

KAZKOMMERTS INTERNATIONAL B.V.

Rotterdam, The Netherlands.

**Annual Report
for the financial year ended 31 December 2006**

0677110



08-08-2007

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Kazkommerts International B.V.

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Kazkommerts International B.V.

Management Report

The Management herewith submits its annual accounts for the financial year ended 31 December 2006.

Overview of activities

The Company acts as a finance company.

Future outlook

It is expected that the activities of the Company will remain unchanged.

Post-balance sheet events

No major post-balance sheet events affecting the accounts herewith presented, have occurred to date.

The Management,

A. Timchenko

Equity Trust Co. N.V.

Rotterdam, 3 April 2007

08-08-2007

Kazkommerts International B.V.

Balance Sheet

(before appropriation of results and expressed in USD)

	Notes	31 December 2006	31 December 2005
FIXED ASSETS			
Financial fixed assets			
Loans to shareholder	3	5,393,908,624	2,582,258,444
		5,393,908,624	2,582,258,444
CURRENT ASSETS			
Loans to shareholder	3	0	1,216,666,667
Current account shareholder		295,456	287,795
Current account group companies		205,910	86,282
Interest receivable		54,330,022	33,264,507
VAT receivable		995	2,936
Cash at banks	4	10,653,513	8,834,202
		65,485,896	1,259,142,389
CURRENT LIABILITIES			
Loan from third parties	5	0	1,216,666,667
Prepaid interest income		506,236	1,941,236
Interest payable to third parties		53,918,207	32,997,645
Corporation tax		770,338	1,133,860
Accrued expenses		35,000	35,000
		55,229,781	1,252,774,408
NET CURRENT ASSETS/(LIABILITIES)		10,256,115	6,367,981
TOTAL ASSETS LESS CURRENT LIABILITIES		5,404,164,739	2,588,626,425
Less: LONG-TERM DEBT			
Loans from third parties	5	5,393,908,624	2,582,258,444
		10,256,115	6,367,981
CAPITAL AND RESERVES			
Share capital	6	23,735	21,292
Currency translation reserve		(1,100)	1,347
Legal reserve		199	195
Share premium		497,000	497,000
Retained earnings		5,848,147	3,805,788
Result for the year		3,888,134	2,042,359
		10,256,115	6,367,981

Kazkommerts International B.V.

Profit and loss account

(expressed in USD)

	year ended 31 December 2006	year ended 31 December 2005
FINANCIAL INCOME/(CHARGES)		
Gross income on loans to group companies		
to group companies	333,438,893	195,788,619
withholding tax	(32,721,388)	(18,956,361)
Net interest income on loans		
to group companies	300,717,505	176,832,258
Interest expenses on loans		
from third parties	(296,156,610)	(173,726,111)
Net interest income on loans	4,560,895	3,106,147
Interest income Bonds	0	102,640
Result on securities	0	(73,542)
Amortized premium on issued bonds	792,952	792,952
Amortized premium on provided bonds	(792,952)	(792,952)
Bank interest/charges	(653,782)	(139,145)
Ruling shortage/surplus	0	(147,723)
Exchange result	3,035	(8,506)
Total financial income/(charges)	<u>3,910,148</u>	<u>2,839,871</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative expenses	46,319	39,583
Audit fees	28,984	31,178
Legal fees	27,331	1,459
General expenses	50,665	39,185
	<u>153,299</u>	<u>111,405</u>
PROFIT BEFORE TAXATION	<u>3,756,849</u>	<u>2,728,466</u>
CORPORATION TAX	(131,285)	686,107
NET PROFIT FOR THE YEAR	<u><u>3,888,134</u></u>	<u><u>2,042,359</u></u>

Kazkommerts International B.V.

Notes to the accounts as at 31 December 2006

1. General

The Company is a private limited liability company established in Rotterdam on 1 October 1997. The Company acts as a finance company.

2. Summary of principal accounting policies

(a) General

The accompanying accounts have been prepared in accordance with EU Directives as implemented in Part 9, Book 2 of the Dutch Civil Code.

(b) Foreign currencies

As per 1 January 2004 the Company has changed its reporting currency to USD which is the functional currency of the company. The company reports in USD because its major transactions are nominated in USD. All assets and liabilities expressed in currencies other than USD have been translated at the rates of exchange prevailing at the balance sheet date. All transactions in foreign currencies have been translated into USD at rates of exchange approximating to those ruling at the date of the transactions. Resulting exchange differences, if any, are recognised in the profit and loss account.

(c) Other assets and liabilities

Unless otherwise indicated assets and liabilities are stated at face value.

(d) Revenue recognition

Expenses and income are accounted for under the accrual basis.

(e) Corporation tax

Corporate income tax is calculated on the basis of the net result shown in the Profit and Loss account, taking into account tax allowances and tax adjustments.

The Company has APA/ATR agreements with the Dutch tax authorities for most of its loans. For its most recent loans the company has filed requests at the Dutch tax authorities to enter into APA/ATR agreements for the lifetime of the loans. At this moment the tax authorities have not yet decided on these requests. The management of the Company expects the agreements will be closed according to the requests filed. In the annual accounts corporate income tax is taken into account according to the requests filed. In the APA/ATR agreements and requests a maximum amount of expenses besides interest on loans is agreed or proposed (USD 263,720). Over 2006 the mentioned expenses exceed this burden. According to the company management this will be occasional for the year 2006.

(f) Financial Instruments

As finance company financial instruments are used. The financial instruments are recognised at the balance sheet in the fixed assets, current assets and current liabilities. The accounting principles of the financial instruments are described in item (c)."

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Kazkommerts International B.V.

Notes to the accounts as at 31 December 2006

3. Loans to shareholder/Deferred premium on loans provided

This item reflects the following loans to shareholder:

1. a dollar term deposit facility to the amount of USD 200,000,000. The repayment date of the loan is 8 May 2007. The loan consists of two tranches: Tranche A, USD 150 million and Tranche B USD 50 million. Tranche A bears deposit interest at a nominal rate of 11.39% (10.25% + withholding tax compensation). Tranche B also bears deposit interest at a nominal rate of 11.39% (10.25% + withholding tax compensation). The borrower shall pay to the Company interest from time to time. In December 2002 Tranche B was issued with a premium of USD 3,500,000.

This amount has been partially amortized leading to a deferred bond issue premium of USD 281,937 (i.y. USD 1,074,889).

2. a dollar term deposit facility to the amount of USD 500,000,000. The repayment date of the loan is 16 April 2013. The loan consists of two tranches: Tranche A USD 350 million and Tranche B USD 150 million. Tranche A bears deposit interest at a nominal rate of 9.445% (8.625% + withholding tax compensation). Tranche B also bears deposit interest at a nominal rate of 9.445 (8.625% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

3. a dollar term deposit facility to the amount of USD 400,000,000. The repayment date of the loan is 7 April 2014. The loan bears deposit interest at a nominal rate of 8.89% (8% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

4. a dollar term deposit facility to the amount of USD 500,000,000. The repayment date of the loan is 3 November 2009. The loan bears deposit interest at a nominal rate of 7.84% (7.125% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

5. a dollar term deposit facility to the amount of USD 500,000,000. The repayment date of the loan is 4 November 2015. The loan bears deposit interest at a nominal rate of 8.96% (8.063% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

6. a dollar term deposit facility to the amount of USD 483,000,000. The repayment date of the loan is 14 December 2008. The loan bears deposit interest at a nominal rate of LIBOR + 1.025% (+ withholding tax compensation). The borrower shall pay to the Company interest from time to time.

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Kazkommerts International B.V.

Notes to the accounts as at 31 December 2006

4. Loans to shareholder/Deferred premium on loans provided (Cont'd)

7. a EUR term deposit facility to the amount of EUR 300,000,000. The repayment date of the loan is 23 March 2011. The loan bears deposit interest at a nominal rate of 5.741% (5.167% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

8. a SGD term deposit facility to the amount of SGD 100,000,000. The repayment date of the loan is 24 February 2009. The loan bears deposit interest at a nominal rate of 4,772% (4.295% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

9. a USD term deposit facility to the amount of USD 850,000,000. The repayment date of the loan is 28 February 2008. The loan bears deposit interest at a nominal rate of LIBOR + 0.39425% (+ withholding tax compensation). The borrower shall pay to the Company interest from time to time.

10. a USD term deposit facility to the amount of USD 500,000,000. The repayment date of the loan is 29 November 2016. The loan bears deposit interest at a nominal rate of 8,392% (7,553% + withholding tax compensation). The borrower shall pay to the Company interest from time to time.

11. a dollar term deposit facility to the amount of USD 1,000,000,000. The loan consists of two tranches: Tranche A USD 700 million (repayment date 30 December 2007) and Tranche B USD 300 million (repayment date 18 December 2009). Tranche A bears deposit interest of LIBOR + 0.326% (+ withholding tax compensation). Tranche B bears deposit interest of LIBOR + 0.651% (+ withholding tax compensation). The borrower shall pay to the Company interest from time to time.

In the loans to shareholder an amount of USD 899,718,063 will be received in twelve months. Loans to be received over five years or afterwards amount to USD 1,900,000,000.

5. Cash at bank

Cash at banks consists of current account balances and deposit balances at different banks (ING-bank, ABN AMRO bank and Kazkommertsbank) which are available on demand.

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Kazkommerts International B.V.

Notes to the accounts as at 31 December 2006

6. Issued Bonds/Deferred interest income on bonds

This refers to the following items:

1. Bonds were issued in the amount of USD 200 million with an interest percentage of 10,125%. The repayment date of the bond is 8 May 2007. In December 2002 part of these bonds were issued at a premium of USD 3,500,000. This amount has been partially amortized for USD 3,218,063 leading to a deferred bond issue premium of USD 281,937.

2. Bonds were issued in the amount of USD 500 million with an interest percentage of 8.5%. The repayment date of the bonds is 16 April 2013

3. Bonds were issued in the amount of USD 400 million with an interest percentage of 7.875%. The repayment date of the bonds is 7 April 2014

4. Bonds were issued in the amount of USD 500 million with an interest percentage of 7%. The repayment date of the bonds is 3 November 2009

5. Bonds were issued in the amount of USD 500 million with an interest percentage of 8%. The repayment date of the bonds is 4 November 2015

6. Bonds were issued in the amount of USD 483.33 million with an interest percentage of LIBOR + 0.9%. The repayment date of the bonds is 14 December 2008

7. Bonds were issued in the amount of EUR 300 million with an interest percentage of 5.125%. The repayment date of the bonds is 23 March 2011

8. Bonds were issued in the amount of SGD 100 million with an interest percentage of 4.25%. The repayment date of the bonds is 24 February 2009

9. A syndicated loan was issued in the amount of USD 850 million with an interest percentage of LIBOR + 0.35%. The repayment date of the bonds is 28 February 2008

10. Bonds were issued in the amount of USD 500 million with an interest percentage of 7.5%. The repayment date of the bonds is 29 November 2016

11. A syndicated loan was issued in the amount of USD 1,000 million. The issue consist of two tranches: tranche A, USD 700 million (repayment date 22 December 2007) with an interest percentage of LIBOR + 0.275% and tranche B, USD 300 million (repayment date 18 December 2009) with an interest percentage of LIBOR +0.6%.

The shareholder guarantees due and punctual observance and performance of all terms, conditions and covenants on the part of Kazkommerts International B.V. in the agreements. In the long term debt an amount of USD 899,718,063 will be repaid within in twelve months. Loans to be repaid over five years or afterwards amount to USD 1,900,000,000.

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Kazkommerts International B.V.

Notes to the accounts as at 31 December 2006

7. Capital and reserves

The authorised share capital of the Company consisted of 200 shares of EUR 450 each, amounting to EUR 90,000. As at balance sheet date 40 shares were issued and fully paid-up. At balance sheet date the issued share capital has been translated to USD at an exchange rate of USD 1.3186.

The movements in capital and reserves can be summarised as follows:

	<u>31 December 2006</u>	<u>31 December 2005</u>
Issued share capital	23,735	21,292
Currency translation reserve	(1,100)	1,347
Legal (non-distributable) reserve	199	195
	<u>22,834</u>	<u>22,834</u>
Share premium	<u>497,000</u>	<u>497,000</u>
Retained earnings/(Accumulated deficit):		
-position as at the beginning of the year	5,848,147	3,805,788
-dividend	0	0
-profit/(loss) for the year	3,888,134	2,042,359
-position as at the end of the year	<u>9,736,281</u>	<u>5,848,147</u>
Total capital and reserves	<u><u>10,256,115</u></u>	<u><u>6,367,981</u></u>

All shares are held by JSC Kazkommertsbank, Almaty, Kazakhstan.

8. Staff numbers and employment costs

The Company has no employees, other than its directors, and hence incurred no wages, salaries, pension costs and other social security premiums during the year under review or the previous year.

08-08-2007

Kazkommerts International B.V.

Notes to the accounts as at 31 December 2006

9. Directors

The Company has two directors and no supervisory directors. Neither remuneration nor any other benefits were paid to the present directors during the year under review or the previous year.

The Management,

A. Timchenko

Equity Trust Co. N.V.

Rotterdam, 3 April 2007

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Kazkommerts International B.V.

Supplementary information to the Accounts as at 31 December 2006

Retained earnings

Article 20 of the Articles of Association provides that the profit established shall be at the disposal of the General Meeting of Shareholders who may apply such profit in whole or in part towards the creation of or as an allocation to one or several general or special reserve funds, or for payment of bonuses and/or for payment of dividends. Insofar as there is a profit in the Company the Board of Directors may, subject to approval by the Annual General Meeting of Shareholders, decide to declare an interim dividend. Furthermore Dutch law prescribes that no dividends can be declared until all losses, if any, have been recovered.

Proposed appropriation of result

The Management proposes that the result of the Company during the year under review be carried forward.

Audit

Since the Company qualifies as a "small-sized" company it is, consequently, legally not required to have its accounts audited as provided for in Section 396, Paragraph 6, Part 9, Book 2 of the Dutch Civil Code.

08-08-2007

To the shareholder of Kazkommerts International B.V.

AUDITORS' REPORT

We have audited the accompanying financial statements 2006 of Kazkommerts International B.V., Rotterdam, which comprise the balance sheet as at 31 December 2006, the profit and loss account for the year then ended and the notes.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the Directors' report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

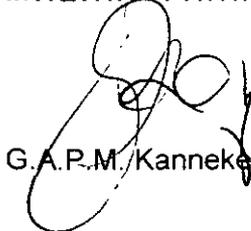
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Kazkommerts International as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Rotterdam, 3 April 2007

MAZARS/PAARDEKOOPER HOFFMAN N.V.



G.A.P.M. Kannekens RA