

## Statement of profit or loss for the year ended 31 December 2017

(in thousands of USD)

	Notes	2017	2016
Revenue and other income			
Passenger revenue	5	718,178	589,926
Cargo and mail revenue	5	19,666	15,685
Other revenue	5	21,215	15,403
Gain from sale and leaseback transaction	5	8,478	-
<b>Total revenue and other income</b>		<b>767,537</b>	<b>621,014</b>
<b>Operating expenses</b>			
Fuel		(183,518)	(130,676)
Handling, landing fees and route charges	6	(103,164)	(89,909)
Passenger service	6	(86,635)	(69,809)
Employee costs	6	(71,103)	(64,736)
Engineering and maintenance	6	(69,173)	(60,658)
Aircraft operating lease costs	6	(61,413)	(58,407)
Selling costs	6	(40,461)	(30,238)
Aircraft crew costs	6	(30,250)	(27,781)
Depreciation and amortisation	11	(27,009)	(28,679)
Property lease cost		(5,029)	(4,277)
Consultancy, legal and professional services		(4,197)	(2,688)
Insurance	6	(3,870)	(4,391)
Information technology		(3,633)	(3,283)
Taxes, other than income tax		(2,403)	(94)
Other		(12,424)	(7,504)
<b>Total operating expenses</b>		<b>(704,282)</b>	<b>(583,130)</b>
<b>Operating profit</b>		<b>63,255</b>	<b>37,884</b>
Finance income	7	7,293	7,725
Finance costs	7	(11,118)	(66,073)
Foreign exchange loss, net		(10,370)	(14,391)
<b>Profit/(loss) before tax</b>		<b>49,060</b>	<b>(34,855)</b>
Income tax expense	8	(9,742)	(5,010)
<b>Profit/(loss) for the year</b>		<b>39,318</b>	<b>(39,865)</b>
<b>Basic and diluted earnings/(loss) per share (in usd)</b>	19	<b>2,313</b>	<b>(2,345)</b>

On behalf of the Company's management:



Peter Foster

President

30 March 2018

Almaty, Republic of Kazakhstan



Azamat Osipov

Vice president Finance Accounts, Chief Accountant

**Statement of other comprehensive income for the year ended 31 December 2017**

(in thousands of USD)

	Notes	2017	2016
<b>Profit/(loss) for the year</b>		<b>39,318</b>	<b>(39,865)</b>
Foreign currency translation loss, which will be never be reclassified to profit or loss in subsequent periods		(809)	(18)
Other comprehensive income, net of tax, to be reclassified into profit or loss in subsequent periods:			
Result from cash flow hedging instruments		1,179	3,918
Income tax related to result from cash flow hedging instruments		(236)	(784)
Realised loss on cash flow hedging instruments	24	10,292	14,388
Income tax related to realised loss on hedging instruments	24	(2,058)	(2,878)
<b>Other comprehensive income for the year, net of income tax</b>		<b>8,368</b>	<b>14,626</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>47,686</b>	<b>(25,239)</b>

## Statement of financial position as at 31 December 2017

(in thousands of USD)

	Notes	31 December 2017	31 December 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	261,754	271,220
Intangible assets	10	2,939	3,147
Prepayments for non-current assets	14	8,086	9,114
Guarantee deposits	12	19,636	15,400
Trade and other receivables	15	3,924	6,174
		<b>296,339</b>	<b>305,055</b>
<b>Current assets</b>			
Inventories	13	38,613	41,288
Prepayments	14	29,390	22,575
Income tax prepaid		738	783
Trade and other receivables	15	25,517	22,051
Other taxes prepaid	16	18,086	16,306
Guarantee deposits	12	34,874	34,944
Bank deposits	17	5	99,574
Cash and bank balances	18	148,181	29,987
		<b>295,404</b>	<b>267,508</b>
<b>Total assets</b>		<b>591,743</b>	<b>572,563</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	19	17,000	17,000
Functional currency transition reserve		(9,324)	-
Foreign currency translation reserve		-	(182,680)
Reserve on hedging instruments, net of tax		(71,465)	(105,868)
Retained earnings	24	150,552	310,625
<b>Total equity</b>		<b>86,763</b>	<b>39,077</b>
<b>Non-current liabilities</b>			
Loans	23	10,519	12,043
Finance lease liabilities	24	280,797	335,499
Deferred tax liabilities	8	11,021	6,640
Provision for aircraft maintenance	21	60,510	38,555
		<b>362,847</b>	<b>392,737</b>
<b>Current liabilities</b>			
Loans	23	1,630	1,631
Finance lease liabilities	24	39,926	41,251
Deferred revenue	20	48,434	38,230
Provision for aircraft maintenance	21	13,260	20,243
Trade and other payables	22	38,883	39,394
		<b>142,133</b>	<b>140,749</b>
<b>Total liabilities</b>		<b>504,980</b>	<b>533,486</b>
<b>Total equity and liabilities</b>		<b>591,743</b>	<b>572,563</b>

The notes on pages 118 to 150 form an integral part of these financial statements. The independent auditors' report on the financial statements is on pages 110 to 111.

**Statement of changes in equity for the year ended 31 December 2017**

(in thousands of USD)

	Notes	Share capital	Functional currency transition reserve on share capital	Foreign currency translation reserve	Reserve on hedging instruments	Retained earnings	Total equity
<b>At 1 January 2016</b>		<b>17,000</b>	-	<b>(181,459)</b>	<b>(121,715)</b>	<b>365,816</b>	<b>79,642</b>
Loss for the year		-	-	-	-	(39,865)	(39,865)
<b>Other comprehensive income</b>							
Cash flow hedging instruments, net of tax		-	-	-	3,134	-	3,134
Realised loss on cash flow hedging instruments, net of tax	24	-	-	-	11,510	-	11,510
Translation difference		-	-	(1,221)	1,203	-	(18)
<b>Total other comprehensive income</b>		-	-	<b>(1,221)</b>	<b>15,847</b>	-	<b>14,626</b>
<b>Total comprehensive loss for the year</b>				<b>(1,221)</b>	<b>15,847</b>	<b>(39,865)</b>	<b>(25,239)</b>
<b>Transactions with owners of the Company</b>							
Dividends declared	19	-	-	-	-	(15,326)	(15,326)
<b>At 31 December 2016</b>		<b>17,000</b>	-	<b>(182,680)</b>	<b>(105,868)</b>	<b>310,625</b>	<b>39,077</b>
Profit for the year		-	-	-	-	39,318	39,318
<b>Other comprehensive income</b>							
Cash flow hedging instruments, net of tax		-	-	-	943	-	943
Realised loss on cash flow hedging instruments, net of tax	24	-	-	-	8,234	-	8,234
Translation difference		-	-	(3,476)	2,667	-	(809)
Effect of change in functional currency		-	(9,324)	186,156	22,559	(199,391)	-
<b>Total other comprehensive income</b>		-	<b>(9,324)</b>	<b>182,680</b>	<b>34,403</b>	<b>(199,391)</b>	<b>8,368</b>
<b>Total comprehensive income for the year</b>			<b>(9,324)</b>	<b>182,680</b>	<b>34,403</b>	<b>(160,073)</b>	<b>47,686</b>
<b>At 31 December 2017</b>		<b>17,000</b>	<b>(9,324)</b>		<b>(71,465)</b>	<b>150,552</b>	<b>86,763</b>

**Statement of cash flows for the year ended 31 December 2017**

(in thousands of USD)

	Notes	2017	2016
<b>Operating activities:</b>			
Profit/(loss) before tax		49,060	(34,855)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	11	27,009	28,679
Gain on disposal of property, plant and equipment		(9,074)	-
(Reversal)/accrual of impairment allowance for prepayments and trade and other receivables	14, 15	(4,804)	52,404
Write-down of obsolete and slow-moving inventories	13	13	115
Accrual for employee unused vacation		216	(359)
Accrual of provision for aircraft maintenance		19,671	17,695
Accrual of loyalty provision		3,642	241
Foreign exchange loss, net		10,370	14,391
Finance income, excluding impairment	7	(2,547)	(7,725)
Finance costs, excluding impairment	7	11,118	12,843
<b>Operating cash flow before movements in working capital</b>		<b>104,673</b>	<b>83,429</b>
Change in trade and other receivables		3,748	(1,582)
Change in prepaid expenses		(8,183)	(13,336)
Change in inventories		2,836	(8,536)
Change in financial assets and liabilities at fair value through profit or loss and hedge instruments			(375)
Change in trade and other payables and other current liabilities		(7,062)	(4,412)
Change in deferred revenue		6,646	4,381
<b>Cash generated from operations</b>		<b>102,659</b>	<b>59,569</b>
Income tax paid		(7,540)	(12)
Interest received		3,167	5,902
<b>Net cash generated from operating activities</b>		<b>98,286</b>	<b>65,459</b>
<b>Investing activities:</b>			
Purchase of property, plant and equipment		(27,836)	(27,284)
Proceeds from disposal of property, plant and equipment		7,050	1,164
Purchase of intangible assets		(681)	(3,117)
Bank and Guarantee deposits placed		(20,662)	(352,696)
Bank and Guarantee deposits withdrawn		113,802	345,191
<b>Net cash from/(used in) investing activities</b>		<b>71,673</b>	<b>(36,742)</b>

**Statement of cash flows (continued) for the year ended 31 December 2017**

(in thousands of USD)

	Notes	2017	2016
<b>Financing activities:</b>			
Repayment of finance lease		(40,103)	(39,261)
Interest paid		(12,507)	(12,447)
Proceeds from borrowings			13,622
Repayment of borrowings		(1,589)	(378)
Dividends paid	19		(15,143)
<b>Net cash used in financing activities</b>		<b>(54,199)</b>	<b>(53,607)</b>
<b>Net increase/(decrease) in cash and bank balances</b>		<b>115,760</b>	<b>(24,890)</b>
Effect of exchange rate changes on cash and bank balances held in foreign currencies		4,634	2,042
Cash and bank balances, at the beginning of the year	18	29,987	52,471
<b>Foreign currency difference due to translation to presentation currency</b>		<b>(2,200)</b>	<b>364</b>
<b>Cash and bank balances, at the end of the year</b>	18	<b>148,181</b>	<b>29,987</b>