other comprehensive income for the period, net of tax		144,718	48,027
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		45,396,501	12,598,987
Profit for the period attributable to:			
Owners of the Company		44,659,781	11,616,066
Non-controlling interests		592,002	934,894
		45,251,783	12,550,960
Total comprehensive income for the period attributable to:			
Owners of the Company		44,804,499	11,665,634
Non-controlling interests		592,002	933,353
		45,396,501	12,598,987
Earnings per share from continuing operations			
Basic and diluted (rounding to a tenge)		1,271	317

These restated interim condensed consolidated financial statements were approved by management on 26 June 2014 and were signed on its behalf by:

Arifkhanov A.A.
Deputy Chairman of the Management Board

26 June 2014
Astana, Republic of Kazakhstan

Kaliyeva Z.G.
Chief Accountant

26 June 2014
Astana, Republic of Kazakhstan

The accompanying notes on pages 8-40 form an integral part of these restated interim condensed consolidated financial statements.

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013 (UNAUDITED) (RESTATE)**


	Notes	30 June 2013 ‘000 KZT(unaudited) (restated)	31 December 2012 ‘000 KZT (reclassified)
ASSETS			
Non-current assets			
Intangible assets		12,124,580	12,026,973
Property, plant and equipment	16	130,440,916	123,661,474
Mine development assets	17	30,657,494	36,962,366
Mineral rights	18	7,824,639	8,275,262
Exploration and evaluation assets	19	4,364,849	3,742,692
Investments in associates	20	81,883,745	80,611,978
Investments in joint ventures	21	26,898,427	20,147,386
Other investments		67,056,184	67,056,184
Investment property		800	800
Advances paid and other non-current assets	24	35,454,164	43,880,283
Deferred tax assets		1,786,913	2,716,415
Term deposits		2,649,582	3,756,382
Loans to related parties	26	18,715,038	13,277,619
Total non-current assets		419,857,331	416,115,814
Current assets			
Trade and other receivables	22	25,355,837	80,630,405
Asset held for the benefit of the ultimate controlling party	23	-	22,800,818
Prepaid income tax		5,544,808	4,809,923
Advances paid and other current assets	24	27,651,538	6,520,703
Value added tax receivable		19,681,273	25,658,253
Inventories	25	71,023,046	60,379,661
Term deposits		1,844,757	2,159,890
Loans to related parties	26	20,000	20,000
Cash and cash equivalents	27	44,177,273	38,038,905
Total current assets		195,298,532	241,018,558
Total assets		615,155,863	657,134,372


“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013 (UNAUDITED) (RESTATE) (CONTINUED)**

	Notes	30 June 2013 '000 KZT (unaudited) (restated)	31 December 2012 '000 KZT (reclassified)
EQUITY AND LIABILITIES			
Equity			
Share capital	28	36,692,362	36,692,362
Additional paid-in capital		4,784,842	4,784,842
Foreign currency translation reserve		(887,943)	(1,032,661)
Retained earnings		369,659,444	324,999,663
Equity attributable to shareholders of the Company		410,248,705	365,444,206
Non-controlling interests		12,348,030	11,912,025
Total equity		422,596,735	377,356,231
Non-current liabilities			
Loans and borrowings	29	91,250,408	94,328,211
Provisions	30	11,638,558	10,843,496
Trade and other payables	31	2,899,010	2,815,395
Other liabilities	32	4,518,954	5,053,495
Deferred tax liabilities		5,278,948	5,107,912
Total non-current liabilities		115,585,878	118,148,509
Current liabilities			
Loans and borrowings	29	28,561,613	14,023,621
Other financial liabilities	33	-	46,676,358
Provisions	30	48,991	22,896,069
Trade and other payables	31	31,958,221	50,133,535
Other liabilities	32	11,274,608	21,274,703
Other tax liabilities		4,658,949	6,461,254
Income tax liabilities		470,868	164,092
Total current liabilities		76,973,250	161,629,632
Total liabilities		192,559,128	279,778,141
Total equity and liabilities		615,155,863	657,134,372

These restated interim condensed consolidated financial statements were approved by management on 26 June 2014 and were signed on its behalf by:


Arifkhanov A.A.
Deputy Chairman of the Management Board
 26 June 2014
 Astana, Republic of Kazakhstan


Kaliyeva Z.G.
Chief Accountant
 26 June 2014
 Astana, Republic of Kazakhstan

The accompanying notes on pages 8-40 form an integral part of these restated interim condensed consolidated financial statements.

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED)**

	Six months ended 30 June 2013 (unaudited) (restated)	Six months ended 30 June 2012 (unaudited)
	‘000 KZT	‘000 KZT
OPERATING ACTIVITIES		
Cash receipts from customers	197,514,723	156,824,879
Interest received	392,785	573,016
Payments to suppliers	(143,903,097)	(131,642,097)
Payments to employees	(17,326,538)	(16,052,317)
Cash flows from operating activities	36,677,873	9,703,481
Income tax paid	(4,365,461)	(6,811,672)
Interest paid	(3,111,184)	(2,855,461)
Cash flows from operating activities	29,201,228	36,348
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	13,222	16,196
Redemption of term deposits	2,175,743	26,363,815
Dividends received from associates and other investments	4,407,841	12,168,555
Placement of term deposits	(1,085,388)	(23,307,793)
Acquisition of property, plant and equipment	(8,317,755)	(10,757,942)
Advances paid for property, plant and equipment	(2,110,382)	(2,238,326)
Cash of disposed subsidiary	(1,238,566)	-
Acquisition of intangible assets	(89,511)	(43,428)
Acquisition of mine development assets	(1,063,893)	(3,213,175)
Acquisition of exploration and evaluation assets	(98,996)	(112,988)
Acquisition of investments in associates	(1,887,423)	(1,979,129)
Other	442,978	204,419
Cash flows used in investing activities	(8,852,130)	(2,899,796)
FINANCING ACTIVITIES		
Proceeds from borrowings	38,637,897	10,079,395
Repayment of borrowings	(21,226,345)	(7,846,408)
Payment for extinguishment of financial liability (Note 33)	(19,972,920)	-
Transaction costs relating to borrowings	(1,867)	(178,605)
Payment of finance lease liabilities	(6,475)	(20,629)
Purchase of assets held for the benefit of the ultimate controlling party	-	(3,030,017)
Dividends paid to Shareholder	(11,756,651)	(4,349)
Cash flows used in financing activities	(14,326,361)	(1,000,613)
Net increase/(decrease) in cash and cash equivalents	6,022,737	(3,864,061)
Cash and cash equivalents at the beginning of the period (Note 27)	38,038,905	41,837,161
Effect of exchange rate fluctuations on cash and cash equivalents	115,631	189,727
Cash and cash equivalents at the end of the period (Note 27)	44,177,273	38,162,827

These restated interim condensed consolidated financial statements were approved by management on 26 June 2014 and were signed on its behalf by:

Arifkhanov A.A.
Deputy Chairman of the Management
Board

26 June 2014
Astana, Republic of Kazakhstan

The accompanying notes on pages 8-40 form an integral part of these restated interim condensed consolidated financial statements.


Kaliyeva Z.G.
Chief Accountant

26 June 2014
Astana, Republic of Kazakhstan

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED)**

'000 KZT	Share capital	Additional paid-in capital	Foreign currency translation reserve	Retained earnings	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2012	36,692,362	4,928,671	(1,087,601)	297,656,953	338,190,385	9,666,681	347,857,066
Profit for the period	-	-	-	11,616,066	11,616,066	934,894	12,550,960
Foreign currency translation gain/(loss)	-	-	49,568	-	49,568	(1,541)	48,027
Total comprehensive income for the period	-	-	49,568	11,616,066	11,665,634	933,353	12,598,987
Change in non-controlling interest	-	22,959	-	-	22,959	10,494	33,453
At 30 June 2012 (unaudited)	36,692,362	4,951,630	(1,038,033)	309,273,019	349,878,978	10,610,528	360,489,506
At 1 January 2013	36,692,362	4,784,842	(1,032,661)	324,999,663	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	-	-	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
At 30 June 2013 (unaudited) (restated)	36,692,362	4,784,842	(887,943)	369,659,444	410,248,705	12,348,030	422,596,735

These restated interim condensed consolidated financial statements were approved by management on 26 June 2014 and were signed on its behalf by:


A. A. Arikhanov
Deputy Chairman of the Management Board
 26 June 2014
 Astana, Republic of Kazakhstan


Z. G. Kaliyeva
Chief Accountant
 26 June 2014
 Astana, Republic of Kazakhstan

The accompanying notes on pages 8-40 form an integral part of these restated interim condensed consolidated financial statements.

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED)

1. GENERAL INFORMATION

(a) Organizational structure and operations

“National Atomic Company “Kazatomprom” JSC (“the Company”) and its subsidiaries, associates and joint ventures (together, “the Group”) comprise Kazakhstan joint stock and limited liability companies as defined in the Civil Code 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.

In accordance with the Order of the President of the Republic of Kazakhstan No. 669 dated 13 October 2008, on 19 January 2009 Fund of Sovereign 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 office is 10 Kunayev Street, Astana, Republic of Kazakhstan.

In June 2011, the Company relocated its head office to Astana city 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 affecting businesses in Kazakhstan continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Laws and regulations governing the 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 exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. 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 2012 and the first half of 2013.

The restated interim condensed consolidated financial statements reflect management’s assessment of the impact of the Kazakhstan 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.

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)

2. BASIS OF PREPARATION

(a) Interim condensed financial statements

These restated interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The restated interim condensed 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 2012 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 2012 prepared in accordance with IFRS.

Management believes that the disclosures in these restated interim condensed consolidated financial statements are adequate to make the information presented not misleading if these financial statements are read in conjunction with the Group’s annual consolidated financial statements for 2012 prepared in accordance with IFRS. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the Group’s financial position, results of operations, statements of changes in shareholders’ equity and cash flows for the interim reporting periods.

(b) Presentation currency

The national currency of Kazakhstan is the Kazakhstani Tenge (“KZT”).

The tenge is not a fully convertible currency outside the Republic of Kazakhstan. Transactions in foreign currencies are recorded at the market rate effective at the date of the transaction using market rates fixed by the Kazakhstan Stock Exchange (“KASE”). For foreign currencies which are not quoted by KASE, the exchange rates are calculated by the National Bank of Kazakhstan using the cross-rates to the US Dollar (“USD” or “US\$”) in accordance with the quotations received from Reuters.

The accompanying restated interim condensed consolidated financial statements are presented in KZT and all figures have been rounded to the nearest thousand.

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

In preparing these restated interim condensed 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 that applied to the Group’s annual consolidated financial statements for 2012 prepared in accordance with IFRS.

Exchange rates for the currencies in which the Group transacts were as follows:

	<u>30 June 2013</u>	<u>31 December 2012</u>
Closing exchange rates – tenge		
1 US Dollar (“USD”)	151.65	150.74
	<u>30 June 2013</u>	<u>30 June 2012</u>
Average exchange rates for the six months ended – tenge		
1 US Dollar (“USD”)	150.90	148.15

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

These restated interim condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The accounting principles applied in the preparation of the restated interim condensed consolidated financial statements are in line with the principles applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2012.

New and revised Standards effective for the reporting period

The Group adopted the following standards effective for annual periods beginning 1 January 2013:

- IFRS 10 “*Consolidated Financial Statements*”
- IFRS 11 “*Joint Arrangements*”
- IFRS 12 “*Disclosure of Interest in Other Entities*”
- IFRS 13 “*Fair Value*”
- Amendments to IFRS 7 “*Disclosures - Offsetting Financial assets and financial liabilities*”
- Amendments to IFRS 10 “*Consolidated Financial Statements*”, IFRS 11 “*Joint Arrangements*” and IFRS 12 “*Disclosure of Interest in Other Entities*” – Transition Guidance
- IAS 19 (revised 2011) “*Employee Benefits*”
- IAS 27 (revised 2011) “*Separate Financial Statements*”
- IAS 28 (revised 2011) “*Investments in associates and joint ventures*”
- Amendments to IFRS “*Improvements to IFRS for 2009-2011*”

Application of these standards did not result in significant changes to the interim condensed financial statements.

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

- IFRS 9 “*Financial Instruments*” – effective for annual periods, beginning from 1 January 2015.
- Amendments to IFRS 9 and IFRS 7, “*Effective date of IFRS 9 and Transition Disclosures*” – effective for annual periods, beginning from 1 January 2015.
- Amendments to IAS 32 “*Offsetting financial assets and financial liabilities*” – effective for annual periods, beginning 1 January 2014.

The requirements of these amendment standards have not been considered for preparation of this condensed interim consolidated financial information. The Group plans to adopt these standards as they become effective. Currently, the Group has not yet completed the analysis of potential effect of these standards on its consolidated financial statements.

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)

4. RESTATEMENT AND RECLASSIFICATION

(a) Restatement

Subsequent to the issuance on 16 August 2013 of the Group’s interim condensed consolidated financial statements for the six month period ended 30 June 2013, management identified certain errors in those interim condensed consolidated financial statements. Those errors are described below in this footnote and relate to loss of control over “Semizbay-U” LLP during the six month period ended 30 June 2013 and incorrect classification of investment in “Uranenergo” LLP following increase in ownership. Management decided to correct those errors and to reissue the Group’s condensed consolidated financial statements for the six month period ended 30 June 2013. These restated condensed consolidated financial statements supersede the previously issued condensed consolidated financial statement for the six month period ended 30 June 2013 which were authorized for issue on 16 August 2013. The nature and effect of the corrections are described below.

Assessment of control of “Semizbay-U” LLP

In the previously issued interim condensed consolidated financial statements for the six month period ended 30 June 2013, the Group consolidated financial information of “Semizbay-U” LLP (“Semizbay”). As a result of the events described in Note 33, management identified that the Group lost control over Semizbay with effect from 30 June 2013. The financial information of Semizbay should have been deconsolidated from the condensed consolidated financial statements of the Group starting from the date of loss of control and accounted for as an investment in joint venture using the equity method.

Assessment of control over “Uranenergo” JSC

In the six month period ended 30 June 2013, the Group increased its ownership interest in LLP “Uranenergo” (“Uranenergo”) to 54.39%. The Group treated the resulting interest as controlling and consolidated the financial information of Uranenergo in the previously issued interim condensed consolidated financial statements for the six month period ended 30 June 2013. Subsequently, upon reconsideration by management of the presence of control, it was concluded that the Group had no ability to exercise control over Uranenergo, but rather had a significant influence over Uranenergo. Therefore, Uranenergo should not have been consolidated, but should have been recognized as an investment in an associate and accounted for using the equity method in the condensed consolidated financial statements for the six months ended 30 June 2013.

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

Effect of changes

Interim condensed consolidated statement of comprehensive income

	30 June 2013 (as previously reported) 000'KZT	Adjustment 000'KZT	30 June 2013 (restated) 000'KZT
Revenue	119,316,516	(703,855)	118,612,661
Cost of sales	(92,957,259)	290,447	(92,666,812)
Gross Profit	26,359,257	(413,408)	25,945,849
Administrative expenses	(10,973,070)	261,714	(10,711,356)
Distribution expenses	(2,024,199)	104,431	(1,919,768)
Impairment/(reversal of impairment) of assets	843,671	(389)	843,282
Financial income	2,232,370	(5,513)	2,226,857
Financial expenses	(3,808,866)	29	(3,808,837)
Foreign exchange loss	(647,041)	-	(647,041)
Share of profits of associates	10,459,721	(30,710)	10,429,011
Share of profits of joint ventures	4,973,889	-	4,973,889
Gain on extinguishment of financial liability and disposal of subsidiary	6,352,243	17,577,684	23,929,927
Other income	1,001,582	558,823	1,560,405
Other expenses	(2,651,918)	252,234	(2,399,684)
Profit before tax	32,117,639	18,304,895	50,422,534
Income tax expense	(5,271,459)	100,708	(5,170,751)
Profit for the period	26,846,180	18,405,603	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	144,718	-	144,718
Other comprehensive income for the period, net of tax	144,718	-	144,718
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	26,990,898	18,405,603	45,396,501
Profit for the year attributable to:			
Owners of the Company	26,350,253	18,309,528	44,659,781
Non-controlling interests	495,927	96,075	592,002
	26,846,180	18,405,603	45,251,783
Total comprehensive income for the year attributable to:			
Owners of the Company	26,494,971	18,309,528	44,804,499
Non-controlling interests	495,927	96,075	592,002
	26,990,898	18,405,603	45,396,501

“NATIONAL ATOMIC COMPANY “KAZATOMPROM” JSC

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

Interim condensed consolidated statement of financial position

	30 June 2013 (as previously reported) 000'KZT	Adjustment 000'KZT	30 June 2013 (restated) 000'KZT
ASSETS			
Non-current assets			
Intangible assets	12,164,181	(39,601)	12,124,580
Property, plant and equipment	151,277,545	(20,836,629)	130,440,916
Mine development assets	38,502,086	(7,844,592)	30,657,494
Mineral rights	8,377,413	(552,774)	7,824,639
Exploration and evaluation assets	4,364,849	-	4,364,849
Investments in associates	74,957,001	6,926,744	81,883,745
Investments in joint ventures	15,634,927	11,263,500	26,898,427
Other investments	67,056,184	-	67,056,184
Investment property	800	-	800
Advances paid and other non-current assets	32,882,867	2,571,297	35,454,164
Deferred tax assets	1,861,145	(74,232)	1,786,913
Term deposits	2,649,882	(300)	2,649,582
Loans to related parties	13,872,038	4,843,000	18,715,038
Total non-current assets	423,600,918	(3,743,587)	419,857,331
Current assets			
Trade and other receivables	25,065,095	290,742	25,355,837
Prepaid income tax	6,178,079	(633,271)	5,544,808
Advances paid and other current assets	28,626,102	(974,564)	27,651,538
Value added tax receivable	21,922,605	(2,241,332)	19,681,273
Inventories	78,774,392	(7,751,346)	71,023,046
Term deposits	2,345,521	(500,764)	1,844,757
Loans to related parties	20,000	-	20,000
Cash and cash equivalents	46,147,751	(1,970,478)	44,177,273
Total current assets	209,079,545	(13,781,013)	195,298,532
Total assets	632,680,463	(17,524,600)	615,155,863

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

	30 June 2013 (as previously reported) 000'KZT	Adjustment 000'KZT	30 June 2013 (restated) 000'KZT
EQUITY AND LIABILITIES			
Equity			
Share capital	36,692,362	-	36,692,362
Additional paid-in capital	4,784,842	-	4,784,842
Foreign currency translation reserve	(887,943)	-	(887,943)
Retained earnings	364,757,642	4,901,802	369,659,444
Equity attributable to shareholders of the Company	405,346,903	4,901,802	410,248,705
Non-controlling interests	24,845,701	(12,497,671)	12,348,030
Total equity	430,192,604	(7,595,869)	422,596,735
Non-current liabilities			
Loans and borrowings	91,250,408	-	91,250,408
Provisions	12,442,867	(804,309)	11,638,558
Trade and other payables	2,899,013	(3)	2,899,010
Other liabilities	5,010,143	(491,189)	4,518,954
Deferred tax liabilities	6,004,212	(725,264)	5,278,948
Total non-current liabilities	117,606,643	(2,020,765)	115,585,878
Current liabilities			
Loans and borrowings	35,398,697	(6,837,084)	28,561,613
Provisions	48,991	-	48,991
Trade and other payables	31,893,122	65,099	31,958,221
Other liabilities	11,599,187	(324,579)	11,274,608
Other tax liabilities	5,470,351	(811,402)	4,658,949
Income tax liabilities	470,868	-	470,868
Total current liabilities	84,881,216	(7,907,966)	76,973,250
Total liabilities	202,487,859	(9,928,731)	192,559,128
Total equity and liabilities	632,680,463	(17,524,600)	615,155,863

Interim condensed consolidated statement of cash flows

	30 June 2013 (as previously reported) 000'KZT	Adjustment 000'KZT	30 June 2013 (restated) 000'KZT
Cash flows from operating activities	29,286,599	(85,371)	29,201,228
Cash flows used in investing activities	(6,967,052)	(1,885,078)	(8,852,130)
Cash flows used in financing activities	(14,326,361)	-	(14,326,361)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,993,186	(1,970,449)	6,022,737

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

(6) Reclassification

At the request of the Shareholder, the Group reclassified certain comparative balances presented in the interim condensed statement of financial position in order to eliminate differences in classification between the audited consolidated financial statements for the year ended 31 December 2012 and the reporting package provided to the Shareholder, as it believes that these changes will better reflect the nature of the assets and liabilities of the Group.

Effect of changes

	31 December 2012 (as previously reported) '000 KZT	Reclassification '000 KZT	31 December 2012 (as reclassified) '000 KZT
ASSETS			
Non-current assets			
Advances paid and non-current assets	29,130,950	14,749,333	43,880,283
Inventories	8,765,218	(8,765,218)	-
Restricted cash	5,984,115	(5,984,115)	-
Total non-current assets	43,880,283	-	43,880,283
Current assets			
Trade and other receivables	80,549,261	81,144	80,630,405
Value added tax receivable	-	25,658,253	25,658,253
Advances paid and other current assets	32,260,100	(25,739,397)	6,520,703
Total current assets	112,809,361	-	112,809,361
LIABILITIES			
Non-current liabilities			
Other liabilities	1,786,001	3,267,494	5,053,495
Other financial liabilities	2,474,691	(2,474,691)	-
Preferred shares	264,827	(264,827)	-
Subsidies	378,331	(378,331)	-
Accrued liabilities	149,645	(149,645)	-
Total non-current liabilities	5,053,495	-	5,053,495
Current liabilities			
Other financial liabilities	47,086,712	(410,354)	46,676,358
Other liabilities	24,679,573	(3,404,870)	21,274,703
Trade and other payables	49,567,880	565,655	50,133,535
Income tax liabilities	-	164,092	164,092
Accrued liabilities	3,352,225	(3,352,225)	-
Subsidies	23,552	(23,552)	-
Other taxes payable	-	6,461,254	6,461,254
Total current liabilities	124,709,942	-	124,709,942

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)

5. SEGMENT INFORMATION

Adoption of IFRS 8 Operating segments

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment for the six months ended 30 June 2013:

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 2012.

Intersegment sales are effected at current market prices. Segment profit represents the profit earned by each segment without allocation of administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, other gains and losses, finance costs and income tax expense. This is the measure reported to the managing director for the purposes of resource allocation and assessment of segment performance.

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FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

Following is an analysis of the Group’s revenue and results by reportable segment for the six months ended 30 June 2013:

	Uranium products ‘000 KZT	Beryllium products ‘000 KZT	Tantalum products ‘000 KZT	Utilities ‘000 KZT	Equipment for Alternative energy ‘000 KZT	Other ‘000 KZT	Elimination ‘000 KZT	Consolidation ‘000 KZT
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)
Financial income								2,226,857
Financial expenses								(3,808,837)
Foreign exchange loss								(647,041)
Share of profits of associates and joint ventures								15,402,900
Gain on extinguishment of financial liability and disposal of subsidiary								23,929,927
Other income								1,560,405
Other expenses								(1,556,402)
Profit before tax								50,422,534

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FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

Following is an analysis of the Group’s revenue and results by reportable segments for the six months ended 30 June 2012:

	Uranium products ‘000 KZT	Beryllium products ‘000 KZT	Tantalum products ‘000 KZT	Utilities ‘000 KZT	Equipment for Alternative energy ‘000 KZT	Other ‘000 KZT	Elimination ‘000 KZT	Consolidation ‘000 KZT
Revenue								
External sales	65,193,381	3,794,612	5,080,759	16,610,515	15,541	14,627,513	-	105,322,321
Intersegment sales	-	-	-	-	-	11,425,032	(11,425,032)	
Total revenue	<u>65,193,381</u>	<u>3,794,612</u>	<u>5,080,759</u>	<u>16,610,515</u>	<u>15,541</u>	<u>26,052,545</u>	<u>(11,425,032)</u>	<u>105,322,321</u>
Segment result	<u>15,043,562</u>	<u>403,442</u>	<u>738,467</u>	<u>1,431,740</u>	<u>(10,602)</u>	<u>5,982,413</u>	<u>(2,579,336)</u>	<u>21,009,686</u>
Distribution expenses								(1,453,211)
Administrative expenses								(9,411,840)
Financial income								1,872,369
Financial expenses								(6,373,942)
Foreign exchange loss								(1,293,920)
Share of profits of associates and joint ventures								
Other income								12,272,037
Other expenses								261,115
Profit before tax								<u>(1,839,619)</u>
								<u>15,042,675</u>

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(b) Segment assets

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
Uranium products	272,217,601	349,068,578
Beryllium products	6,508,611	5,210,888
Tantalum products	11,734,282	8,747,109
Utilities	25,669,140	25,352,874
Equipment for Alternative energy	34,830,915	27,335,607
Other	37,229,789	39,474,468
Elimination	(24,493,197)	(31,422,592)
Total segment assets	363,697,141	423,766,932
Unallocated assets	251,458,722	233,367,440
Consolidated assets	615,155,863	657,134,372

(c) Segment liabilities

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
Uranium products	79,794,997	134,996,837
Beryllium products	699,019	412,071
Tantalum products	1,260,251	691,712
Utilities	6,006,710	7,002,573
Equipment for Alternative energy	7,031,882	7,751,676
Other	6,354,263	7,437,457
Elimination	(36,583,133)	7,112,115
Total segment liabilities	64,563,989	165,404,441
Unallocated assets	127,995,139	114,373,700
Consolidated liabilities	192,559,128	279,778,141

There has been no material change in segment information in total assets from the amount disclosed in the last annual financial statements. There are no differences from the last annual financial statements in the basis of segmentation or in the basis of the measurement of segment profit or loss.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)

6. CONSOLIDATION OF CONTROLLED ENTITIES

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

	<u>Country</u>	<u>30 June 2013 Ownership</u>	<u>31 December 2012 Ownership</u>
MAEK –Kazatomprom LLP	Kazakhstan	100%	100%
GRK LLP	Kazakhstan	100%	100%
Kazatomprom-Demeu LLP	Kazakhstan	90%	90%
Bailanys LLP	Kazakhstan	100%	100%
Korgan KAP LLP	Kazakhstan	100%	100%
Appak LLP	Kazakhstan	65%	65%
Semizbay –U LLP (Note 33)	Kazakhstan	-	51%
Ulba Metallurgical Plant JSC	Kazakhstan	90%	90%
Volkovgeology JSC	Kazakhstan	90%	90%
Institute of High Technologies LLP	Kazakhstan	100%	100%
Kyzyltu LLP	Kazakhstan	76%	76%
JV SARECO LLP	Kazakhstan	51%	51%
Eco Energomash LLP	Kazakhstan	100%	100%
Kvarz LLP;	Kazakhstan	100%	100%
MK KazSilicon LLP;	Kazakhstan	100%	100%
Kazakhstan Solar Silicon LLP	Kazakhstan	100%	100%
Astana Solar LLP	Kazakhstan	100%	100%
Kazakhstan Nuclear University LLP	Kazakhstan	100%	100%
JV KT Raremetals company	Kazakhstan	51%	51%
DP Ortalyk LLP	Kazakhstan	100%	100%

Reorganization of Kvarz LLP by MK Kaz Silicon LLP

In May 2013, Kvarz LLP was merged with MK Kaz Silicon LLP. The reorganization had no significant impact on the interim condensed consolidated financial statements as of 30 June 2013.

7. REVENUE

	<u>Six months ended 30 June 2013 ‘000 KZT</u>	<u>Six months ended 30 June 2012 ‘000 KZT</u>
Sales of uranium	71,239,464	65,193,381
Sales of energy products	19,791,024	16,610,515
Drilling services	6,178,403	5,552,284
Sales of tantalum	6,135,085	5,080,759
Processing services	4,732,346	3,570,885
Sales of beryllium	3,605,733	3,794,612
Sales of purchased goods	2,923,977	854,686
Transportation services	2,668,804	3,125,801
Research and development services	29,478	48,365
Other	1,308,347	1,491,033
	<u>118,612,661</u>	<u>105,322,321</u>

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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8. COST OF SALES

	Six months ended 30 June 2013 ‘000 KZT	Six months ended 30 June 2012 ‘000 KZT
Materials and supplies	55,724,649	55,434,456
Wages and salaries	12,233,259	11,566,903
Processing and other services	9,033,975	5,775,669
Depreciation and amortization	7,240,885	5,936,279
Taxes other than income tax	5,396,186	3,475,539
Maintenance and repair	1,125,210	800,303
Utility	669,453	643,382
Transportation expenses	129,589	100,705
Rent expenses	136,622	195,143
Other	976,984	384,256
	<u>92,666,812</u>	<u>84,312,635</u>

9. DISTRIBUTION EXPENSES

	Six months ended 30 June 2013 ‘000 KZT	Six months ended 30 June 2012 ‘000 KZT
Shipping, transportation and storage	1,025,920	702,566
Commissions	245,632	122,454
Wages and salaries	344,888	312,146
Rent	93,552	76,323
Materials and supplies	85,010	89,014
Depreciation and amortization	25,537	22,631
Cargo insurance	24,551	21,213
Travel expenses	19,505	13,413
Advertising and marketing expenses	19,128	21,485
Customs duties	6,675	3,139
Other	29,370	68,827
	<u>1,919,768</u>	<u>1,453,211</u>

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED) (RESTATED) (CONTINUED)**

10. ADMINISTRATIVE EXPENSES

	Six months ended 30 June 2013 ‘000 KZT	Six months ended 30 June 2012 ‘000 KZT
Wages and salaries	5,657,852	5,348,282
Taxes other than income tax	512,150	588,951
Rent	488,516	407,022
Depreciation and amortization	484,371	426,916
Research expenses	455,833	135,358
Consulting, auditing and information services	391,910	604,165
Travel expenses	255,557	386,087
Materials and supplies	234,074	255,662
Provision for doubtful debts	203,951	197,972
Training expenses	175,606	162,711
Communication services	151,140	48,288
Maintenance and repair	141,814	156,654
Bank charges	100,752	118,298
Security services	95,841	16,131
Utilities	74,463	70,277
Corporate events	63,050	27,171
Stationery	54,539	48,196
Insurance	45,426	31,721
Entertainment expenses	20,875	14,297
Other	1,103,636	367,681
	10,711,356	9,411,840

11. FINANCIAL INCOME AND EXPENSES

	Six months ended 30 June 2013 ‘000 KZT	Six months ended 30 June 2012 ‘000 KZT
<i>Financial income</i>		
Dividends received and receivable	1,267,509	701,138
Interest income on term deposits and deposits on demand, and current accounts	858,165	1,036,260
Other	101,183	134,971
Total	2,226,857	1,872,369
	Six months ended 30 June 2013 ‘000 KZT	Six months ended 30 June 2012 ‘000 KZT
<i>Financial expenses</i>		
Interest paid and payable on loans and borrowings	3,169,257	2,986,768
Unwinding of discount on provisions	386,241	340,751
Unwinding of discount on other financial liabilities	86,473	2,811,960
Loss on sales of foreign currency	66,851	66,182
Other	100,015	168,281
Total	3,808,837	6,373,942

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12. OTHER INCOME

	Six months ended 30 June 2013 <u>‘000 KZT</u>	Six months ended 30 June 2012 <u>‘000 KZT</u>
Property received free of charge	422,215	46,023
Income from fines and penalties	336,486	-
Other	801,704	215,092
Total	<u>1,560,405</u>	<u>261,115</u>

13. OTHER EXPENSES

	Six months ended 30 June 2013 <u>‘000 KZT</u>	Six months ended 30 June 2012 <u>‘000 KZT</u>
Sponsorship and charitable donations	975,757	279,213
Social sphere expenses	618,106	453,166
Unrecoverable value added tax	601,260	70,282
Loss on suspension of production	142,940	166,647
Other	61,621	261,258
	<u>2,399,684</u>	<u>1,230,566</u>

14. PERSONNEL COSTS

	Six months ended 30 June 2013 <u>‘000 KZT</u>	Six months ended 30 June 2012 <u>‘000 KZT</u>
Wages and salaries	22,137,843	20,136,224
Social tax and social contributions	2,052,518	1,832,664
	<u>24,190,361</u>	<u>21,968,888</u>

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15. INCOME TAX EXPENSE

	Six months ended 30 June 2013 ‘000 KZT	Six months ended 30 June 2012 ‘000 KZT
Current income tax expense	3,058,702	4,206,956
Accrual of tax for prior periods	287,313	209,354
	3,346,015	4,416,310
Income tax expense/(benefit) from deferred income tax:		
Origination and recovery of temporary differences	1,824,736	(1,924,595)
	5,170,751	2,491,715

Following is a reconciliation of the Group’s effective income tax rate using a tax rate of 20%, which is the rate of income tax applicable to Kazakhstan companies from 1 January 2009.

	Six months ended 30 June 2013 ‘000 KZT	%	Six months ended 30 June 2012 ‘000 KZT	%
Profit before tax	50,422,534	100	15,042,675	100
Income tax, at applicable rate	10,084,507	20.00	3,008,532	20.00
Tax effect from:				
Tax exempt income	(381,520)	(0.76)	(153,572)	(1.02)
Non-deductible expenses	1,537,178	3.05	57,510	0.38
Non-taxable gain from extinguishment of financial liability and disposal of subsidiary	(4,833,386)	(9.59)	-	-
Transfer pricing adjustments	372,603	0.74	1,047,064	6.96
Margin elimination in finished products	207,492	0.41	(4,388,304)	(29.17)
Share of profits of associates	(2,085,802)	(4.14)	1,630,189	10.84
Share of profits of joint ventures	(994,778)	(1.97)	824,218	5.48
Use of previously unrecognized tax losses	(116,009)	(0.23)	(410,719)	(2.73)
Current year losses in respect of which deferred tax asset was not recognized	1,093,152	2.17	667,443	4.44
Underprovided in previous years	287,314	0.57	209,354	1.39
	5,170,751	10.25	2,491,715	16.56

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16. PROPERTY, PLANT AND EQUIPMENT

<i>KZT, thousand</i>	Land	Buildings	Plant and equipment	Vehicles	Other	Construction in progress	Total
At 1 January 2013	262,910	64,295,820	60,175,819	12,117,605	3,631,823	32,618,045	173,102,022
Acquisitions	21,466	-	1,348,831	320,872	150,655	23,048,570	24,890,394
Transfers	606	3,041,846	2,624,273	43,859	(1,524)	(5,716,760)	(7,700)
Disposals	(1,826)	(1,777,867)	(2,170,712)	(371,592)	(123,274)	(645,246)	(5,090,517)
Loss of control over subsidiary	(307)	(7,256,363)	(3,728,369)	(433,410)	(98,297)	-	(11,516,746)
At 30 June 2013	282,849	58,303,436	58,249,842	11,677,334	3,559,383	49,304,609	181,377,453
<i>Depreciation and impairment losses</i>							
At 1 January 2013	-	15,556,980	25,248,164	4,698,967	1,685,093	2,251,344	49,440,548
Accumulated depreciation	-	1,443,305	2,931,455	562,496	187,939	-	5,125,195
Impairment	-	397	97	(6)	(21)	(1,943)	(1,476)
Disposals	-	(1,486,013)	(1,669,957)	(345,396)	(126,364)	-	(3,627,730)
At 30 June 2013	-	15,514,669	26,509,759	4,916,061	1,746,647	2,249,401	50,936,537
<i>Net book value</i>							
At 31 December 2012	262,910	48,738,840	34,927,655	7,418,638	1,946,730	30,366,701	123,661,474
At 30 June 2013	282,849	42,788,767	31,740,083	6,761,273	1,812,736	47,055,208	130,440,916

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(a) Amortization costs of 000’KZT 4,691,563 have been reflected in cost of sales; of , 000’KZT 25,537 distribution expenses; and of 000’KZT 408,095 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 extends their useful life.

(c) Fully depreciated property, plant and equipment

As of 30 June 2013, the gross book value of fully depreciated property, plant and equipment still in use was 000’KZT 5,814,906 (31 December 2012: 000’KZT 5,185,565).

(d) Idle Property, Land and Equipment

As of 30 June 2013, the book value of temporary idle property, plant and equipment was 000’KZT 47,305 (31 December 2012: 000’KZT 38,936).

(e) Commitments

As of 30 June 2013, commitments relating to the acquisition of property, plant and equipment were KZT 4,208,473 (31 December 2012: 000’KZT 13,289,278).

17. MINE DEVELOPMENT ASSETS

‘000 KZT	Field preparation	Site restoration asset	Ion-exchange resin	Total
<i>Cost</i>				
At 1 January 2013	58,162,306	6,748,657	3,774,196	68,685,159
Additions	5,935,723	-	96,869	6,032,592
Loss of control over subsidiary	(13,684,799)	(648,128)	(895,505)	(15,228,432)
Change in estimate	-	1,074,973	-	1,074,973
Transferred from PPE	7,700	-	-	7,700
At 30 June 2013	50,420,930	7,175,502	2,975,560	60,571,992
<i>Amortization and impairment losses</i>				
At 1 January 2013	29,993,433	704,318	1,025,042	31,722,793
Amortization charge	5,258,469	182,517	134,559	5,575,545
Loss of control over subsidiary	(7,157,525)	(57,611)	(168,704)	(7,383,840)
At 30 June 2013	28,094,377	829,224	990,897	29,914,498
<i>Net book value</i>				
At 31 December 2012	28,168,873	6,044,339	2,749,154	36,962,366
At 30 June 2013	22,326,553	6,346,278	1,984,663	30,657,494

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18. MINERAL RIGHTS

‘000 KZT	Total
Cost	
At 1 January 2013	8,572,489
Additions	143,103
Loss of control over subsidiary	(666,823)
At 30 June 2013	8,048,769
Amortization and impairment losses	
At 1 January 2013	297,227
Amortization charge	40,952
Loss of control over subsidiary	(114,049)
At 30 June 2013	224,130
Net book value	
At 31 December 2012	8,275,262
At 30 June 2013	7,824,639

19. EXPLORATION AND EVALUATION ASSETS

‘000 KZT	Tangible assets	Intangible assets	Total
Cost			
At 1 January 2013	2,466,839	1,275,853	3,742,692
Additions	822,570	-	822,570
Transfer into assets for sale	(200,413)	-	(200,413)
At 30 June 2013	3,088,996	1,275,853	4,364,849

20. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

	Country	Interest/ Voting right	At 30 June 2013		At 31 December 2012	
			‘000 KZT	Interest/ Voting right	‘000 KZT	Interest/ Voting right
JV Bepak Dala LLP	Kazakhstan	30%	10,551,887	30%	15,262,789	
JV KATCO LLP	Kazakhstan	49%	39,052,484	49%	38,262,088	
Uranenergo LLP	Kazakhstan	53%	6,926,744	44.82%	4,897,488	
JV SKZ Kazatomprom LLP	Kazakhstan	22%	589,859	22%	607,149	
JV Inkai LLP	Kazakhstan	40%	14,041,255	40%	12,171,185	
JV Zarechnoe JSC	Kazakhstan	49.67%	2,483,974	49.67%	2,477,560	
JV Rosburmash LLP	Kazakhstan	49%	223,094	49%	200,379	
Kazgeomash LLP	Kazakhstan	49%	41,359	49%	44,125	
Kyzylkum LLP	Kazakhstan	30%	4,615,438	30%	3,459,452	
SKZ-U LLP	Kazakhstan	49%	3,286,568	49%	3,163,172	
JV IFASTAR	France	49%	10,951	49%	11,324	
PKF Ulba Electro	Kazakhstan	30%	60,132	30%	55,267	
			81,883,745		80,611,978	

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For the six months ended 30 June 2013, the Group:

- recognized its share of profits of associates of 000’KZT 10,429,011 (30 June 2012: 000’KZT 8,150,945);
- received dividends from associates of 000’KZT 12,739,285 (30 June 2012: 000’KZT 17,982,476);
- increased its investment in the issued capital of associates by 000’KZT 3,400,966 (2012: 2,501,627 000’KZT).

21. INVESTMENTS IN JOINT VENTURES

The Group has the following investments in joint ventures:

	Country	30 June 2013		31 December 2012	
		Interest/ Voting right	‘000 KZT	Interest/ Voting right	‘000 KZT
Semizbay-U LLP (Note 33)	Kazakhstan	51%	11,263,500	-	-
JV Akbastau JSC	Kazakhstan	50%	10,552,396	50%	9,046,950
Karatau LLP	Kazakhstan	50%	4,054,700	50%	9,998,036
COU JSC	Kazakhstan	50%	625,743	50%	681,552
Yingtian Ulba Shine Metal Materials Co., Ltd	Kazakhstan	50%	333,093	50%	350,905
Kazperoxide LLP	Kazakhstan	50%	35,807		32,511
ULBA Conversion LLP	Kazakhstan	50%	26,031	50%	30,275
CJSC JV UKR TVS	Ukraine	33.33%	3,341	33.33%	3,341
KAS JSC	Germany	50%	1,976	50%	1,976
Geotechnologia KKRUMTs Atomic Power Stations JSC Kazakhstan – Russian Company	Kyrgyzstan Kazakhstan	50% 50%	1,840 -	50% 50%	1,840 -
			26,898,427		20,147,386

For the six months ended 30 June 2013 the Group:

- recognized its share of profits of joint ventures of 000’KZT 4,973,889 (30 June 2012: 000’KZT 4,121,092);
- as explained in note 33, the Group deconsolidated its investment in “Semizbay-U” LLP and recognized its remaining ownership share as an investment in jointly-controlled entity at fair value at the date of loss of control.
- received dividends from joint ventures of 000’KZT 9,426,959 (30 June 2012: 000’KZT 852,455).

22. TRADE AND OTHER RECEIVABLES

	30 June 2013	31 December 2012
	‘000 KZT	‘000 KZT
Trade receivables from unrelated parties:	19,059,355	75,711,847
Trade receivables from related parties	7,014,309	5,468,241
	26,073,664	81,180,088
Provision for doubtful debts	(849,164)	(630,827)
	25,224,500	80,549,261
Other accounts receivable	2,566	1,622
Other accounts receivable from related parties	128,771	79,522
	130,337	81,144
	25,355,837	80,630,405

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23. ASSET HELD FOR THE BENEFIT OF THE ULTIMATE CONTROLLING PARTY

In May 2010, the Company was directed by the ultimate controlling party to construct a Student Palace in Astana city (“the Project”).

The Group has fulfilled its obligations for the construction of the Project and, in June 2013, the Company transferred the Project to municipal ownership of Astana city. As a result of the completion of the Group’s obligations for the Project in the six months ended 30 June 2013, the asset and related liability of 000’KZT 22,800,818 that had been previously recorded by the Group were derecognised at 30 June 2013.

24. OTHER ASSETS

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
<i>Non current</i>		
Advances paid for long-term assets	9,067,037	21,305,745
Inventory	8,572,984	8,765,218
Restricted cash	5,977,148	5,984,115
Value added tax receivable	3,567,326	4,498,844
Loans to employees	2,169,388	2,057,384
Prepaid expenses	1,045,955	1,262,142
Interest receivable	5,047,965	-
Other	6,361	6,835
	35,454,164	43,880,283
<i>Current</i>		
Dividends receivable	19,876,758	-
Advances paid for goods and services	4,038,838	3,518,219
Prepaid expenses	1,379,163	1,111,216
Insurance prepayments	342,035	292,008
Advances paid for goods and services to related parties	160,214	218,014
Prepaid tax other than income tax	105,410	127,157
Other	1,749,120	1,254,089
	27,651,538	6,520,703

25. INVENTORIES

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
<i>Current</i>		
Finished goods and goods for resale	43,896,686	32,653,399
Work-in-progress	12,647,829	12,972,307
Raw materials	10,504,166	11,050,405
Fuel	984,764	988,217
Spare parts	1,128,745	975,717
Materials in process	189,205	512,342
Other materials	2,385,707	1,961,291
	71,737,102	61,113,678
Provision for obsolete inventories	(714,056)	(734,017)
Total inventories	71,023,046	60,379,661

There was no inventory pledged as collateral as of 30 June 2013 and 31 December 2012.

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26. LOANS TO RELATED PARTIES

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
<i>Non current</i>		
Kyzylkum LLP	8,042,442	7,698,391
Baiken U LLP	5,829,596	5,579,228
Semizbay-U LLP	4,843,000	
	18,715,038	13,277,619
<i>Current</i>		
JV KRKAS JSC	20,000	20,000
	20,000	20,000

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

In September 2012, the Company provided a five year loan to Semizbay. The loan was pledged by property of Semizbay. The loan is to be repaid in four equal instalments of 000’KZT 1,210,750 starting from 2014.

27. CASH AND CASH EQUIVALENTS

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
Bank accounts	44,073,550	37,086,677
Demand deposits	-	831,662
Cash on hand	103,723	120,566
	44,177,273	38,038,905

28. EQUITY

Share capital

	Ordinary shares 30 June 2013	Ordinary shares 31 December 2012
Par value	1,000 tenge	1,000 tenge
Number of authorized and issued shares	36,692,362	36,692,362
	36,692,362	36,692,362

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

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29. LOANS AND BORROWINGS

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
<i>Non current liabilities</i>		
Bonds issued	75,307,143	74,740,067
Secured bank loans	15,681,532	19,336,629
Unsecured non bank loans	261,733	251,515
	91,250,408	94,328,211
<i>Current liabilities</i>		
Secured bank loans	17,453,569	11,168,438
Unsecured bank loans	10,492,998	1,062,903
Bonds issued	527,993	533,524
Finance lease obligations	-	6,329
Unsecured non bank loans	87,053	1,252,427
	28,561,613	14,023,621

(a) Bonds

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

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30. PROVISIONS

	‘000 KZT	Compensation for occupational diseases	Environmental protection	Reclamation of mine sites	Obligation for social object construction	Other	Total
At 1 January 2013							
<i>Non-current</i>		441,548	1,160,859	9,221,418	-	19,671	10,843,496
<i>Current</i>		95,251	-	-	22,800,818	-	22,896,069
Total		536,799	1,160,859	9,221,418	22,800,818	19,671	33,739,565
Accrued over the period		139,290	-	270,663	-	588	410,541
Derecognized following settlement of obligation (Note 23)		-	-	-	(22,800,818)	-	(22,800,818)
Unwinding of discount		23,663	40,630	321,630	-	318	386,241
Used during the period		(48,048)	-	-	-	-	(48,048)
Foreign exchange differences		-	-	68	-	-	68
At 30 June 2013		651,704	1,201,489	9,813,779	-	20,577	11,687,549
including:							
<i>Non-current</i>		602,713	1,201,489	9,813,779	-	20,577	11,638,558
<i>Current</i>		48,991	-	-	-	-	48,991

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31. TRADE AND OTHER PAYABLES

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
<i>Non-current</i>		
Trade payables	2,899,010	2,815,395
<i>Current</i>		
Accounts payable to related parties	18,278,708	35,547,556
Trade payables	13,121,533	14,020,324
	31,400,241	49,567,880
Other short-term payables to related parties	1,724	1,740
Other short-term payables	556,256	563,915
	557,980	565,655
	31,958,221	50,133,535

Trade payables mainly include amounts arising from purchase of goods and services, and current expenses. The average credit term is 60 days.

32. OTHER LIABILITIES

	30 June 2013 ‘000 KZT	31 December 2012 ‘000 KZT
<i>Non current</i>		
Historical cost liabilities	1,936,007	2,474,691
Other liabilities	1,682,266	2,057,626
Deferred revenues	486,209	106,706
Preference shares liability	264,827	264,827
Provision on vacation and other remuneration	149,645	149,645
	4,518,954	5,053,495
<i>Current</i>		
Advances received	3,733,932	1,800,245
Provision for vacation and other remuneration	2,652,027	2,853,208
Salaries payable	2,230,871	2,199,041
Advances received from related parties	1,369,132	892,072
Social contributions payable	443,783	686,706
Historical cost liabilities	382,906	410,354
Dividends payable	295,580	155,604
Dividends payable to related parties	-	11,750,664
Other current liabilities	166,377	526,809
	11,274,608	21,274,703

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33. OTHER FINANCIAL LIABILITIES

In 2008, the Group entered into an Agreement (the “Agreement”) to dispose of 49% of its interest in “Semizbay-U” LLP (“Semizbay”) 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 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 amortized cost.

The disposal of the Group’s interest in Semizbay required regulatory approval in Kazakhstan and this approval was a condition precedent in the Agreement.

As of 31 December 2012, regulatory approval had not been achieved. In 2012, the Group signed an amicable agreement with Sino-Kaz Company regarding the conditions of purchase and sale of the 49% interest in Semizbay. The relevant terms of this agreement were:

- the Company would obtain all necessary Kazakhstan regulatory approvals for the sale transaction. This occurred on 30 May 2013;
- the parties agreed to reassess the fair value of the 49% interest in Semizbay. As a result, the Group repaid to Sino-Kaz Company USD 132 million (equivalent to KZT 19.9 billion) 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 for the period 2012 to 2033. The amortized cost of the financial liability as of 30 May 2013 was USD 308 million (equivalent to KZT 46.7 billion). The Group accounted for the cancellation of the minimum guaranteed dividend payable as an extinguishment of financial liability.

Concurrently with achieving regulatory approval for the sale of the 49% interest, the governing documents of Semizbay were changed. As a result of these changes, the Group no longer had the unilateral ability to direct the relevant activities of Semizbay; rather, the power over these decisions is shared with Sino-Kaz Company. As a result, the Group deconsolidated its investment in Semizbay and recognized its retained interest at fair value on the date control was lost.

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As a result of these transactions, the Group recognized a gain of ‘000 KZT 23,929,927 in comprehensive income. The effect of the disposal of Semizbay was recognized in the consolidated financial statements as follows:

Non-current assets	‘000 KZT
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	
Inventory	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: Amortized cost of the minimum guaranteed dividend payable, prior to payment	(46,676,358)
Cash payment	19,972,920
Gain on extinguishment of liability and disposal of subsidiary	23,929,927

34. CONTINGENT ASSETS AND LIABILITIES

(a) Insurance

The insurance market of Kazakhstan is at a development stage and many forms of insurance common in other countries of the world are not yet available. The Group does not have full insurance coverage for its plant facilities, losses caused by suspension of production or third party liabilities in connection with damage to property or environment as a result of accidents or Group operations. Until the Group obtains an adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

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(b) Taxation contingencies

(i) Taxation contingencies

The tax system of Kazakhstan is quite new and characterized by a large number of taxes (corporate income tax, value added tax, mineral extraction tax and other taxes having material effect on the Group's operations) and frequent changes in legislation, official explanations and judicial decrees which are often not clearly stated and contradictory that allows their varying interpretations by the tax authorities. Correctness of tax calculations is controlled and investigated by regulatory bodies entitled to charge fines and penalties. The correctness of tax calculation can be reviewed within subsequent five calendar years but under certain circumstances this period can be increased. Various Kazakh legislative acts are not always clearly set forth and their interpretation depends on the opinion of local tax authorities and the Ministry of Finance of the Republic of Kazakhstan, for example, the definition of taxable turnover for VAT purposes, the deductibility of certain expenses for corporate income tax purposes, questions of application of the new tax code effective from 2009, the determination of the timing of revenue recognition and other issues. The opinions of the local, regional, and state tax officials often differ. The existing regime of charging penalties and fines in case of declared and discovered violations of laws, decrees and standards of Kazakhstan are very strict, especially now and tax authorities are very aggressive in the inspection of subsurface users. The sanctions include confiscation of disputable amounts, and payment of penalties of 2.5 times the official refinancing rate set by the National Bank of the Republic of Kazakhstan for each day of the violation. The rate of penalty comprises 50% of the additional charge of the tax. As a result, penalties and fines can result in amounts many times higher than the incorrectly calculated taxes.

Such conditions can create more serious tax, penalty, and interest risks in Kazakhstan than in other countries. Management believes that it has appropriately provided for all tax liabilities based on existing interpretations of applicable tax laws, regulations and court rulings. Nonetheless, the opinions of the respective authorities can differ, which can significantly impact the financial statements if the authorities manage to prove the legal basis for their own interpretations.

Management of the Group believes that it adequately presented its tax liabilities in this interim condensed consolidated financial statements.

(ii) Excess profit tax (“EPT”)

In accordance with tax legislation from 2009 the subsoil users must pay EPT based on net income earned from contractual operations in a calendar year, which exceeds the amount equal to 25% from the deductions used for EPT calculations. For the EPT calculation purposes, EPT expenditures include the following:

- corporate income tax deductions claimed in a reporting year, net of any PPE depreciation and intangible asset amortization charges, as determined for corporate income tax purposes;
- any capital expenditures that a subsoil user incurs in the reporting year for the purposes of its subsoil use operations; and;
- any unused net operating losses that a subsoil user incurred in the course of its subsoil operations in prior years and that were carried forward to the reporting year.

The excess profit tax base is the portion of the net income, as this term is defined below, calculated for each subsoil contract, in excess of 25% of the amount of the corresponding EPT deductions. For the purposes of calculating EPT, net income represents the difference between the taxable income and the amount of corporate income tax liability, where the taxable income is the gross annual revenues less the amount of abovementioned EPT expenditures. The applied EPT rates vary on the progressing scale from 10% to 60% depending on the ratio of total annual revenues to annual EPT deductions.

Taking into account that the revenue from the Group's contracts is defined as cost of production, increased by 20%, using the current method of calculating corporate income tax and EPT, management of the Group anticipates that an internal rate of return of above 20% will not be reached for the foreseeable future.

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(iii) Mineral Extraction Tax (“MET”)

Starting from 1 January 2009 the new Tax Code of the Republic of Kazakhstan introduced a tax on extraction of mineral products, a MET. This new tax replaces previously existing royalty payments for minerals and ground water. MET applies to all subsoil users that produce minerals, including uranium.

The tax base for MET is the value of the depleted deposits of a mineral extracted in the reporting period, which is a calendar quarter. In the complete absence of depleted deposits, the tax base for the calculation of MET is determined based on actual production costs of mining and primary processing (enrichment), which was increased by 20%.

MET applies to uranium at a rate of 17.5% from 2009, and from 1 January 2013 the rate is 18.5%.

(iv) Transfer pricing law

The Kazakhstan transfer pricing law, which was amended and enacted on 1 January 2009 primarily applies to cross-border and domestic transactions related to international business operations for sale of goods and services. As at 30 June 2013, the Group considers that it has made all necessary adjustments to comply with the transfer pricing law. The tax authorities have not conducted any reviews relating to the Group's compliance with the transfer pricing tax legislation, except as described below.

In 2012, a transfer pricing tax audit was completed of JSC NAC Kazatomprom for the 2007 year. As a result of this audit, the Company received assessments for additional income tax, fines and penalties of '000 KZT 6,390,276. The Company disagreed with the accrual of an additional income tax and intends to challenge the lawfulness of tax charge in higher authorities and judiciary of the Republic of Kazakhstan, therefore the Company commenced legal proceedings on unenforceability of the assessment to Specialized inter-district Economic court of Almaty. In July 2013, the Specialized inter-district Economic court of Almaty denied of the Company's claim. The Company intends to continue to pursue legal challenge of this assessment and management believes that the juridical proceedings with the tax authorities of Kazakhstan will be decided in favor of the Company. Accordingly, no liability was recognized at 30 June 2013.

(c) Environmental obligations

In accordance with the approved Program of the Government of the Republic of Kazakhstan on the development of nuclear industry in the Republic of Kazakhstan for 2011-2014, with the prospect till 2020 (hereinafter referred to as the “Program”) the government body is responsible for decommissioning reactor BN - 350 and for storing the reactor's nuclear fuel rods, including the further utilization of the related equipment and materials is the Ministry of Industry and New Technologies of the Republic of Kazakhstan.

In addition, the Program also provides the sources of funding for these activities from the Republican budget. As at 30 June 2013 the Group has no legal or financial obligation to decommission reactor BN-350.

(d) Guarantees

The maximum credit risk under financial guarantees given for financing of certain related parties as at 30 June 2013, is '000 KZT 38,309,685 (in 2012: '000 KZT 38,265,908). Management assessed potential obligations to the Group from these guarantees and concluded that no liability should be recognized at 30 June 2013.

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35. RELATED PARTY TRANSACTIONS

(a) Control relationships

The Group was established in accordance with the Order of the President of the Republic of Kazakhstan no 3593 dated 14 July 1997. In accordance with the Decree of the President No.669 dated 13 October 2008, from 19 January 2009, the sole shareholder of the Company is the Sovereign Welfare Fund “Samruk-Kazyna” JSC. Samruk-Kazyna is wholly owned by the Government of the Republic of Kazakhstan.

(b) Transactions with participation of the management and their family members

Members of the Board of Directors, executive directors, heads of departments and their close family members do not control any voting shares of the Group, as 100% of the shares are owned by the Government.

(i) Remuneration to the executive officers

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

	For the six month ended 30 June 2013 ‘000 KZT	For the six month ended 30 June 2012 ‘000 KZT
Salaries and bonuses	735,033	704,769

The Group 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”).

(c) Transactions with other related parties

(i) Revenue

‘000 KZT	Transaction value For the six months ended 30 June 2013	Outstanding balance 30 June 2013	Transaction value For the six months ended 30 June 2012	Outstanding balance 31 December 2012
<i>Sale of goods and services:</i>				
Associates	10,834,244	4,137,885	9,031,919	4,332,721
Joint ventures	5,989,710	7,685,386	5,763,335	881,809
Sister companies	8,537,780	302,053	6,399,133	332,726
Other	952,270	584,818	-	1,833,416
Dividends received/receivable from associates	12,699,798	12,699,799	18,102,779	-
Dividends received/receivable from joint ventures	9,426,959	7,176,959	2,852,455	-
Dividends received/receivable from other related parties	-	-	-	-
	48,440,761	32,586,900	42,149,621	7,380,672

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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.

(ii) Expenses

‘000 KZT	Transaction value For the six months ended 30 June 2013	Outstanding balance 30 June 2013	Transaction value For the six months ended 30 June 2012	Outstanding balance 31 December 2012
<i>Sale of goods and services:</i>				
Associates	24,103,717	11,625,197	2,773,279	20,431,882
Joint ventures	12,972,975	5,055,777	5,990,936	10,658,013
Sister companies	13,515,939	2,968,590	12,420,671	4,139,782
Dividends paid/payable to the Shareholder	-	-	-	11,750,664
Other	1,107	109,550	-	1,211,691
	<u>50,593,738</u>	<u>19,759,114</u>	<u>21,184,886</u>	<u>48,192,032</u>

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.

(d) Pricing policy

Pricing for related party transactions is primarily based upon the comparable uncontrolled price method in accordance with the Law “On Transfer Pricing”, dated 5 July 2008 and Rules (procedures) of Pricing of Natural Uranium Concentrate (U308), approved by the Government №74, dated 3 February 2008.

36. SUBSEQUENT EVENTS

In July 2013, by an Order of the Government of the Republic of Kazakhstan added from 18 June 2013, “On the reorganization of JSC NAC Kazatomprom”, the Shareholder approved a merger between the Company and Gornorudnaya Company LLP, a wholly owned subsidiary of the Group.

In February 2014, the Shareholder of JSC “NAC “Kazatomprom” and the sole shareholder of LLP “Gornorudnaya Company” approved the Transfer Act on reorganization of JSC “NAC “Kazatomprom”, by means of take-over of LLP “Gornorudnaya Company”. All rights and obligations of LLP “Gornorudnaya Company” are transferred to JSC “NAC “Kazatomprom” in accordance with the Transfer Act.

During August 2013 the Company signed an agreement to acquire the shares of JSC COU for 2,591,738 thousand rubles. This acquisition will not lead to any change in ownership of 50% share.

In July 2013, the Company announced the dividend payment on its interest for 2012. The amount of dividend per share is 208 tenge 14 tiyin, and the total amount is 7,637,242 thousand tenge. The payment was made by transfer to the bank account of sole shareholder Social Welfare Fund JSC Samruk-Kazyna in December 2013.

In April 2014, the Company announced the dividend payment on its interest for 2013. The amount of dividend per share is 146 tenge 78 tiyin, and the total amount is 5,385,581 thousand tenge. The payment will be made during the period from 1 July to 31 December 2014 by transfer to the bank account of sole shareholder Social Welfare Fund JSC Samruk-Kazyna.

On 30 July 2013, the Company signed documentation with an Société Générale bank to open a revolving credit line of USD 60 mln, the credit line is unsecured and is for a one year period. The funds will be used by the Group for replenishment of working capital.

In January 2014 the Company received a short term loan in the amount of USD 50 million under the credit line of Mizuho Nederland NV Bank.

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On 11 February 2014 the National Bank of the Republic of Kazakhstan devalued tenge. As a result, on 12 February 2014 the market exchange rate of tenge for 1 US dollar fell to 184.55, i.e. about 19%. To prevent destabilisation of the financial market and the economy as a whole, the National Bank plans to set a corridor of fluctuations of the tenge against the US Dollar in the range of 182-188 tenge for 1 US Dollar.

As of 26 June 2014 the official exchange rate of tenge to US dollar was 183.51 tenge. However, there is uncertainty about the exchange rate of tenge and future actions of the National Bank, as well as the influence of these factors on the economy of Republic of Kazakhstan.

The Company's management believes that the devaluation of national currency will not lead to deterioration of the financial situation of the Group, as the majority of the Group's products exported. According to preliminary calculations, the growth rate against the USD will lead to higher revenue side, the minor increase in expenditures and a significant increase in operating profit.