



SAMRUK
K A Z Y N A

COMPREHENSIVE
PRIVATISATION PLAN FOR
2016•2020





TABLE OF CONTENTS

About Kazakhstan.....	4
About the Fund.....	5
Kazakhstan's Privatisation Programme: Facts and Figures	7
Selected Samruk-Kazyna Assets to Be Privatised	8
Selected Largest Assets of the Fund	9
Selected Examples of Medium-sized Assets	27
Disclaimer	32
Contact details	33

*As of September 2018

ABOUT KAZAKHSTAN

- ▶ The Republic of Kazakhstan has the largest and strongest economy in Central Asia, representing 60% of the region's total GDP.

Kazakhstan is ranked 36th out of 190 countries in the World Bank's "Ease of Doing Business" index, and 1st in the world for protecting minority investors.



ABOUT THE FUND

- ▶ Samruk-Kazyna JSC was founded in 2008 by Decree of the President of Kazakhstan. Samruk-Kazyna's sole shareholder is the Government of Kazakhstan.

The primary mission of the Fund is to increase national wealth of the Republic of Kazakhstan and long-term sustainability for future generations.

As of the end of 2017, the Fund's assets were valued at approximately USD 74.1 bn, making it among the 30 largest funds in the world.

Samruk-Kazyna manages Kazakhstan's national companies operating in key economic sectors – oil and gas, transportation and logistics, chemical and nuclear industry, mining and metallurgy, energy and real estate.





Samruk-Kazyna's return on equity matches the world's leading sovereign funds.

In 2017, the Fund received 10 out of 10 in the Linaburg-Maduell Transparency Index, a sovereign wealth fund transparency rating.

Privatisation is a key development strategy for Kazakhstan. The second wave of the privatisation of Kazakhstan's state-owned companies is ongoing; Samruk-Kazyna, as the operator of many state assets is an active participant in this process.

Six major assets of the Fund, i.e. Kazatomprom, Air Astana, Kazakhtelecom, KazMunayGas, Kazpost and Kazakhstan TemirZholy, are planned for an IPO between 2018 and 2020. Currently the companies are executing internal preparations to improve operational efficiency and determine the best outline for probable IPO.

PRIVATISATION PROGRAMME MAIN GOAL

TO INCREASE THE EFFICIENCY OF KAZAKHSTAN'S ECONOMY
by transferring state assets to private investors committed to developing them and improving their performance

BENEFITS:

- Developing healthy competition
- Reducing state regulation of business
- Developing national capital markets
- Increasing business activity and productivity
- Improving the investment climate

Kazakhstan plans to sell 876 companies as part of its privatisation programme, including 200 Samruk-Kazyna assets.

SELECTED SAMRUK-KAZYNA ASSETS TO BE PRIVATISED

Largest assets:
IPO and strategic sale

Medium-sized assets: Open two-
stage bidding, direct sale



KAZMUNAYGAS

- Exploration and extraction
- Transportation, refining
- Trade and sales
- O&G services



**KAZAKHSTAN TEMIR ZHOLY
AIR ASTANA
QAZAQ AIR**

- Airports and sea ports
- Airlines
- Passenger and sea transport and infrastructure



**KAZATOMPROM
TAU-KEN SAMRUK**

- Mineral extraction, processing and sales
- Engineering and manufacturing



**KAZAKHTELECOM
KAZPOST**

- Telecommunications



SAMRUK-ENERGY

- Power generation and distribution
- Alternative energy



Other

- Tourism and hospitality
- Other services

SELECTED LARGEST ASSETS OF THE FUND



NC KazMunayGas

<http://www.kmg.kz>

Location Astana

Shareholders Samruk-Kazyna (90%), National Bank of Kazakhstan (10%)

JSC NC KazMunayGas is Kazakhstan's leading vertically integrated oil and gas company

The main segments of the company include:

- Exploration and production of oil and gas
- Oil and gas transportation
- Refining and marketing
- Providing oilfield services to oil and gas companies

Key financials ('mln KZT)*	01.01.2018
Revenue	2,458,835
Net profit	519,526
Headcount	90,111

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Kazakhstan Temir Zholy (KTZ)

<http://www.railways.kz>

Location	Astana
Shareholders	Samruk-Kazyna (100%)

- KTZ is the national railway company, operating:
 - More than 21,000 km of railroads
 - 1,719 locomotives
 - 53,000 freight cars
 - 2,089 passenger cars
- KTZ is the market leader in Kazakhstan's freight and passenger sectors with respective market shares:
 - ~45% in freight turnover
 - ~90% in railway passenger transportation
 - ~ 60% in container transit segment market in Eurasian overland routes

Key financials ('mln KZT)*	01.01.2018
Revenue	914,141
EBITDA	212,425
EBITDA, margin, %	23,2%
Headcount	137,021

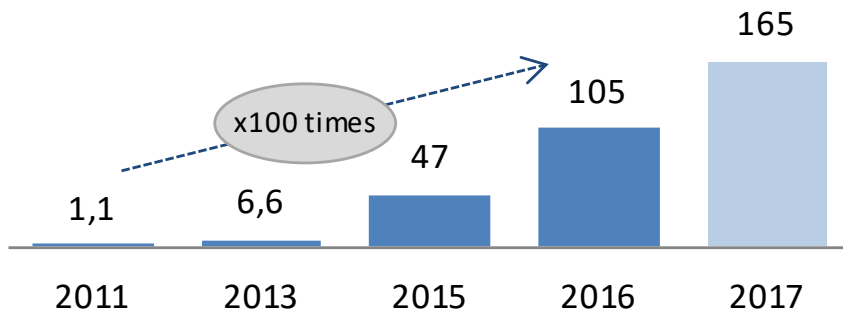
*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



KTZ is an integrated player in the railroads industry



China-Europe-China container flow ('000 TEU)



Air Astana

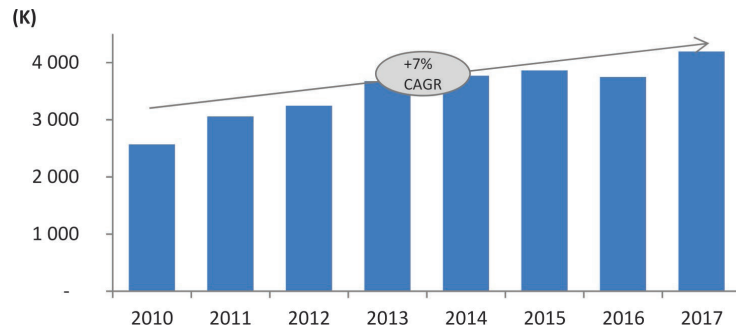
<http://www.airastana.com>

Location	Astana
Shareholders	Samruk-Kazyna (51%), BAE Systems (49%)

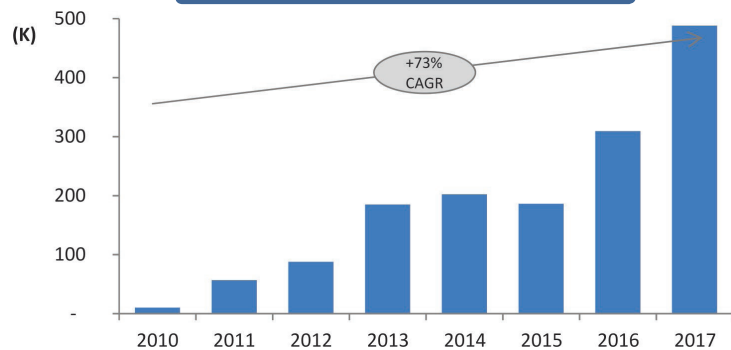
- The flag carrier of Kazakhstan, operating in an extended home market of Central Asia, Southern Russia, the Caucasus and Northwest China
- IATA member since 2003 and IOSA compliant, with a world-class track record in safety and technical expertise
- In July 2018, Air Astana has won 'Best Airline in Central Asia and India' for the seventh consecutive year in the in the Skytrax Awards. In April 2018, TripAdvisor, the global travel planning and booking site, has named Air Astana as the Winner in the Regional-Asia category in the 2018 Travellers' Choice Awards.
- Operates Nomad Club, a frequent flyer programme
- Runs an ab-initio training programme, with 180 graduates currently flying various types of aircraft.
- In February 2018, Air Astana established its own Technical Centre in Astana in order to reduce dependence on, and costs attributable to, third party MRO providers abroad



Passengers travelling with Kazakhstan airlines



Air Astana transit traffic



Young fleet comprising 33 aircraft, including 10 proprietary aircraft

- Boeing 767 **3**
- Boeing 757 **5**
- Airbus 321 **7**
- Airbus 320 **9**
- Embraer 190 **9**

First CIS country to use new generation A320/A321NEO family aircraft
Serves 20 domestic and 47 international routes

Kazakhtelecom

<http://www.telecom.kz/>

Location

Astana

Shareholders

Samruk-Kazyna (51%), Sobrio Limited (24.47%), BNY Mellon (9.17%), Others with <5% (15.37%)

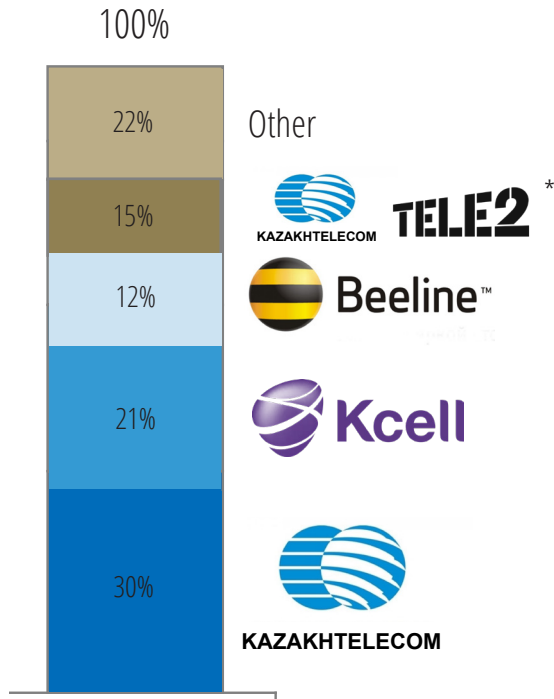
- Telecommunications operator with market shares in the following services:
 - Fixed-line telephony - 93%
 - Fixed broadband access - 68%
- Fixed lines - 3.4 mn units
- Fixed broadband access subscribers - 1,7 mn
- Pay TV subscribers - 735 thousand
- Digitisation of local network - 100%
- In February 2016, Kazakhtelecom and Tele2 Group formed a joint enterprise, Khan Tengri Holding B.V., on the basis of Altel and Mobile Telecom Service mobile operators united in one single company, Mobile Telecom Service LLP, keeping recognisable market brands, ALTEL 4G and Tele2. According to the 2016 results, the joint enterprise reached 25.3% market share by subscriber base.
- Ratings
 - Standard & Poor's long-term credit rating: BB+ level, 'stable'
 - Fitch Ratings credit rating: BB+ level, 'stable'

Key financials ('mln KZT)*	01.01.2018
Revenue	210,225
Profit/Loss	24,171
Headcount	23,610

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Market shares of telecommunications operators in 2018, by revenue



*United company formed by Kazakhtelecom together with Tele2 Group on the basis of Altel (ALTEL 4G TM) and Mobile Telecom Service (Tele2 TM)

Kazatomprom

<http://www.kazatomprom.kz>

Location	Astana
Shareholders	Samruk-Kazyna (100%)

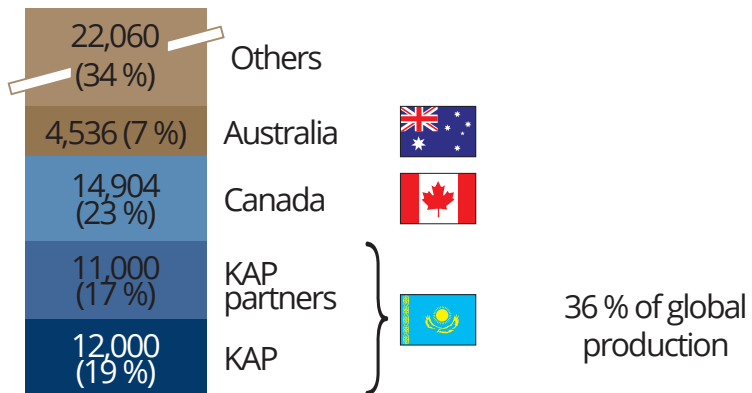
- Kazakhstan’s national producer of uranium and nuclear fuel components
- The world’s leading uranium producer accounting for over 21% of global uranium production
- Plans to diversify into all parts of the pre-reactor nuclear fuel cycle:
 - Uranium mining
 - Production plant (UO₃), fluoride production (UF₆)¹
 - Uranium enrichment
 - Production of uranium dioxide powder
 - Fuel pellet production
 - Production of fuel assemblies¹
- Well-established leader in uranium export:
 - The largest uranium supplier in China, France and the USA
 - Customer base with significant exposure to Asia, a high-growth market

1. In planning or creation stage



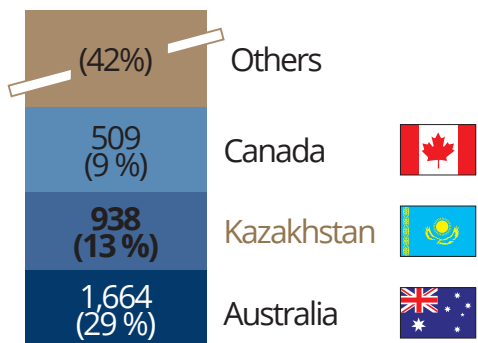
The world leader in uranium mining

URANIUM PRODUCTION IN 2017, tU (%)



Second largest uranium reserves in the world

IDENTIFIED RESOURCES, '000 tU (%)



Tau-Ken Samruk

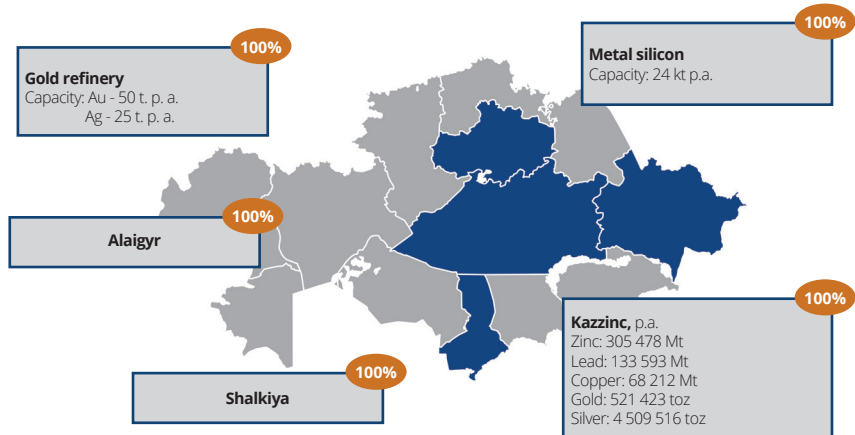
<http://www.tks.kz>

Location	Astana
Shareholders	Samruk-Kazyna (100%)

- Exploration and development of minerals
 - Lead, Zinc, Gold, Silver, Copper, Tungsten
- Operation and management of two plants
 - Gold refinery
 - Metal silicon production
- 30% share in the largest zinc producer in Kazakhstan - Kazzinc
 - Co-shareholder with Glencore
- Key expected developments: Alaygyr, 2020
 - Reserves: 18.5 Mt @5.4 Pb
 - Production capacity: 35.8 Kt p.a. Pb, 16,2 tonnes Ag (in concentrate)
- Shalkiya, 2019, the first launch in 2020
 - Reserves: 127.5 Mt @ 4.27% Zn, 1.28% Pb
 - Production capacity: 100 Kt p.a. Zn и 20 Kt p.a. Pb (in concentrate)



Key sites and production plants



Qazaq Air

<http://www.flyqazaq.com>

Location

Astana

Shareholders

Samruk-Kazyna (100%)

- Regional airlines servicing domestic routes in Kazakhstan
- Air hub in Astana, Almaty, Atyrau
- Fleet:
 - Three Bombardier Q400 NextGen, increasing to five in April 2019
- More than 250 000 passengers carried in 2017
- 210 000 passengers carried between January and August 2018
- Route network covering 11 Kazakhstani cities:
 - Astana, Almaty, Aktobe, Aktau, Atyrau, Zhezkazgan, Kostanay, Pavlodar, Semey, Shymkent, Uralsk
- Plans to expand coverage by 2021:
 - 28 cities including 14 cities outside Kazakhstan
 - Over 750,000 passengers carried annually



Current Coverage:



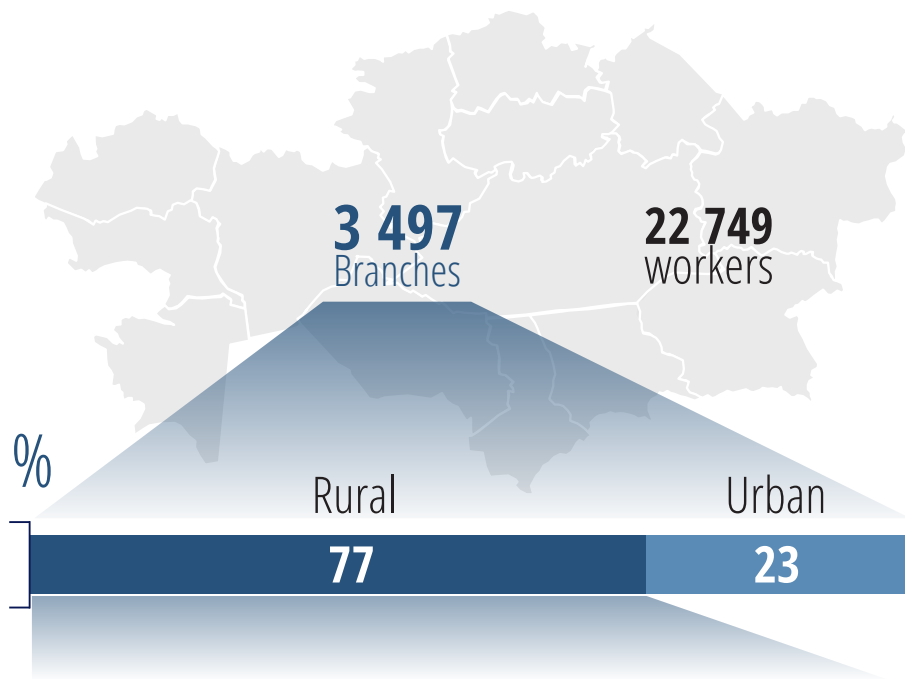
Kazpost

<http://www.post.kz/>

Location	Astana
Shareholders	Samruk-Kazyna (100%)

National postal service operator

- Postal services, delivery highlights in 2017, KZT
 - Subsidized publications worth 5 146,5 mln, non-subsidised publications worth 2 269,7 mln
 - Letters worth 4 626,3 mln
 - International mail worth 5 550,6 mln
 - Parcels worth 1 007,9 mln
- Financial services, selected values processed in 2017, KZT
 - 6 932,2 mln in utility payments
 - 1 053,8 mln in money transfers
 - 945,8 mln in salary payments
 - 6 689,2 mln in welfare payments
- Agency services - 1 487 mln tenge
 - Loans, deposit and insurance
 - Air and rail ticket sales
 - Credit history requests



100% Coverage of rural areas via

Stationary branches (2,234)
 Mobile branches (115)
 Postal services via the closest branch

Samruk-Energy

<http://www.samruk-energy.kz>

Location	Astana
Shareholders	Samruk-Kazyna (100%)

- Installed capacity
 - Electricity – 6,804 GW
 - TPP 5,000 MW
 - CHP 947 MW
 - HPP 810 MW
 - RES 47 MW
 - Coal mining: 42 Mt
- Company performance highlights:
 - Electricity production: 28 661,5 M kWh
 - Electricity sales: 8 437,5 M kWh
 - Electricity transfer: 12 117,6 M kWh
 - Heat production: 7 031 Gcal
 - Coal production: 40,9 Mt
 - Length of cable and overhead (PTL 220-0,4 kV): ~70 000 km

Key financials ('mln KZT)*	01.01.2018
Revenue	220
Profit/Loss	(27)
Headcount	17,513

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Samruk-Energy: vertically integrated energy company



TPP Thermal Power Plant

HPP Hydro Power Plant

CHP Combined Heat and Power

RES Renewable Energy Source

Kazmortransflot

<http://www.kmtf.kz/>

Location Aktau

Shareholders NC KazMunayGas (100%)

- National marine commercial fleet of the Republic of Kazakhstan
- Organises the international sea transportation of domestic freight
- Main routes: Caspian Region countries: Aktau-Makhachkala, Aktau-Baku, Turkmenistan - Baku, Yuri Korchagin - Baku, Black Sea and Mediterranean Sea
- Freight transportation
 - Oil – 6.9+ kt
 - Dry cargos – 300+ ktpa
- Fleet
 - Three oil tankers @12,000 tonnes deadweight (Astana, Almaty, Aktau)
 - Three oil tankers @13,000 tonnes deadweight (Atyrau, Aktobe, Oral)
 - Two Aframax tankers @115,000 tonnes deadweight (Altay, Alatau)
 - 8 flat top barges (KMG-101, KMG-102, KMG-103, KMG-104, KMG-105, KMG-106, KMG-107, KMG-108)
 - 4 deep-sea tugs (Irtys, Ural, Esil, Tobol)
 - Nurtau motor yacht
 - 3 tugs for Future Growth Project (Talass, Emba, Irgiz)
 - 3 MCV self-propelled barges for Future Growth Project (Barys, Berkut, Sunkar)
 - Office in Aktau

Key financials ('mln KZT)*

01.01.2018

Revenue

22,457

Profit/Loss

(247)

Headcount

254

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Aktau International Commercial Sea Port

<http://www.portaktau.kz/>

Location	Aktau
Shareholders	Samruk-Kazyna (100%)

- Kazakhstan's only sea port
 - Ice-free port, operating 24/7
 - Located at the intersection of multiple transportation corridors
 - Provides transshipment of dry cargo, crude oil and petroleum products
 - 9 dedicated terminals for simultaneous processing of 9 vessels
 - ~80k sq.m. of open storage areas
 - ~2k sq.m. of sheltered storage facilities
 - 4 maritime oil terminals with throughput of 12Mt p.a.
 - 3 universal maritime terminals for general cargo and containers
 - A railway ferry facility with throughput of 2 mn p.a.
 - A specialised grain terminal with throughput of 0.6 mn p.a.
- Provides international transportation of goods, mostly to/from Iran, Russia, Azerbaijan

Key financials ('mln KZT)*	01.01.2018
Revenue	5,057
Profit/Loss	(2,474)
Headcount	581

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Aktau Marine North Terminal

<http://www.amnt.kz/>

Location	Aktau
Shareholders	KTZ Express (30%) Aktau International Commercial Sea Port (10%) Interport Development PTE Ltd (60%)

- Established in 2014
- Modern multipurpose terminal
- Handling of grain crops, receiving / shipping, loading / unloading of cargo
- Capacity: 3.0 mn tonnes p.a., including:
 - Grain - 1.5 mn tonnes p.a.
 - General cargo - 640,000 tonnes p.a.
 - Other goods - 620,000 tonnes p.a.
 - Container (TEU) - 240,000 tonnes p.a.
- Complex servicing of ships, storage of large containers (including refrigerated containers)

Key financials ('mln KZT)*	01.01.2018
Revenue	2,270
Profit/Loss	(3,214)
Headcount	215

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Regional airports in Kazakhstan

<http://www.iaa-jsc.kz/>

<http://www.airport-aktobe.kz/>

<http://www.airport.pvl.kz/>

Location Atyrau, Aktobe, Pavlodar

Shareholders Samruk-Kazyna (100%)

- 40+ independent carriers from the Republic of Kazakhstan, CIS and further abroad
- Total passenger turnover 1 352k in 2017
- Total cargo turnover 2 572k in 2017
- CAGR'12-17 passenger turnover 9 % with average GDP 3%
- Runway size: 3,200 X 45m in Atyrau and Aktobe, 2,500 X 45m in Pavlodar
- Throughput and terminal building size
 - Atyrau: 350 passengers per hour and 4,500 sq.m.
 - Aktobe: 500 passengers per hour and 8,663 sq.m.
 - Pavlodar: 200 passengers per hour and 3,370 sq.m.

Key financials ('mln KZT)*	01.01.2018
Atyrau	
Revenue	2,181
Profit/Loss	145
Aktobe	
Revenue	1,537
Profit/Loss	(203)
Pavlodar	
Revenue	632
Profit/Loss	(110)

*The official exchange rate of Kazakhstan Tenge (KZT) to United States Dollar (USD) as of 01.01.2018: 1 USD = 332.33 KZT



Caustic

<https://www.caustic.kz>

Location Pavlodar, Special Economic Zone

Shareholders CAPEC (60%)
NAC Kazatomprom (40%)

Unique producer of chlorine and caustic soda in Kazakhstan:

- New facility commissioned in 2011, using the best available production techniques (membrane electrolysis cells) compliant with the highest ecological standards
- Developed industrial site (100 ha) with infrastructure ready to accommodate a new chemical business
- Unparalleled access to Kazakhstani and Russian markets and access to existing customer base
 - Most customers located in close proximity to production facility, giving an additional price/cost advantage over competitors
- Strategic location with unique advantages:
 - Location in a special economic zone provides tax exemptions until 2037
 - Energy surplus region with cheap electricity prices (esp. compared with the Russian and Chinese industrial zones)
- Growing demand for caustic soda and other chemical products creates new opportunities

Production capacity	Tonnes p.a.
Caustic soda	26,117*
Liquid chlorine	9,817
Hydrochloric acid 35%	19,689
Hydrochloric acid inhibited	20,685
Sodium hypochlorite	2,949
Key performance indicators	2018
Revenue, mln KZT	7,145
EBIT	1,992
Headcount	519

* Dry metric tonnes (100% NaOH)

This document is issued by Samruk-Kazyna JSC (the Fund).

The sole purpose of this brochure is to assist each recipient to consider whether to tender for the purchase interest in the company and must not be used in whole or in part for any other purpose. This brochure does not constitute or form part of an offer or invitation, or a solicitation of any offer, for the purchase or acquisition of interest and no legal relations shall be created by its issue. The information set out in this brochure will not form the basis of any contract and should not be relied on in relation to any contract or commitment. The issue of this brochure shall not be taken as any form of commitment on the part of the Fund to proceed with any negotiations or any transaction.

This brochure contains only summary information and does not purport to be comprehensive.

No representation or warranty, express or implied, is or will be given by the Fund and no responsibility or liability or duty of care is or will be accepted by the Fund as to:

- the adequacy, fairness, accuracy, completeness or otherwise of this brochure or the information or opinions contained herein or supplied herewith; or the reasonableness of any assumption contained herein (subject only to the express provisions of any sale and purchase agreement executed in connection with the transaction) or in any other written or oral information made available to any interested party or its advisers in connection with the transaction; and
- the provision of any further information, whether by way of update to the information and opinions contained in this brochure or otherwise, to the recipient after the date of this brochure.

The Fund expressly do not undertake to advise the recipient of the brochure of any additional information coming to any or all of their attention.

To the extent permitted by law, the Fund shall not be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this brochure or on any other information or communications in connection with such proposed sale.

This brochure should not be considered as a recommendation by the Fund that any recipient of it should acquire any interest in the share capital of the company and it is not intended to form a basis of any investment decision.

In no circumstances will the Fund be responsible for any costs or expenses incurred by any prospective purchaser of the company in connection with the appraisal or investigation of the company or arising out of the evaluation of information contained in this brochure.

The Fund reserves the right to evaluate any offers, to reject any or all offers submitted and to deal with one party at the exclusion of others or not to or to cease to deal with a party without giving the recipient reasons. The Fund will not be liable to compensate the recipient or any intending acquirer for any costs or expenses incurred in reviewing, investigating or analyzing any information in relation to the company, in making an offer or otherwise.



Samruk-Kazyna JSC

Phone: +7 (7172) 55-26-26

+7 (7172) 55-92-81

+7 (7172) 55-26-80

Contact details of the Committees for the sale of assets belonging to Samruk-Kazyna subsidiaries

1. KazMunayGas

+7 (7172) 78-65-80

l.akanova@kmg.kz

2. Kazakhstan Temir Zholy

+7 (7172) 60-35-20

makarin_a@railways.kz

3. Kazatomprom

+7 (7172) 45-80-15

azhunusova@kazatomprom.kz

4. Samruk-Energy

+7 (7172) 55-31-34

y.akenev@samruk-energy.kz

5. Kazpost

+7 (7172) 61-16-99 (ext. 1212)

dauren.turysbekov@kazpost.kz

6. Tau-Ken Samruk

+7 (7172) 55-95-23

d.kopeyeva@tk.kz

7. Kazakhtelecom

+7 (727) 258-32-97

ashat.uzbekov@telecom.kz

8. Air Astana

+7 (727) 258-41-36 (ext. 1693)

Patrick.O'Brien@airastana.com





SAMRUK
K A Z Y N A



SAMRUK
K A Z Y N A



COMPREHENSIVE PRIVATISATION PLAN FOR 2016•2020

Additional information is available from the following sources:

1. On the website
www.sk.kz/investors/privatization

2. Privatisation project office
+ 7 (7172) 55-26-26

3. Call centre
+ 7 (7172) 55-22-66



Why Kazakhstan? Key Factors
www.whykazakhstan.com

To obtain up-to-date and reliable information about the investment potential of Kazakhstan and Samruk – Kazyna's operations, please visit the online project «Why Kazakhstan? Key Factors».