

JOINT STOCK COMPANY AIR ASTANA

STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED) (in thousands of USD)

| | Nine-month period ended 30 September 2017 (unaudited) | Nine-month period ended 30 September 2016 (unaudited) |
|--|---|---|
| Revenue | | |
| Passenger revenue | 544,504 | 445,166 |
| Cargo and mail | 13,863 | 10,954 |
| Other revenue | 17,055 | 10,257 |
| Total revenue | 575,422 | 466,377 |
| Operating expenses | | |
| Fuel | (132,678) | (91,720) |
| Handling, landing fees and route charges | (76,046) | (65,883) |
| Passenger service | (65,586) | (52,250) |
| Employee costs | (50,370) | (51,580) |
| Aircraft operating lease costs | (45,950) | (43,262) |
| Engineering and maintenance | (58,409) | (42,995) |
| Selling costs | (31,172) | (22,831) |
| Depreciation and amortisation | (20,294) | (21,834) |
| Aircraft crew costs | (21,573) | (20,462) |
| Insurance | (2,989) | (3,273) |
| Property lease cost | (3,729) | (3,187) |
| Information technology | (2,435) | (2,419) |
| Consultancy, legal and professional services | (2,843) | (1,660) |
| Taxes, other than income tax | (1,325) | (178) |
| Other | (10,330) | (4,410) |
| Total operating expenses | (525,729) | (427,944) |
| Operating profit | 49,693 | 38,433 |
| Finance income | 6,636 | 5,761 |
| Finance costs | (8,481) | (10,599) |
| Foreign exchange loss, net | (5,260) | (7,702) |
| Profit before tax | 42,588 | 25,893 |
| Income tax expense | (9,323) | (6,416) |
| Net profit for the period | 33,265 | 19,477 |
| Basic and diluted earnings per share (in tenge) | 1,957 | 1,146 |

On behalf of the Company's management:



Azamat Osipov
Vice president Finance Accounts, Chief Accountant

JOINT STOCK COMPANY AIR ASTANA

STATEMENT OF OTHER COMPREHENSIVE LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED) *(in thousands of USD)*

| | Nine-month period ended 30 September 2017 (unaudited) | Nine-month period ended 30 September 2016 (unaudited) |
|---|---|---|
| Net profit for the period | 33,265 | 19,477 |
| Foreign currency translation (loss)/gain, which will never be reclassified to profit or loss in subsequent period | (2,790) | 584 |
| Other comprehensive income, net of tax, to be reclassified into profit or loss in subsequent periods: | | |
| Result from cash flow hedging instruments | (4,487) | 3,015 |
| Income tax related to result from cash flow hedging instruments | 897 | (603) |
| Realised loss on cash flow hedging instruments | 7,573 | 8,031 |
| Income tax related to realised loss on hedging instruments | (1,515) | (1,606) |
| Other comprehensive (loss)/income for the period, net of income tax | (322) | 9,421 |
| Total comprehensive income for the period | 32,943 | 28,898 |

JOINT STOCK COMPANY AIR ASTANA

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017 (UNAUDITED) (in thousands of USD)

| | 30 September 2017 (unaudited) | 31 December 2016 |
|--|-------------------------------------|-----------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 264,835 | 271,220 |
| Intangible assets | 2,738 | 3,147 |
| Prepayments for long-term assets | 9,145 | 9,114 |
| Guarantee deposits | 17,402 | 15,400 |
| Deferred tax assets | - | - |
| Trade and other receivables | 3,524 | 6,174 |
| | <u>297,644</u> | <u>305,055</u> |
| Current assets | | |
| Inventories | 36,909 | 41,288 |
| Prepayments | 34,305 | 22,575 |
| Income tax prepaid | 765 | 783 |
| Trade and other receivables | 24,607 | 22,051 |
| Other taxes prepaid | 18,721 | 16,306 |
| Guarantee deposits | 31,922 | 34,944 |
| Bank deposits | 4 | 99,574 |
| Cash and bank balances | 177,741 | 29,987 |
| Financial assets at fair value through profit or loss | - | - |
| | <u>324,974</u> | <u>267,508</u> |
| Total assets | <u>622,618</u> | <u>572,563</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 17,000 | 17,000 |
| Foreign currency translation reserve | (187,163) | (182,680) |
| Reserve on hedging instruments, net of tax | (101,706) | (105,868) |
| Retained earnings | 343,890 | 310,625 |
| Total equity | <u>72,021</u> | <u>39,077</u> |
| Non-current liabilities | | |
| Loans | 10,625 | 12,043 |
| Finance lease liabilities | 304,799 | 335,499 |
| Deferred tax liability | 8,527 | 6,640 |
| Provision for aircraft maintenance | 56,790 | 38,555 |
| | <u>380,741</u> | <u>392,737</u> |
| Current liabilities | | |
| Loans | 1,587 | 1,631 |
| Finance lease liabilities | 41,719 | 41,251 |
| Deferred revenue | 49,403 | 38,230 |
| Provision for aircraft maintenance | 17,091 | 20,243 |
| Trade and other payables | 60,056 | 39,394 |
| Financial liabilities at fair value through profit or loss | - | - |
| | <u>169,856</u> | <u>140,749</u> |
| Total liabilities | <u>550,597</u> | <u>533,486</u> |
| Total equity and liabilities | <u>622,618</u> | <u>572,563</u> |

JOINT STOCK COMPANY AIR ASTANA

STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED) (in thousands of USD)

| | Share capital | Foreign currency translation reserve | Reserve on hedging instruments | Reserve fund | Retained earnings | Total equity |
|--|---------------|--------------------------------------|--------------------------------|--------------|-------------------|---------------|
| At 1 January 2016 | 17,000 | (181,459) | (121,715) | - | 365,816 | 79,642 |
| Loss for the period (unaudited) | - | - | - | - | 19,477 | 19,477 |
| Cash flow hedging instruments, net of tax (unaudited) | - | - | 2,412 | - | - | 2,412 |
| Realised loss on cash flow hedging instruments, net of tax (unaudited) | - | - | 6,425 | - | - | 6,425 |
| Translation difference (unaudited) | - | (29,294) | 29,878 | - | - | 584 |
| Total comprehensive loss for the period (unaudited) | - | (29,294) | 38,715 | - | 19,477 | 28,898 |
| Dividends declared (unaudited) | - | - | - | - | (9,206) | (9,206) |
| Reserve fund | - | - | - | 6,120 | (6,120) | - |
| At 30 September 2016 (unaudited) | 17,000 | (210,753) | (83,000) | 6,120 | 369,967 | 99,334 |
| At 1 January 2017 | 17,000 | (182,680) | (105,868) | - | 310,625 | 39,077 |
| Profit for the period (unaudited) | - | - | - | - | 33,265 | 33,265 |
| Cash flow hedging instruments, net of tax (unaudited) | - | - | (3,589) | - | - | (3,589) |
| Realised loss on cash flow hedging instruments, net of tax (unaudited) | - | - | 6,058 | - | - | 6,058 |
| Translation difference (unaudited) | - | (4,483) | 1,693 | - | - | (2,790) |
| Total comprehensive income for the period (unaudited) | - | (4,483) | 4,162 | - | 33,265 | 32,944 |
| At 30 September 2017 (unaudited) | 17,000 | (187,163) | (101,706) | - | 343,890 | 72,021 |

JOINT STOCK COMPANY AIR ASTANA

STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED) (in thousands of USD)

| | Nine-month period ended 30 September 2017 (unaudited) | Nine-month period ended 30 September 2016 (unaudited) |
|--|---|---|
| OPERATING ACTIVITIES: | | |
| Profit before tax | 42,588 | 25,893 |
| Adjustments for: | | |
| Depreciation and amortisation of property, plant and equipment and intangible assets | 20,294 | 21,834 |
| Gain on disposal of property, plant and equipment | (373) | (482) |
| Change in allowance for doubtful debts | (4,776) | 255 |
| Change in allowance for obsolete and slow-moving inventories | (1) | 7 |
| Change in vacation reserve | - | (609) |
| Change in provision for aircraft maintenance | 20,271 | 12,837 |
| Reversal of loyalty provision | 3,126 | (181) |
| Foreign exchange loss, net | 5,260 | 7,702 |
| Finance income | (1,946) | (5,675) |
| Interest expense on finance lease | 8,481 | 9,281 |
| Interest expense from revaluation of fair value of guarantee deposits | - | 275 |
| Net realised loss on financial assets and liabilities at fair value through profit or loss | - | 353 |
| Net unrealised gain on financial assets and liabilities at fair value through profit or loss | - | (84) |
| Operating cash flow before movements in working capital | 92,924 | 71,406 |
| Change in trade and other accounts receivable | 4,702 | (4,474) |
| Change in prepaid expenses | (15,216) | (5,569) |
| Change in inventories | 3,615 | (7,083) |
| Change in financial assets and liabilities at fair value through profit or loss | - | (353) |
| Change in trade and other payables and other current liabilities | 17,569 | 5,778 |
| Change in deferred revenue | 9,604 | 6,906 |
| Cash generated from operations | 113,198 | 66,611 |
| Income tax paid | - | (11) |
| Interest received | 2,967 | 4,390 |
| Net cash generated from operating activities | 116,165 | 70,990 |
| INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (36,229) | (20,229) |
| Proceeds from disposal of property, plant and equipment | 17,286 | 1,334 |
| Purchase of intangible assets | (327) | (3,414) |
| Bank and Guarantee deposits placed | (15,290) | (284,628) |
| Bank and Guarantee deposits withdrawn | 114,598 | 240,696 |
| Net cash generated from/(used in) investing activities | 80,038 | (66,241) |

JOINT STOCK COMPANY AIR ASTANA

STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (CONTINUED) (UNAUDITED) (in thousands of USD)

| | Nine-month period ended 30 September 2017 (unaudited) | Nine-month period ended 30 September 2016 (unaudited) |
|--|---|---|
| FINANCING ACTIVITIES: | | |
| Repayment of finance lease | (30,129) | (29,343) |
| Interest paid | (9,735) | (9,984) |
| Proceeds from borrowings | (1,110) | 13,809 |
| Dividends paid | - | (9,013) |
| Net cash used in financing activities | (40,974) | (34,531) |
| NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES | 155,229 | (29,782) |
| Effect of exchange rate changes on cash and bank balances held in foreign currencies | 1,486 | 2,013 |
| Foreign currency translation loss | (8,960) | (2,197) |
| CASH AND BANK BALANCES, at the beginning of the period | 29,986 | 52,471 |
| CASH AND BANK BALANCES, at the end of the period | 177,741 | 22,505 |