



ANNUAL PERORT  
2015

ATYRAU  
INTERNATIONAL  
AIRPORT

# CONTENT

<b>THE REPORT FROM THE CHAIRMAN OF COMMITTEE</b> .....	<b>4</b>
<b>ADDRESS FROM THE CHAIRMAN OF COMPANY</b> .....	<b>5</b>
<b>ABBREVIATION</b> .....	<b>6</b>
<b>SHORT DESCRIPTION OF THE COMPANY</b> .....	<b>8</b>
The main types of activities .....	11
Industrial capacity .....	11
<b>DEVELOPMENT STRATEGY OF COMPANY</b> .....	<b>14</b>
Key results of activities .....	16
Priority areas of the company .....	16
Aviation Security Providing .....	16
Ensuring safety .....	17
Integrated Management System .....	17
<b>THE COMPANY'S POSITION IN THE INDUSTRY</b> .....	<b>18</b>
Overview of main markets .....	19
<b>HIGHLIGHTS OF THE COMPANY FOR 2015</b> .....	<b>20</b>
Key performance indicators .....	21
Financial highlights .....	23
Tariffs for aircraft maintenance .....	29
<b>FUTURE DEVELOPMENT OF THE COMPANY</b> .....	<b>30</b>
Commercial activity .....	31
Production activity .....	31
Financial activities .....	32
Investment activities .....	32
<b>CORPORATE GOVERNANCE</b> .....	<b>34</b>
Information about shareholders .....	35
Information on the board of directors .....	35
Composition of the Board of Directors: .....	35



The process of selecting the members of the Board of Directors .....	36
About independent director .....	36
Remuneration of members of the Board of Directors .....	38
Delineation of responsibilities of Directors and the Management Board .....	38
Activities of the Board of Directors in 2015 .....	38
Information considered by the Board of Directors in 2015 and issues decisions .....	39
Evaluation of the Board of Directors .....	40
Corporate governance activities. About the Council plans Directors for 2016 .....	40
Information on the executive authority .....	40
Composition of the Board .....	41
The process of selecting the members of the Management Board .....	41
The remuneration of the Board members .....	42
Activity Board .....	43
Corporative events .....	43
<b>MAJOR RISK FACTORS AND RISK MANAGEMENT SYSTEM .....</b>	<b>44</b>
Major transactions .....	46
The transaction in which the company has interest .....	46
<b>CORPORATE SOCIAL RESPONSIBILITY .....</b>	<b>48</b>
Payment Policy and motivation .....	49
Industrial safety, occupational safety and environmental protection .....	49
Social support for working and non-working pensioners and invalids .....	51
Health protection .....	51
Staff development, education and training .....	51
Corporate social support .....	51
Socially Responsible Relations with suppliers and partners .....	52
Benefits provided to employees working in the full employment .....	52
<b>ANNUAL FINANCIAL STATEMENTS OF THE COMPANY AND INDEPENDENT AUDITOR'S REPORT FOR 2015 .....</b>	<b>54</b>

# THE REPORT FROM THE CHAIRMAN OF COMMITTEE

## Ladies and gentlemen!

The current annual report reveals the main results of AO "Atyrau International Airport" (hereinafter – the Company, AO "Atyrau International Airport") for 2015.

Over the past year Atyrau airport made flights more than 20 airlines. On a regular basis we carried out 6 flights of airlines, including new Kazakh airline Qazaq Air, which started to operate flights in Atyrau airport in October 2015.

Over the reporting period there were 7123 flights of planes. The growth amounted to 4% compared to 2014 year. Maximum take-off weight of the aircrafts served in comparison with 2013 year, also increased by 4% and amounted to 284,210 tons.

Basically, the Company had implemented planned volume of services.

However, external economic factors had a negative impact on the annual financial results of the Company.

According to the results of activity for 2015 the Company obtained a negative financial result in the amount of 90,535,000 tenge.

In the prevailing conditions for the Company is required to develop the most productive and verified business solutions, innovation in all spheres of activity, creativity.

Based on these principles work will allow AO "Atyrau International Airport" to create the basis for the stabilization of the financial and economic situation of the Company and its further development.

I hope that, in spite of all the difficulties, the Company will continue successfully to implement the important task of providing quality and safety airport services.

Presenting the annual report "Atyrau International Airport" for 2015 on behalf of the Board of Directors and me, to thank:

- The sole shareholder of the Company for their support;
- Consumers of our services for the trust;
- The Company's staff for the professional work for 2015.

Chairman of the Board  
JSC "Atyrau International Airport"



M. Urazbekov

# ADDRESS FROM THE CHAIRMAN OF COMPANY

## Dear partners and colleagues!

Overall, we were able to make the production plan for 2015 except volume jet fuel.

Over the past year from the Atyrau airport aircrafts carried out 7 123 departures. During 2015 Atyrau airport regularly served six airlines the number of transportation increased in the direction of the country.

According to production figures on take-off weight of the aircrafts we exceeded index for 4% more than last year. The implementation and growth of industrial index was impacted by increasing flights airline "Bek air" and the emergence of a new Kazakh airline "Qazaq air" with a frequency 4 times a week to Aktobe on aircraft Bombardier Dash 8 – Q400 with a takeoff weight of 29 tons. But the negative impact on the Company's activities was the decline rate of tenge, which resulted in the receipt of a loss of \$90 million tenge for the year.

As a result of execution of the Development Plan for 2015 for capital investments the Company is directed only 39% of the planned amount due to shortage of funds associated with the devaluation of the tenge and an increase in liabilities to the Bank.

Our task is to provide conditions at the airport to carry out flights by the airlines. The more flights at the airport, the less the cost of services provided by the airport. Therefore, we are very interested in new airlines and increasing the frequency of flights by existing airlines.

Daily technical questions are solved in cooperation with the airlines closely.

Summing up the results of 2015, we would like to emphasize that all the achievements of the airport are a worthy result of coordinated work of the whole team. So let me address my sincere gratitude to all the working staff and our shareholder.

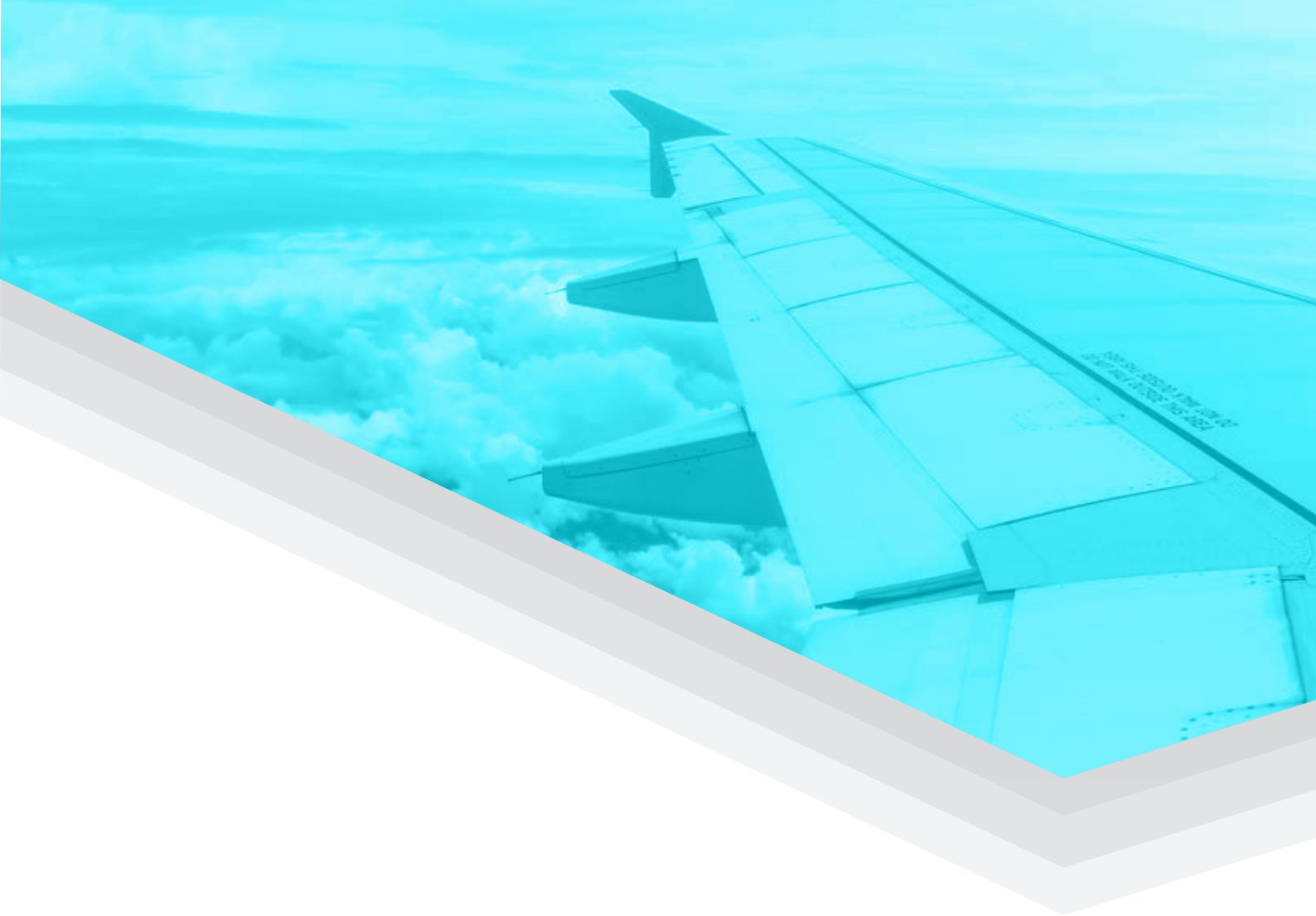
Chairman of the Board  
JSC "Atyrau International Airport"



E. Kerey



# ABBREVIATION



<b>Company</b>	JSC "Atyrau International Airport"
<b>AC</b>	Aircraft
<b>CA</b>	Civil aviation
<b>LOL</b>	Lubricants oil and lubricants
<b>ARW</b>	Artificial runway
<b>RW</b>	Runway
<b>ICAO</b>	International Civil Aviation Organization – United Nations agency that sets international standards of civil aviation and coordinates its development in order to improve the safety and efficiency
<b>KIA</b>	Key indicators of activities
<b>MTW</b>	Maximum takeoff weight BC
<b>CAP</b>	Control Admission Point
<b>IMS</b>	Integrated Management System
<b>MIL</b>	Million
<b>RK</b>	Republic of Kazakhstan
<b>Thous</b>	One thousand



# **SHORT DESCRIPTION OF THE COMPANY**



Joint Stock Company "Atyrau International Airport" (hereinafter the Company, "International Atyrau Airport") was established on the basis of the AO "Atyrauavia" in accordance with the decision of Atyrau Territorial Committee at State Property № 188 from

04.10.96 which was founded on the basis of Resolution of the Government of the Republic of Kazakhstan № 1030 since 08.20.96 year Address: Republic of Kazakhstan, № 1030 from 20.08.96 060011, Atyrau.

<b>Location</b>		
Республика Казахстан, 060011, г. Атырау, пр. Абулхаир хана, 2	Контактный телефон: 8712-2209251 fax: 8712-2558398	e-mail: port@iaa.kz official site: www.iaa.kz
<b>Full name of company</b>		
На государственном языке "Атырау халықаралық әуежайы" Акционерлік қоғамы	На русском языке Акционерное общество "Международный аэропорт Атырау"	На английском языке Joint-Stock Company "Atyrau International Airport"
<b>Short name of Company</b>		
на государственном языке: "Атырау халықаралық әуежайы" АҚ	на русском языке: АО "Международный аэропорт Атырау"	на английском языке: JSC "Atyrau International Airport"
<b>Time of work</b>	Round the clock	
<b>The length of Run Way</b>	3000 метров	
<b>Category</b>	B	
<b>Class</b>	II	
<b>Conformity</b>	category II, ICAO	
<b>Types of air crafts</b>	All types	

#### Logotype of Company



The Company has a separate property accounted for on its own balance sheet.

The Company's authorized capital amounts to 786978000 tenge. It consists of the nominal value of 786,978 common shares of the Company for 1000 tenge each. On 31.12.2015, all shares are placed and paid.

Changes in the charter capital in the report period were not made.

The Company has the following licenses:

- to engage in medical activity (issued 01.12.2008. by Atyrau Health Department);
- in the treatment of instruments and installations, generating ionizing radiation (issued 27.08.2013, the State Institution "Atomic Energy Committee", the Ministry of Industry and New Technologies of the Republic of Kazakhstan).

RK Resolution of the Government from 30.06.2008 № 651 100% of the shares and the property complex of the Company are included in the list of strategic objects transferred to the authorized capital and (or) owned by national holdings and (or)

national companies or their affiliates, also legal entities with the participation of state and strategic facilities owned by legal persons who are not affiliated with the state, also individuals.

Subsidiaries companies in the structure of JSC "Atyrau International Airport" is not available.

JSC "Atyrau International Airport" provides airlines and other customers in the aviation and non-aviation areas, ensuring the regularity and safety.

In a single technological process services in Atyrau airport take part three operators:

- "Kazaeronavigatsia", providing air traffic management;
- "ATMA-Atyrau Airport and Transportation", provides passenger service, in part to provide fire-fighting equipment and maintenance of aircraft;
- JSC "Atyrau International Airport", ensuring take-off and landing, aviation security, ground maintenance of aircrafts, providing parking areas, providing specialized equipment, refueling of jet fuel.

## History of the Company

October 8, 1996 the Decree of Kazakhstan Government dated 20.08.1996, № 1030 "On measures for economic stabilization of Civil Aviation of the Republic of Kazakhstan" and the State Committee of the Republic of Kazakhstan on State Property Management "On measures for economic stabilization of Civil Aviation of the Republic of Kazakhstan" from 03.09.1996g. Decree № 591 and Atyrau on territorial State Property Management Committee on October 8, 1996 № 191 "About creation of the JSC" Atyrau airport "with get out composition of the AO" Atyrauavia "was created iny Joint-Stock Company" Atyrauaiport ".

May 19, 2000 in accordance with the order of the Minister of Transport and Communication RK № 261–1 dated 19 May 2000 and on the basis of the registration certificate of 26.05.2000 № 678–1915-JSC. JSC "Atyrauairoporty" renamed to JSC "Atyrau International Airport".

Decree of the President of the Republic of Kazakhstan dated 02.29.2002, N811 "On measures to further protect the interests of the State in oil and gas sector of the economy," the state share holding of company in the amount of 100%, was transferred to the authorized capital CC "National Company" KazMunayGas ".

In 2006 it was introduced a new artificial runway 3,000 meters length and a width of 45 meters using the latest technology, which makes possibility to take aircraft without any restrictions on weight and technical design from all over the world.

Board of Directors of JSC "Samruk-Kazyna" made a decision on the exchange between JSC KMG and JSC National Fund "Samruk-Kazyna" December 8, 2008. According to the report, brokerage JSC RTC02.07.09g. was registered transaction and 100% of the shares of the Company owned to JSC "Samruk-Kazyna".

Since 2008, by purchasing the appropriate machinery, the Company began providing cargo handling services. Currently it processes more than 90% of goods arriving at the airport and sent from it.

Since August 2009, the Company began to serve passengers helicopters that fly in the oil fields, located both on the shelf of the Caspian Sea as well as at the territory of i Atyrau area, and with a high level of compliance with aviation security requirements, as well as European level of service and comfort.



## The main types of activities

In accordance with the Articles of Association of the Company is an airport activity including:

- reception, the production and maintenance of aircraft, passengers, baggage handling, cargo, mail them to the inspection and control, handling radiation and radioactive substances;
- maintenance, repair and operation of the aerodrome, the airport;
- aviation security airport, ensuring control- access mode in a controlled area, the implementation of security activities with using civilian and service weapons and ammunition, combat shooting weapons and cartridges, cold steel, civil pyrotechnic substances and products with their application, also chemical means of self-defense to protect the life, the health of their employees and their own property, including when transportation;
- fire security;
- lighting software aircrafts and power supply facilities of airport, aerodrome, air navigation, including transmission and electricity and also s construction and operation electrical stations, electric networks and substations, lifting equipment, as well as boilers, vessels and pipelines working under pressing, installation and repair of power equipment, explosion proof electrical equipment, equipment control systems, and alarm repair defense, elevating constructions, and also boilers, vessels and pipe, working under pressure;
- providing aircraft, facilities and services of lubricants and special liquids, control over their quality, also the purchase, storage and sales, including Isla wholesale and retail, lubricants and special liquids for aviation and transport;
- providing operators of aircrafts and other users special vehicles;
- information and referral service of passengers, crew, population which necessary in the field of civil aviation;
- maintenance service and repair of aircraft;
- emergency search and rescue work required to provide airport activities;
- medical practice and activity in order to ensure airport activities;
- provision of services for cash foreign currency, also operations related to using currency values in order to implement airport activities;
- selling air transport;
- meteorological support of flights;
- aerial work;
- to implement airport activities use and storage of cryptographic and technical protection of information protected by technical means of information processing;
- air service for provision of services in the field of postal services and telecommunications, operation of republican and international communication lines and using of radio spectrum;
- other activities are not prohibited by law, and technology-related activities under the Constitution;

Due to the lack of its own passenger terminal, passenger services on scheduled flights JSC "Atyrau International Airport" does not render of service.

## Industrial capacity

Safety and effectiveness of airport operations depends on the state of the ground infrastructure. The existing runway of Atyrau airport geometric dimensions provides the ability to receive all types of aircraft class 1 and in the coming years, major changes in the direction of the runway or its length, expanding the airfield is not expected.

Airport infrastructure includes facilities of the aerodrome, also other objects of the airport, providing aircraft services, passengers, cargo, baggage and auxiliary services.

Atyrau aerodrome complex correspond to international standards and is considered one of the best in Kazakhstan in its technical characteristics.

## In order to provide the entire all spectrum of airport services, the Company has the following fixed assets

- Runway has dimensions of 3 000m x 45m runway without curbs and 3 000m x 60m runway with curbs, constant along the length. On the runway, there are 2 broadening for AC reversal. The width of the runway in the field of broadening: With MC-142° – 100 m, with MC-322° – 100 m. Geometrical dimensions of the RW include the ability to receive all types of aircraft,
- taxiways, roads, connecting the platform to the other objects of airfield,
- production facilities and equipment maintenance AC;
- aviation security equipment,
- special motor transport and boxes,
- reduction facilities and equipment for rescue operations,
- storage tanks for petroleum products, fuel pipelines, pumping,
- lighting equipment, providing a light marking the runway, approaches to it.

### Structure of fixed assets

Name	unit(thous.tenge)	2013	2014	2015
Ground	Thous, tenge	5 597,5	5 597, 5	5 597, 5
Buildings and works	Thous, tenge	3 523 072,1	3 581 680,7	3 584 080, 6
Auto and equipment	Thous, tenge	588 747,0	639 470,6	673 646,4
Transport mean	Thous, tenge	476 726,7	458 420,9	461 135, 2
Other	Thous, tenge	236 604,1	183 754,6	186 368,5
Total Original cost	Thous, tenge	4 830 747,4	4 868 924,3	4 910 828,3
Amass payment	Thous, tenge	1 100 008,6	1 254 368,6	1 419 129,1
Balance cost of main means 0%	%	3 730 738,8	3 614 555,7	3 491 699,2
Loose means%	Thous, tenge	23%	26%	29%

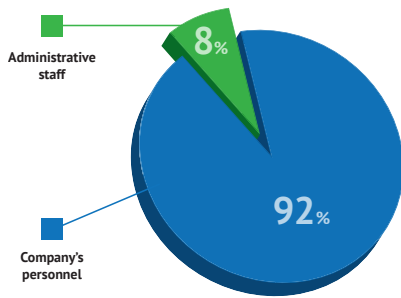
On the balance of the Company's listed 45 buildings and structures. Depreciation of main funds is 29%.



## Staff and Organizational Structure

The effectiveness of production and financial activities of the Company depends on providing human resources and their using.

For the smooth operation of the airport to the business processes involved 13 industrial Society services. The fact number of the Company's employees is 408 people, including 377 production staff person on 31.12.2015 year. The share of the production staff is 92% in the overall structure of the Company's personnel.



All employees worked under a labor contract on a full-time, women – 148, men – 283.

The Company's management system is based on a three-level vertical functional basis (chairman, deputy chairman and managing aviation security director, heads of departments).

Events impacting the scale, structure or ownership during 2015 did not happen.

The indicator "Turnover of staff" for 2015 amounted to 8%.

Staff number of company	2013	2014	2015
Total staff	456	423	431
Women	151	142	148
Men	305	281	283





# **DEVELOPMENT STRATEGY OF COMPANY**

Ayrau airport is one of the airports in the Republic of Kazakhstan, which has the status of International airport. Geographically, the airport is on the northern coast of the Caspian Sea.

The main activity of the Company is aimed at the implementation of operational management and coordination of airport units involved in the process of land service of aircrafts and the tasks identified in the Company's development strategy until 2023, approved by the Board of Directors dated 17.10.2013 (report № 6 / 13).

**The Company's mission** is to promote the development of Kazakhstan as a whole and Atyrau region in particular through integration into the world transport system, providing high-quality, safe and regular airport services to airlines, cargo transportation, consignors, consignees and passengers in accordance with international standards.

**The vision of the Company for 3 years** – Society – is the largest airport in the region, providing safe, high-quality and regular airport and associated services for airlines in accordance with International standards. The Company is a reliable business partner.

**The vision of the Company for 10 years** – Society – is the main air cargo gateway for cargo airlines, traveling to Kazakhstan or from Kazakhstan for destination to Europe, Africa, USA. Society – is the largest cargo in the Eurasian area, receiving and distributing air cargo to Kazakhstan, neighboring regions of Russia and Uzbekistan. The Company is the main airport for Aircrafts which follow over the territory of Kazakhstan and in need of technical services, the main reserve airport for aircraft flying in the region transiting over it.

Strategic goals and objectives of the Company include the development, modernization and the expansion of services, improving the efficiency of airport operations.

## Strategic directions

Improvement effectiveness of activity	Development, modernization and extension service of company	Social responsibility
increasing the level of corporate development	providing marketing actions	regulation social-working relations on basic of principal of social partner
investment for the development	management for attraction, stoppage and refund clients	Providing growth of health and social protect ability of the staff of company
improvement management system by effectiveness	Development service of company	Providing ecological stability and safety in production
Increasing the level of operational effectiveness		
innovation development		
providing aviation security		
development human capital		
enjoying airport service in only the operator		

## Key results of activities

**Over the past 3 years the Company has received the following results.**

No	Name	Unit	2013	2014	2015
1	NOPAT	mil. tenge	190,3	-65,8	-64,772
2	ROAGE	%	5,9%	-2,1%	-2,1%
3	EBGGDA	mil. tenge	491,5	298,0	447,3
4	EBITDA margin	0%	14%	14,2%	24%
5	Growth of revenue	0%	8,7%	-	-
6	Ratio of own and Loan capital	0%	228%	229%	180%
7	ROA, capacity of asset	0%	3,7%	-2,0%	-2,3%
8	ROE, capacity of capital	0%	8,0%	-3,9%	-4,6%
9	Capacity of activity (profit for the year to total expense)	0%	7,2%	-3,8%	-4,3%
10	Net. profit	mil. tenge	163,76	-80,24	-90,54
11	Val.profit	mil. tenge	408,34	282,62	509,64

Financial result also depends on the results of operations that are not directly related to the implementation of the ground handling services and other non-aviation activities. Despite the execution of the production program and the increase in gross

revenue, the decrease in income and profitability of activity influenced the negative exchange rate differences resulting from the increase in the exchange rate, due to transition to a freely floating exchange rate.

## Priority areas of the company

In 2015, the main criteria of the Company were: ensuring safe and hopeful work of airport, the increasing air traffic volumes, quality improvement of aircraft maintenance.

The main priorities of the Company's activities have always been: providing security and aviation safety.

## Aviation Security Providing

In the field of aviation security implemented continuous improvement and updating processes, modernization and new equipment.

Ensuring aviation safety in Atyrau airport -is one of the objectives goal of the Company. Aviation security services carry out complex Aviation Security Service (ASS).

During 2015 the Company's aviation security service carried out the following work aimed at the improvement of aviation safety in Atyrau airport:

During the reporting period, acts of unlawful interference were not occurred.

Screening of passengers, crew, baggage, carry-on baggage, cargo, mail and board inventories, personnel is carried out according to the existing technology.

For the screening of passengers, hand luggage, luggage and cargo airport has the availability of special technical means.

During the reporting period ASS was inspected 302,200 passengers.

According to the Decree of the Government of RK from 27.08.2011, № 973 "Regulations on civil aviation security programs RK" Service of aviation security exercise capacity: Internal mode protection of aircrafts, if necessary, support transport and customers in a controlled area.

In connection with the international agreement of contribution in preventing displacement nuclear materials between the United States Department of Energy and the Ministry of Finance of the Republic of Kazakhstan in Atyrau airport in the zones of passage of international passengers, baggage and cargo, at all CAP, including emergency CAP mounted monitors for detection radiation materials with cameras connected on the center console.

An important component part of the security services is the technical equipment, which is constantly in need of renovation and modernization. Sources of financing – are own funds of the Company.

As part of the infrastructure modernization was acquired X-ray television equipment for the screening of passengers and baggage Rapiskan 620DV-LEDs, capable of real-time automatically perform analysis of liquids, aerosols and gels in the presence of explosives.



## Ensuring safety

Ensuring a high level of safety in Atyrau airport is complex task coordinated work of all departments involved in the maintenance of aircraft.

Status of safety in 2015 in Atyrau airport is characterized by the following data:

- ➔ Accident – no;
- ➔ Special Accident – no;
- ➔ Damage to the aircraft on the ground – no;
- ➔ Violation of the officials connected with the organization of flight operations – no.

To conduct the work on coordination and monitoring of the construction of facilities on the aerodrome territory Atyrau.

Ensure timely preparation of the airfield to fight and control his condition and fitness for take-off and landing of aircraft in

accordance with the requirements of fitness for aerodrome (heliport) of Civil Aviation of the Republic of Kazakhstan and the Rules of the airfield security in civil aviation.

Inspect the technical condition of special vehicles and ground equipment, and their suitability for the performance of work in the spring-summer – and autumn-winter periods, and check the status of fire hydrants, reservoirs and fixed fire-extinguishing systems.

Theoretical and practical studies on the interaction of services in airport in the event of failure situations and emergencies.

In general, the state of aviation safety at the Atyrau airport is achieved and meets the requirements for airports guidance papers on the safety of the Republic of Kazakhstan.

## Integrated Management System

In 2015, work continued at maintaining and further improving the functioning of the integrated management system (hereinafter – ISM) comply with the requirements of international standards RK ISO 9001:2009, RK ISO 14001:2006 and RK OHSAS18001:2008.

Keeping in working condition, improving ISM carried out in accordance with the plans and programs approved in the established order, namely:

- ➔ Plan for improvement of the quality management system for 2015 (approved by the Company's Chairman of the Board 10.01.2015)
- ➔ The plan of corrective and preventive actions based on the results of ISM audit of the Company held 05 to October 7, 2015 (approved by order of the Chairman of the Management Board from 16.10.2015, N9 / 1–15)
- ➔ According to the program of internal audit of the Company IMS in 2015 had been planned 16 inspections (structural units and officials). Main number of inconsistencies was on RK ISO 9001 points 4.2.3, 4.2.4 RK ISO 14001 RK OHSAS18001 4.3, 4.4.

According to the results of the certification audit (Q 4 2015) was developed and approved a plan of corrective and preventive actions of the Company. All recommendations recorded during the audit were taken into account in preparing the plan. All activities included in the plan of corrective and preventive actions based on the results of the supervisory audit of the Company have been met in timely manner.

In accordance with the schedule of updating the provisions of the service / department, special instructions Company 2015. It had been scheduled to review 35 internal documents. Implementation of the plan ineffective, analysis, review and the development of regulations and special instructions was postponed to 2016.

According to RK ISO 9001 8.2 Monitoring and measurement 8.2.1 "Customer satisfaction" the analysis of customer satisfaction is carried out: complaints (claims, written applications through the office), customer testimonials on the Company's activities, abandoned by the client in the book reviews and suggestions, customer feedback about the Company obtained through questionnaires, correspondence through Internet reception.

The main objectives for impact performance objectives, programs at ISM for 2016.

- ➔ To bring into line with the requirements of the new standard RK ISO 9001: 2015, RK ISO 14001: 2015 IMS documentation;
- ➔ Increase the competence responsible persons for the development of IMS
- ➔ Reduce the number of non-conformities
- ➔ Improve the internal and external exchange of information in the Company.
- ➔ Improve the quality monitoring processes planning.



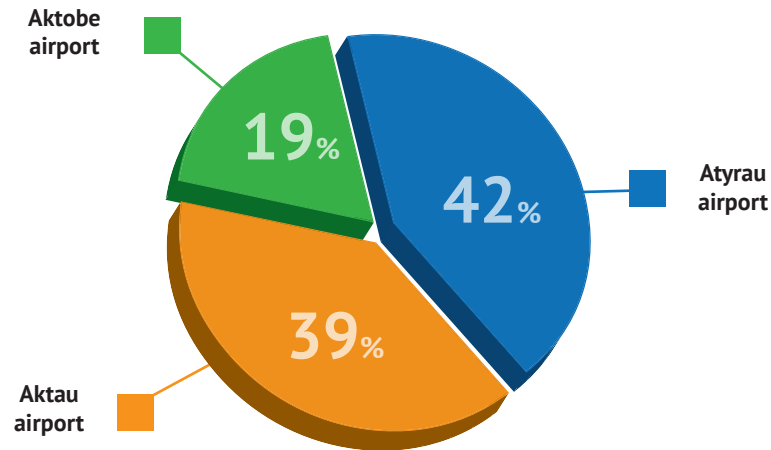
# **THE COMPANY'S POSITION IN THE INDUSTRY**

## Overview of main markets

The country has 20 active airports, 15 airports approved for maintenance international flights, of which 10 are categorized according to ICAO standards Airports in Astana for the category IIIA, in which the landing is permitted at visual range RW not less than 200 meters and decision height not less than 30 meters and Almaty IIIB category in which the landing is permitted at

visual range RW not less than 50 meters and decision height not less than 15 meters, the airport of Atyrau has the II- category, in which the landing is permitted at the visual range RW not less than 350 meters and decision height of at least 30 meters below the other.

### The share of Western region airports on sorties:



Air transport is one of the fastest and fastest growing industries of the world economy and each year takes more strength position in the global transport system.

But along with this, there are the following problems:

- The lack of competition in air transport;
- The high cost of airline tickets;
- The tax burden after the reconstruction of the infrastructure of the airports;
- Limit of equal and free access transit international flights to the airports of Kazakhstan;
- Over-regulation of airport rates and charges;
- The principle of control to minimize the costs included in the tariff;
- The high cost of aviation fuel;
- Low return on investment – low rates, low volumes;
- Underutilized airports.

More than 20 airlines flew to Atyrau airport in 2015, 6 of which are regular carriers. They are: AO "AIR Astana", JSC "AC" Transaero, SC "Airline "SCAT", SC "Bek Air", "Aeroflot -Russian Airlines", SC "Qazaq air". The main carrier is SC "AIR Astana", which accounts for 60% of all flights.

Regular flights to Atyrau is connected with Astana, Almaty, Aktau, Uralsk, Moscow, Istanbul, Amsterdam. Charter flights performed all over the world, but the main destinations are Dubai, Antalya, Baku, Tbilisi. The largest volume of passenger traffic is noted to directions of the cities of Astana, Almaty, Moscow, Amsterdam and Istanbul.

In 2015, the airport route network has expanded by opening a regular internal flights Atyrau-Aktobe.



# **HIGHLIGHTS OF THE COMPANY FOR 2015**

The financial and industrial activity of the Company is based on the property, economic and financial autonomy.

## Key performance indicators

During 2015 the positive dynamic industrial indicators as a whole.

The actual number of flights for 2015 reached 7123 flight plan at 6009 flight, and in comparison with 2014 more than 278 flights. Increase index compared to the previous period was in airline SC "Bek Air", JSC "Silk Way Airlines", Company "Aster Aviation Services DMCC" and the beginning of the flight of the new Kazakh national airline "Qazaq Air" since October 2015.

Aircrafts for the period of the plan amounted 268 484 tones, virtually amounted 284,210 tons, or the execution was 106%.

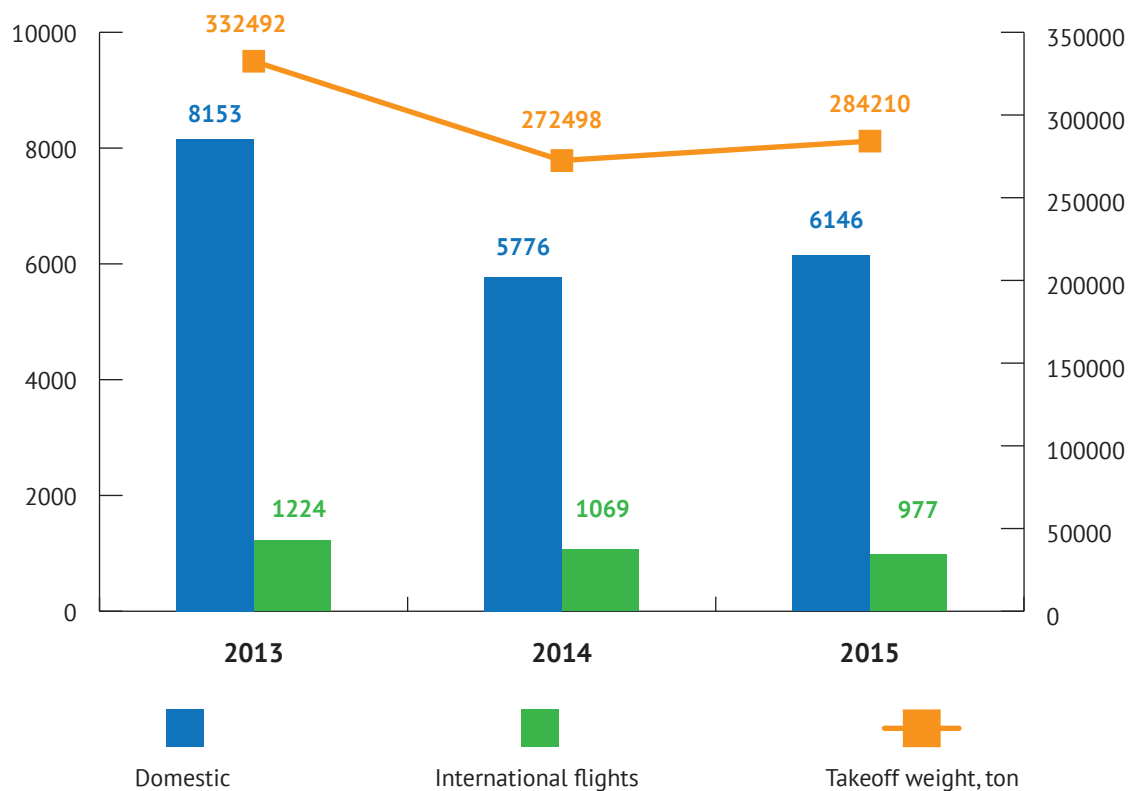
In comparison the last period -increasing period for this indicator amounted 4%.

In 2015, the airport served over 20 airlines. In comparison to analogical period 2014 we have increasing the sorties for 278 flight the following airlines:

- ➔ SC "Bek Air" on 362 flights with take-off weight of 16,567 tons;
- ➔ Company "Aster Aviation Services DMCC" performed more than 22 flights with take-off weight of 3531 tons;
- ➔ JSC "Silk Way Airlines" more than 29 flights with take-off of weight 2312 tones.

### Dynamics of the major indicators of the operations industrial intensity flights for 2013–2015

Production activities	2013	2014	2015	diversion(+/-) from 2014	diversion(+/-) from 2013
Total flights include	9377	6845	7123	278	-2254
Domestic flights	8153	5776	6146	370	-2007
International Flights	1224	1069	977	-92	-247
Takeoff weight, ton.	332492	272498	284210	11712	-48282



Major part of domestic and international flights fly to Atyrau, they are: JS "Air Astana", JS "Bek Air", JS "Euro-Asis Air", airline "Scat". In 2015 JS "Air Astana" saved its own stability position –55% in total profits from takeoff-landing, JS "Bek aAir" -14%, JS "Scat" -8%, JS "Euro-Asia Air" -6%.

The main product activity of Company are –the quality of served volume of takeoff and ground and technical services of aircrafts. Changing of these units governs for financial result. The volume of all services connected with aircraft services denominates in tones.

The volume of other air companies was more than 17% of total volume takeoff-landing.

#### **Dynamic of major indicates of the operations industrial activities to type of services for 2013–2015**

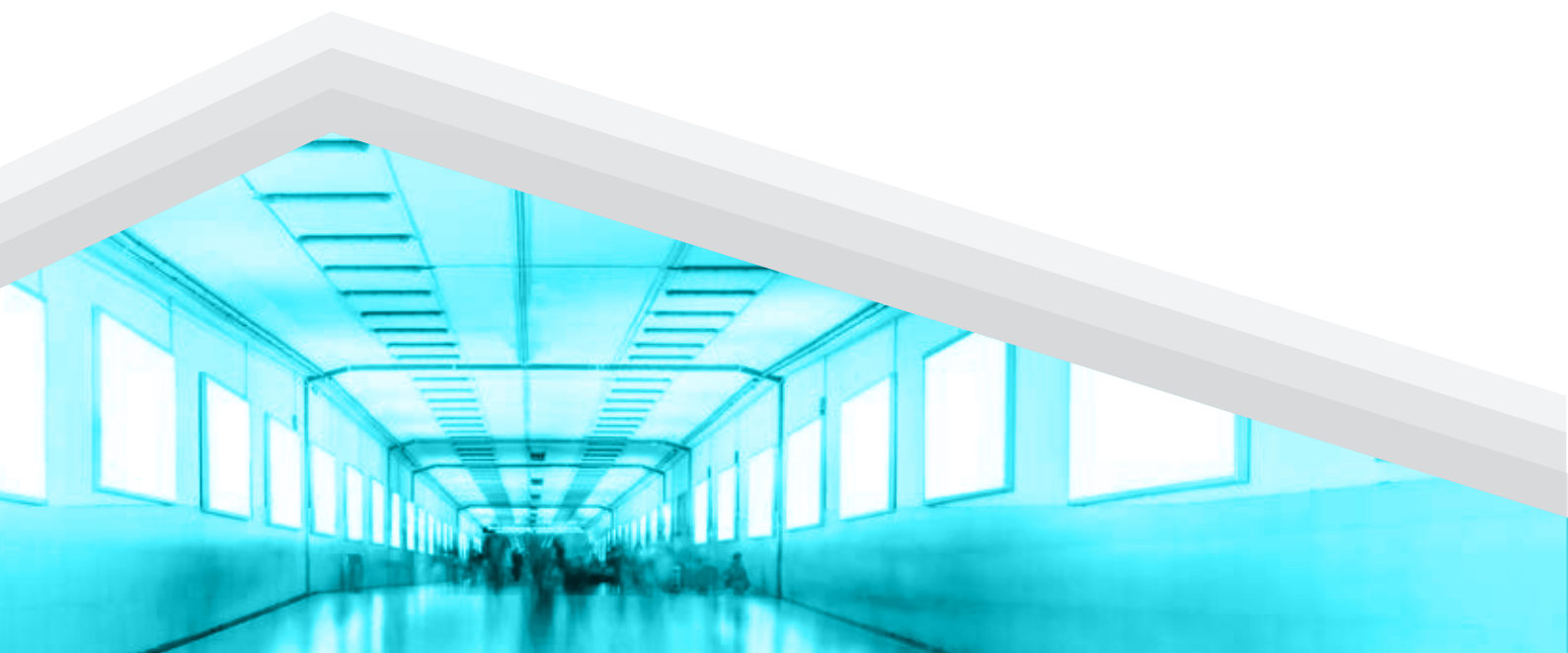
Activities	Unit	Fact 2013	Fact 2014	Plan 2015		Deviation% fact 2014	Devaliation in% fact from plan
				Plan	Fact		
Providing take-off-landing	tons	332 492	274 498	268 052	284 210	104	106
Providing aviation Security	tons	338 458	276 565	268 484	286 472	104	107
Providing landing-Take-off	tons	331 607	271 997	268 484	283 433	104	106
Stands	tons	22 965	13 367	9 130	29 250	219	320
Pax service	men	74 354	34 971	33 221	41 254	118	124
Treatment Cargo	tons	2 207	2 795	2 895	2 518	90	87
Maintenance Check of AC	tons	129,5	168,5				
Fuel for AC	tons	25 359	20 505	21 094	20 807	101	99
Realization of fuel	tons	5 717	4 510	7 000	3 680	82	53

The growth of production targets in 2015 have been achieved by flight through new Kazakh national carrier "Qazaq Air" from October 2015.

passenger traffic, the volume of processed goods, providing refueling fuel for aircrafts.

Manufacturing key indicator of the Company's activity is the amount of serviced aircraft on take-off – landing, aviation security, the provision of parking and maintenance, the number of

The volume of air cargo decreased in 2015 comparing the previous period by 10%. In the reporting year the volumes of cargo handling decreased Airlines such as: LLC "Shovkovy Way" Company "Coyne Airways Limited".



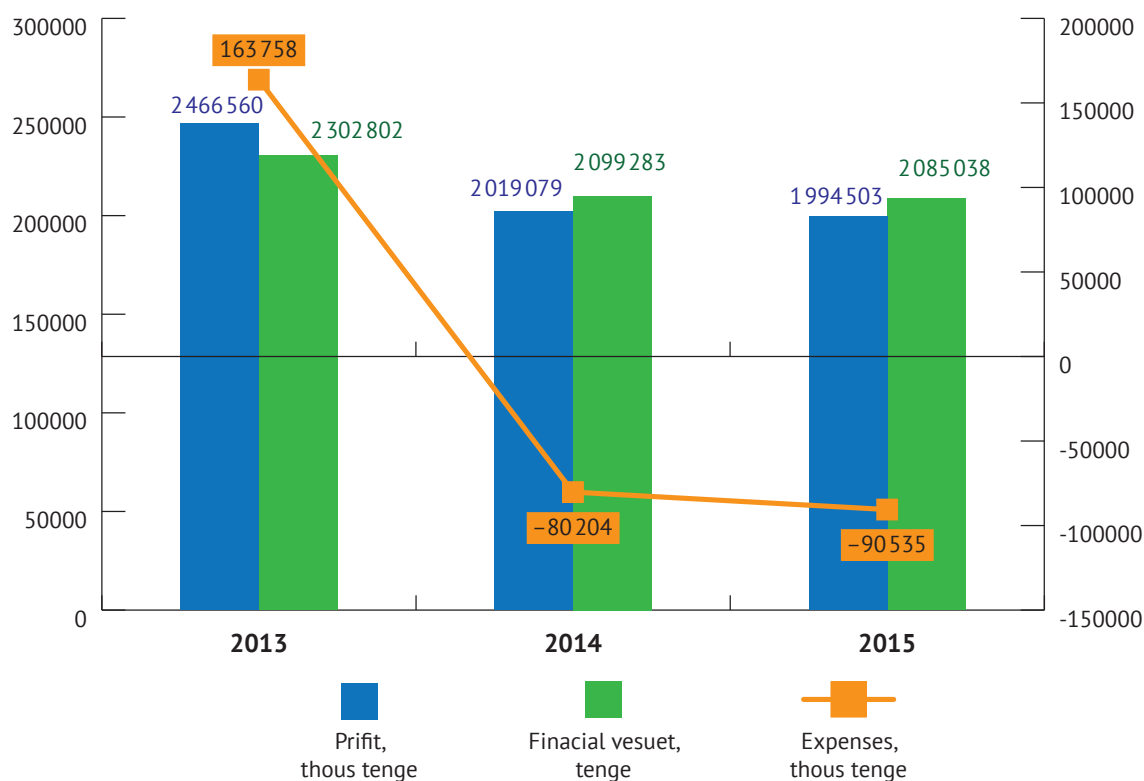
## Financial highlights

Revenues of airport consist of aviation and non-aviation activity. The main income of the airport from aviation activities defined by quantity, quality, volume and cost of services provided on

the ground service. Revenues from non-aviation activities consist of the provision in rent of airport infrastructure and the agency agreement.

**Table 2 provides the individual items of income and expenses.**

Indicator	Unit	2013	2014	2015		Execution,%
				Plan	Fact	
Revenues – total	thous. teng	2466560	2019079	2419616	1994503	82
Revenue from core Activity	thous. teng	2428451	1979373	2388468	1953976	82
Revenues from non-core activity, including	thous. teng	38109	39706	31148	40527	130
Finance income	thous. teng	5778	952	3200	492	15
Other income	thous. teng	32331	38754	27948	40035	143
Consumption total including	thous. teng	2302802	2099283	2278050	2085038	92
Cost price of sales	thous. teng	2020110	1696756	2060817	1444336	70
Administrative expenses	thous. teng	204328	169298	165655	202136	122
Finance costs	thous. teng	26530	14449	7687	25763	335
other expenses	thous. teng	34694	210001	8500	443682	5220
Corporate costs income tax	thous. teng	17140	8779	35391	-30879	-
Total profit (loss)	thous. teng	163758	-80204	141566	-90535	-



**Dynamic of changing in financial indicators for 2013–2015, thousand tenge**

Name of activities	2013	2014	2015
Revenues	2428451	1979379	1953976
Cost of goods sold and Services	2020110	1696756	1444336
Gross profit	408341	282617	509640
Administrative expenses	204328	169298	202136
Other expenses	34694	210001	443682
Other income	32331	38754	40035
Total operating income	204013	121651	378116
Income from financing	5778	952	492
Finance costs	26530	14449	25763
Other non-operating expenses			
Profits(loss) before taxation	180898	(71425)	(121414)
Income tax expense	17140	8779	(30879)
Profit (loss) after tax	163758	(80204)	(90535)
Total comprehensive income	163758	(80204)	(90535)





In 2015, the Company complied the plan over income from operations for 82% by reducing the volume of jet fuel sold at this reduced cost of services up to 70% due to cost optimization. But in a floating foreign exchange rate, the Company incurred additional costs for exchange rate differences in amount of 403 million tenge. Dollar on 01.01.2015 was –182.35 tenge and on 31.12.2015g.– 339.47 tenge.

Thus, the financial result for 2015 was formed with a loss of 90 million tenge.

Total income received in 2015 in the amount of 1,994,503 thousand. Tenge, including from the operating activities amounted to 1,953,976 thousand. tenge when the plan 2,388,468 thousand. tenge, less than planned value by 434 492 thous. tenge or 18%. Revenues from non-core activities in 2015 received a total of 40527 thousand tenge, which is 30% more than planned.

In 2015, in comparison with the previous year revenues decreased by 1.2%, or absolute terms by 24 576 thousand. tenge. The decrease was due to reduction of Fuel storage own airlines and reducing jet fuel sales.

Revenues from non-aviation services do not bring substantial income Due to small amounts and services consist of:

- provision of premises;
- transportation of electricity;
- brokerage services for meteorological support.

The analysis of the relationship of significant cost items with possible crisis effects showed that the main factor of negative income is volatility of the value of the national currency. This factor influenced on the movement of money, because the constant volume flow of money from the provision of services in tenge, has led to increase in the outflow of money to repay the Bank loan in US dollars.

IN 2015, THE COMPANY COMPLIED THE PLAN OVER INCOME FROM OPERATIONS FOR 82% BY REDUCING THE VOLUME OF JET FUEL SOLD AT THIS REDUCED COST OF SERVICES UP TO 70% DUE TO COST OPTIMIZATION.



**Revenue structure of JSC “Atyrau International airport” for 2013–2015, thousand tenge**

Indicators	2013	2014	2015	Ref. in% fact 2013	Ref.in% fact 2014
Ensuring aviation Security	150614	125386	133195	88	106
Providing take off, Landing	798632	647565	672656	84	104
Providing meeting / issue	110094	90303	94100	85	104
Cargo handling	55000	63511	58497	106	92
Service passengers	57180	26774	31723	55	118
Implementation of aviation fuel	909830	731956	615394	68	84
Providing of stand	6338	3689	8073	127	219
Refueling Jet fuel	145408	117575	119305	82	101
Cleaning cabin crew	19849	19313	25012	126	130
Delivery of cargo	19355	24007	21440	111	89
Technical service	16135	9051	9321	58	103
Electricity providing for aircrafts	66	94	0	-	-
Provision machinery And equipment	15069	19639	45048	299	229
Ensuring the passage	27573	13636	33163	120	243
Fees	5763	5587	5015	87	90
Removal of snow and ice	14243	10496	12366	87	118
Implementation Of special liquids	16118	12994	20132	125	155
Medical service	5444	7399	8303	153	112
Keeping of aviation Fuel	30507	22483	8256	27	37
Other	25233	27915	32977	131	118
Total income	2428451	1979373	1953976	80	99
Finance income	5778	952	492	9	52
Other	32331	38754	40035	124	103
Total income from non-essential activity	38109	39706	40527	106	102
TOTAL	2466560	2019079	1994503	81	99

The Company's expenses for 2015 amounted 2,115,917 thousand. tenge, which is less than planned expenditures for 126,742 thousand. tenge and is 94% of the planned index.

Cost of services rendered for 2015 amounted to 1,444,336 thousand. Tenge, 70% of the planned value. The decrease is due to a decrease in the number of sold fuel to the optimization

of costs, including for third-party services organizations, labor costs, travel expenses, etc.

Other expenses for the period amounted 443682 thous. Tenge, by changes in exchange rates – 402708 thousand tenge and other expenses 40974 thousand tenge.



**The structure of the production costs of “Atyrau International Airport” for 2013–2015 in th. KZT**

Unit	2013	2014	2015	Refusal fact 2013%	Refusal fact 2014%
Jet fuel	864613	692734	491216	57	71
Salary	683539	644828	571441	84	89
Social tax	67670	62850	55767	82	89
Accumulated depreciation	144796	164340	162400	112	99
Raw materials	103412	47583	72222	70	152
Public utilities	17513	19003	22248	127	117
Expenses for rent	17270	19259	19303	112	100
Insurance expense	5484	8050	3544	65	44
Business expenses	5354	2843	563	11	20
Services of other organizations	110459	35266	45633	41	129
Total	2020110	1696756	1444336	71	85

During the reporting period, the largest share of the costs accounted for 34% the cost of jet fuel sold, 40% – labor costs.

Administrative expenses for 2015 amounted to 202 136 thousand. tenge, which is more than plan for 22% and is associated

with the development of technical- economic ground for the construction of cargo and passenger terminal, increasing tax payments.

**The structure of administrative costs of JSC “Atyrau International Airport” for 2013–2015 in th. KZT.**

Indicators	2013	2014	2015	Change (+, -)thous. Teng	Growth rate%	Unit weight%
Consumption in salary	85210	84920	73778	-11142	87	36
Taxes	51485	44946	61741	16795	137	31
Ageing	2885	4035	3125	-910	77	2
Consulting services	7077	3080	3080	0	100	2
Raw materials	6547	1005	2214	1209	220	1
Public services	3810	867	972	105	112	0
Business service	6199	3479	2523	-956	73	1
bank service	6693	6815	5776	-1039	85	3
Other	34422	20151	48927	28776	243	24
Total	204328	169298	202136	32838	119	100

Financial expenses for 2015 include accrued interest on loans EBRD and JSC “Samruk-Kazyna” totaling 25,763 thousand. Tenge.



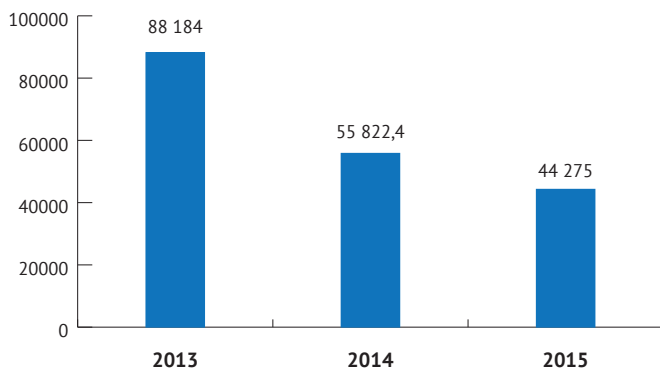
## Expenditure on development

The main goal of modernization of the airport is to provide ground infrastructure for quality airport services. For 2015 there were planned acquisition of X-ray equipment for the inspection of cargo, baggage and hand luggage, vehicles, automatic gates, barriers, arch and manual metal detectors, explosives detectors, welder, night vision devices, etc.

According to the execution of the Development Plan for 2015 of capital investments carried out 39% of the planned cost of acquisition of fixed assets due to shortage of funds associated with the drop in the volume of services and tenge devaluation.

Name	Unit	Fact 2014	Plan for 2015	Fact for 2015	Realization, %
Total development expenses Investments	thous. tenge	55 822,4	113 116	44 275	39

### Development cost



## Tariffs for aircraft maintenance

### Tariffs for aircraft maintenance (Tenge per ton, mfw)

Airport	Take-off/Landing	meet/release	safety	technical service	refuel	cargo handling (1 ton)
Atyrau	2402	332	465	555	5734	24926 if 15.000 df

The main factors influencing the formation of tariff policy of the Company is the state regulation of air navigation and airport charges and charges for maintenance of aircrafts.

In accordance with the Law of the Republic of Kazakhstan "On natural monopolies and regulated markets" airport services referred to the sphere of natural monopolies, which activities is subject to state regulation. In this regard, measures levied by airport charges and tariffs for ground services are subject to government regulation and established in accordance with the procedure laid down relevant to normative documents.

For the collection, forming the bulk of the revenue from airport aviation activities include the collection for takeoff and landing, the share of which amounted 34% of the total revenue for 2015.

Bids fees and tariffs are calculated on the basis of the "Guidelines for calculating tariffs (Prices, fee rates) for regulated services of airports, taking into account quality characteristics", approved by order of the Chairman of Kazakhstan Agency for Regulation of Natural Monopolies from 18.01.2008 № 16.

The Company keeps separate accounting of revenue, expenses and involved assets in each type of regulated services (goods, works) and as a whole on other activity the procedure established by the "Rules of conducting separate accounting of revenues, costs, and operating assets by natural monopoly entities that provide services in the field of airports", approved by order of the President of Agency of the Republic of Kazakhstan on Regulation of Natural Monopolies from 31.07.2013 № 239.

Airport taxes and fees for ground handling are approved by Department of the Agency for Regulation of Natural Monopolies.

Law of the Republic of Kazakhstan "On amendments and additions to some legislative acts of Kazakhstan of transport" № 132 from 04.07.2013 limitation of activity of subjects of natural monopolies was canceled providing services to airports when income from other activities exceed five percent of the total activity of a natural monopoly for one calendar year.

Services for the provision of airport charges and tariffs ground handling of aircraft include the measures provided for in the list of services and operations related to airport activities approved joint order of the Minister of Transport and Communications of the Republic of Kazakhstan from 5 March 2011 № 119 and the Chairman of Kazakhstan Agency for Regulation of Natural Monopolies from March 3, 2011 № 81.

In connection with the provision of services for fireproof provision of "Atma-Atyrau Airport and Transportation" in airport tax to ensure for take-off and landing the aircraft does not include the service for fire in flight operations in airport area.



# **FUTURE DEVELOPMENT OF THE COMPANY**

The basis for the further development of the Company's management believes the increase business – activities, satisfaction with airlines requests range, volume and quality of service. This task requires from Company's team of high quality and reliability of services, achieve new heights of productivity and efficiency.

As planned for 2016:

- ➔ provide service 6912 takeoff / landing with total maximum take-off mass more than 268052 ths. tons.
- ➔ cargo 1649 tons.
- ➔ receive 2,462,328 thousand. tenge proceeds from the sale.

## Commercial activity

Commercial activity of the Company is aimed primarily at increasing the Company's revenues from the development and implementation of aviation services.

The main objectives for the planning period are:

### Increase in income

Improving the tariff policy, which will allow to achieve acceptable profitability.

The increase in revenues from non-aviation activities by optimizing existing business and develop new services.

Careful analysis of loss-making activities for raising yield due to the growth of tariffs and expanding the range of services.

### Cost optimization

Careful analysis of loss-making activities for reduction costs.

- ➔ full implementation of the planned investment projects;
- ➔ improving the quality of services in accordance with international standards;
- ➔ improvement of business processes.

Careful analysis and optimization of the use of labor resources, as productivity is not enough, with growth of labor costs.

The main positive factors that can improve the results of Company's activities are:

During 2016 the Company will carry out the work in this direction.

## Production activity

Production activity airport is considered on the basis of two indicators:

- ➔ the number of serviced aircraft;
- ➔ operations on ground handling of aircraft.

In accordance with the development plan up to 2020, the Company assumes the increasing in the production program annually.

### Forecast production figures of JSC "Atyrau International Airport" for 2016–2018

No	Description	Unit	2016	2017	2018
1	Takeoff and landing	tons	271 444	281 216	289 371
2	Provide Security	tons	273 748	281 960	290 419
3	Meeting-release	tons	272 951	281 140	289 574
4	Pax service	persons	30 060	30 962	31 891
5	Cargo handling	tons	1 649	1 709	1 758
6	Providing stands	tons	14 265	14 693	15 134
7	Refueling jet fuel	tons	22 235	22 902	23 589
8	Fuel realization	tons	5 000	5 150	5 305

## Financial activities

The Company's organizational and administrative work from financing activities largely depends on the timeliness and completeness of financial security production and business activities

and development of the Company's financial obligations to the state and other business entities.

### **Forecast of the main indicators of financial and economic activity JSC "Atyrau International Airport" for 2016–2018**

The name of indicators	2016 год	2017 год	2018 год
Revenues	2 489 029	2 531 690	2 607 438
Cost of goods sold and services	2 076 841	2 124 549	2 196 701
Gross profit	385 487	379 639	382 410
Administrative expenses	179 951	179 951	185 350
Other expenses	8 718	8 980	9 249
Other income	26 701	27 502	28 327
Total operating income	223 518	218 210	216 139
Income from financing			
Finance costs	35 848	23 925	16 225
Other non-operating expenses			
Profit(Loss) before tax	187 670	194 285	199 914
Income tax expense	37 534	38 857	39 983
Profit (loss) after taxation	150 136	155 428	159 931
Total profit after taxation	150 136	155 428	159 931

## Earning

Company's revenues by operating activities are planned to annual increasing in total profit till 2018 compared to 2015. As core business growth relates with an increase in performance.

## Costs

In 2016 it is expected to increase overall compared with the plan in 2015 Company's expenses by increasing costs, general and administrative costs, financial and other expenses.

## Financial results

According to the approved development plan of JSC "International Airport Atyrau" for 2016–2020, it is expected profit of 150 136 thousand tenge in 2016, that compared to 2015 up

more than 6% or 8 570 thousand tenge. Beginning from 2016 it is planned moderate growth in income, that by 2020 it will amount 169 777 thous.tenge.

## Investment activities

Expenses for the development of the planning period of the proposed purchase of special vehicles, equipment and modernization of production facilities. Due to the wear of the main fleet acquisition of new machinery is paramount.

In 2016 the Company plans the cost for capital investments in the amount of 1 19 707 thous. tenge.

Investments are due to:

- - the need for an update of fixed assets due to wear and tear;
- - the requirements of the regulatory authorities;
- - production technology







# **CORPORATE GOVERNANCE**

The bodies of the Company are:

- supreme authority – the Sole Shareholder;
- management authority – the Board of Directors;
- executive authority – the Management Board;

- authority exercising control over financial and economic activities of Company's assessment of internal control, risk management, performance instruments in the field of corporate governance and counseling to improvement of the activity of the Company – the Internal Audit Service.

## Information about shareholders

The sole shareholder of Company is a joint-stock company "Fund of National Welfare "Samruk-Kazyna".

Location of Sole Shareholder:  
Astana, Kunaev street, 8, block "B".

The exclusive competence of the Sole Shareholder of the Company include issues stipulated by laws of the Republic of Kazakhstan and the Company's Regulations.

## Information on the board of directors

### Composition of the Board of Directors:

- Urazbekov Marat Zhanabergenovich, representative of Sole Shareholder – Chairman of the Board of Directors;
- Kerey Esbol Kusmanovich, Chairman of the Management Board, the representative of Sole Shareholder;
- Aliguzhinov Serik Karabatyrovich, independent director.

#### **URAZBEKOV MARAT ZHANABERGENOVICH**

Chairman of the Board of Directors of f Atyrau Company "(representative of the Sole Shareholder), Deputy Senior Director of Asset "Samruk – Kazyna" management.

Born 12.10.1960 year.

A citizen of the Republic of Kazakhstan.

Graduated from the Almaty Institute of Railway Engineers of majoring in electrical engineering and the Academy of Public Service under the President of the Republic of Kazakhstan on specialty "State Manager service. "

- He began his career in 1977 as an inspector of district financial department, then He served in the Soviet Army and studied at the university.
- Since 1986, he worked as a foreman electrical machine shop of the locomotive depot, chief technology officer, then chief engineer of the locomotive depot in Arys.
- From 1990 to 1992 he worked as a senior adviser of Council People's Deputies in Arys.
- From 1993 to 2003 he served as deputy head of department, chief Department, Deputy Director, Director of the Department of Railway Transport Ministry of Transport of the Republic of Kazakhstan.
- In 2003 he was appointed Deputy Chairman of the Railway Committee Transport Ministry of Transport and Communications of the Republic of Kazakhstan.
- Since 2006 he worked as Chairman of the Committee of Railway Transport and Railways Ministry of Transport and Communications of the Republic of Kazakhstan.
- Since 2008 – Director of Transport Assets Management of JSC "Holding " Samruk ".
- Since December 2008 – Director of Transport Asset Management JSC National Welfare Fund "Samruk-Kazyna", Deputy Director Asset JSC National Welfare Fund Management "Samruk-Kazyna".

He has the rank of Honorary title of Railway man.

He was awarded the medal "Ерен еңбегі үшін " and the medal " Astana 10 years!".

It does not hold the shares of the Company and competitors.

## **ALIGUZHINOV SERIK KARABATYROVICH**

Board of Directors – Independent Director.

Born on 20.08.1944, in the Pavlodar region.

A citizen of the Republic of Kazakhstan.

He graduated from Pavlodar Industrial Institute. Qualification- Machine- Engineer.

Additional education, including training courses:

- University of Thomson, France. The highest courses of “Industrial and Commercial management in a market economy”, 1994;
- Academy of Social Sciences under the CC CPSU Central Committee, the course “The transition to a market economy, 1987, Moscow;
- A seminar on “long-term incentive program”, 2013, in Astana, JSC “Samruk-Kazyna” on the basis of the Corporate University “Samruk-Kazyna”.
- From 1988 to 1998 he was the first deputy minister of transportation engineering of the Kazakh SSR, the first deputy chairman of the concern “Kazavtotrans”, First Deputy Minister of Transport of the Republic of Kazakhstan, the Minister of Transport and Communication of the Republic of Kazakhstan.
- In 2008–2010 he worked as a managing director, advisor of the president of JSC “KazAvtoTrans”.
- Since 2010 to present – Chairman of the Board of the Union moto transport the Republic of Kazakhstan, Chairman of the Board of Association motor carriers and forwarders of Kazakhstan.

He was awarded medals “20 Years of Victory in Great Patriotic War”, “Kazakhstan temir Zholyyna 100 years “, “ 10 Years of Independence of the Republic of Kazakhstan “, “ 20 years Independence of the Republic of Kazakhstan “, “ Astana 10 years “ badge “Honorary moto transport of the Republic of Kazakhstan”, the Order “Parasat”.

It does not hold the shares of the Company and competitors.

## **KEREY ESBOL KUSMANOVICH**

Member of the Board (Representative Sole Shareholder), Chairman of the Management Board

Born 29.08.1963 year.

A citizen of the Republic of Kazakhstan.

He graduated from the Academy of Civil Aviation on a specialty “Economy and management of air transport. “ Qualification – economist – manager.

- In the period from March 2005 to June 2012 he served as Director Mission of JSC “Airline” Euro-Asia Air “in Astana, advisor of President of JSC “Airline” Euro-Asia Air “, the president of JSC” Kazak hvzryvprom “
- First Vice-President of JSC “International Airport Astana”.
- Since June 2012 – Chairman of the Board of JSC “Atyrau International Airport “.

He was awarded the medal “20 years of independence of the Republic of Kazakhstan” and the Order “Kurmet”.

It does not hold the shares of the Company and competitors.

## **The process of selecting the members of the Board of Directors**

In accordance with the Articles of Association the election (appointment) of members of the Board Directors belongs to the competence of the Sole Shareholder.

The process of electing members of the Board be as certain Articles of Association, the Corporate Governance Code, internal documents of the Sole Shareholder.

## **About independent director**

The Board of Directors considers an independent director Aliguzhinov Serik Karabatyrovich.

There are no relationships or circumstances which may affect for recognition Aliguzhinov S.K independent.

Aliguzhinov Serik Karabatyrovich corresponds to the status of an independent director in accordance with subparagraph 20) Article 1 of the Law of the Republic of Kazakhstan “On Joint Stock societies.”



## Remuneration of members of the Board of Directors

Regulations of the Board of Directors approved by the decision Sole Shareholder 03.07.2010. (Order № 50-) (as amended as of 07.06.2013.), provides for the payment of remuneration and (or) reimbursement of expenses, related to the execution of members of the Board of Directors functions only independent directors of the Company during the period of performance of their duties.

Accordingly, at the present time, the remuneration received only independent Director of the Company. Representatives of the Sole Shareholder remuneration is not paid.

By the decision of the Sole Shareholder of the Company to an independent Director of the Company it was established a fixed annual remuneration in the amount of 600 000 (six hundred thousand), as well as provide additional remuneration for participation in the meetings of committees of the Board of Directors in the amount of 25 000 (twenty five thousand) tenge for each regular meeting of the Board of Directors Committee.

An Independent Director is reimbursed for expenses (passage, accommodation, per diem) related to travel to the meeting of the Board of Directors held outside the place of residence of an independent director (within the limits of compensation business-travel expenses of the Management Board Chairman, provided internal documents of the Company).

According to the agreement with the independent directors of the Company in the case of participation independent director less than a half of all the direct and indirect Board meetings in the reporting period, except for the absence of full-time meetings because of illness, finding a vacation, a business trip, a fixed remuneration is not paid.

There was paid to an independent director of the Company 600 000 (six hundred thousand) in 2015.

In 2015, the Code was approved by the sole shareholder of the Company corporate governance of the Company (hereinafter – the Code) as amended.

In accordance with the Code of the determination of the remuneration of the Council member Directors shall be in accordance with the methodology, developed the sole shareholder, in this case must take into account the expected public benefit from the participation of the person in the Board Directors.

Compensation should fairly reflect the expected contribution of members of the Board Directors to increase the efficiency of all activities of the Board of Directors and Company.

## Delineation of responsibilities of Directors and the Management Board

Responsibility of the Board of Directors and the Management Board and clearly demarcated enshrined in the Charter of the Company. Responsibility of the Board of Directors is provided, as well, position on the Board of Directors.

The Board of Directors is the governing body exercising general provision of guidance.

The Board of Directors determines the strategic objectives, priority lines of development and sets the main guidelines of the Company activities on a long-term perspective.

Board of Directors realizes I managing of the Company's current activities within its competence

## Activities of the Board of Directors in 2015

The were 5 Board meetings in 2015 (including 4 – in internal order, and 1 absentee voting).

### **Participation of members of the Board of Directors in-person meetings and correspondence vote in 2015**

No	Name	Amount full-time meeting	Amount visited meeting	Amount conducted in absentia	Participation in solutions in absentia correspondence
1	Urazbekov M. ZH.	4	4	1	1
2	Aliguzhnov S.K.	4	4	1	1
3	Kerey E.K.	4	4	1	1

## Information considered by the Board of Directors in 2015 and issues decisions

43 issues were considered during the reporting period, the Board of Directors, including discussed and adopted decisions on the following issues:

### In the area of corporate governance:

#### approved by:

- An action plan on improving corporate governance the Company for 2015;
- Regulations on the procedure of execution and monitoring of the implementation of Council decisions directors of the Company;
- The state of the Company's internal control system in the new edition;

#### considered:

- Report Corporate Secretary of the Company Report for 2014;
- Report on the Company's adherence to the requirements of the Code of Corporate Governance;
- Report on the Company's adherence to the requirements of the Code of Ethics;
- Report on the implementation of the action plan to improve the system of Corporate Governance for 2014.

### In the area of financial and economic activity:

- Pre-approved annual financial statements of the Company for 2014;
- Reviewed reports Chairman of the Management Board on the implementation of the plan
- The Company's development;

- Reviewed reports on transactions in which the Company has interest and related party transactions;
- Annual report was Pre-approved by the Company for 2014;
- The Company's development plan is approved for 2016–2020.

### As part of strategic planning:

- Considered the report on the implementation of the development strategy for 2014.

### As part of human resource management:

- Approved the rules for performance evaluation and compensation of Corporate Secretary of the Company in the new edition;
- Approved the performance indicators of the corporate secretary activities of Company;
- Approved key indicators of motivational leadership activities of Company employees and corporate secretary of the Company for 2014;
- Assess the activities of executives and corporate Secretary of the Company;
- Approved the organizational structure of the Company as amended;
- Address the issue of the implementation of measures aimed at improving employee engagement, transparency of appointments based on competitive selection and professional development of employees of the Company.

### In consideration of the Sole Shareholder in the reporting year were aimed:

- Annual financial statements of the Company for 2014 and the proposal not to pay dividends on common shares of the Company for 2014;
- The annual report of the Company for 2014;
- Recommendations on the candidates and the size of payment of audit organization of its services.

## Evaluation of the Board of Directors

In accordance with the position on the Board of Directors, The Board of Directors annually assesses the work of the Board of Directors, individual members of the Board of Directors in the manner determined by the Company's internal documents (The decision of the Company's authorized body).

According to the decision of the Board of Directors on 03.12.2015 (Minutes № 05 / 15) there was assessed the activity

of the Board of Directors and members of the Council Directors of the Company for 2015 by means of a self-assessment by survey.

According to the results of the self-assessment has been allocated several areas for further improvement.

## Corporate governance activities. About the Council plans Directors for 2016

In accordance with the action plan to improve the system of Corporate Governance for 2015:

- provide employees with a written confirmation of the Company familiarization with the procedures of the Company to resolve the conflict of interest and the signing of the obligation to respect the procedures;
- the position of the Company's internal control system has been put in according to the model provision on internal control system of organizations, more than fifty percent of the voting shares (stakes) are owned by JSC "Samruk-Kazyna";
- it was approved the regulation on the Company's risk management division, in which were assigned the function of the unit in accordance with recommendations of the Sole Shareholder.

In order to improve efficiency and strengthen the role of the Council Directors of the Company, the decision of the Board of Directors from 15.04.2015g. it was approved the regulation on the procedure of execution and control of execution of decisions of the Board of Directors of Company.

Practice hearing the report of the Board has been put on the performance of previously adopted decisions of the Sole Shareholder and the Board of Directors, within each person meeting of the Board of Directors.

However, it should be noted that the Company in the reporting year, there were absent the head of internal audit, and risk managers. As a result, internal audit service wasn't function, and service Risk management, which is a space and considerable complexity in the development of corporate governance in the Company.

The main reason for the lack of these specialists in the Company is shortage of qualified personnel on the labor market in the area of internal audit and risk management.

The selection of candidates for the position of head of internal audit and risk managers continues.

Work Plan of the Board provided approval for 2016 tariff policy of the Company, approval of the Company's accounting policies in the new editors, the Management Board reports on the implementation of the development strategy and plan the Company's development, consideration of aviation security in Atyrau Airport, evaluation of the members of the Board and Corporate Secretary of Company, other issues.

## Information on the executive authority

Management of the current activities is carried out by the Management Board. The Board operates in accordance with the law of the Republic of Kazakhstan, the Charter, decisions of the Sole Shareholder, Board of Directors of the Company. The term

of office of the Board is determined by the Board of Directors of Company, but not more than five years. The Management Board is headed by the Chairman Board.



## Composition of the Board

### **KEREY ESBOL KUSMANOVICH**

Chairman of the Board of JSC "Atyrau International airport".

### **KABDUALIEVA GULBARSHIN KALUSARIEVNA**

Member of the Board of "Atyrau International Airport",  
Deputy Chairman of the Board at Economy and Finance.

Born 11.08.1963 year. She graduated from the West Kazakhstan Institute of Languages and Management "Eurasia" as an economist – accountant.

- She began her career as an operator auto office in 1980. From 1992 to 1997 she worked as a secretary. From 1998 to 2004 held an accountant, senior accountant. From 2004 to 2008, was appointed as a Head of the Department of Accounting and Finance – Chief Accountant.
- From 2008 to 2010 – Deputy General Director for Economics and Finance, from May 2010 to 2013 Managing Director for Economy and Finance, from January 2014 to the present deputy chairman for economics and Finance.

She holds a degree "Master of Business Administration".

She does not hold the shares of the Company and competitors.

### **KUKATOV AIBAT TURGALIEVICH**

Member of the Board of JSC " Atyrau International Airport ", deputy chairman of the board production.

Born 09.11.1964 year. He graduated from Slaviyansk Aviation Technical School of Civil Aviation (GA), specialty lighting operation means Aviation and electrical installations, State College Military Aviation School, specialty – technical operation of Aviation electrified in Aktobe.

- ➔ He began his career in 1985 in the position of electrician service in Atyrau aviation company, then engineer of 1 category, leading engineer, Deputy Chief of Service of Electricity.
- ➔ In 1996 he was appointed as a Chief of Electric service.
- ➔ Since 2002, he served as the Deputy Executive Director at production, the first deputy executive director. Since May 2010, Chief Operating Officer. Currently he works as a deputy of Chairman of the Board of production.

He has a letter of thanks from the President of the Republic of Kazakhstan in honor of the celebration of the 10th anniversary of Independence of the Republic of Kazakhstan.

He does not hold the shares of the Company and competitors.

## The process of selecting the members of the Management Board

Determination of the quantitative composition, term of office of the Management Board, election and early termination of the powers of its members, including by agreement with the sole shareholder of the Chairman of the Management Board refers to the exclusive competence of the Board of Directors.

The Board consists of not less than three (3) members.

Proposals for candidates for election to the Board for consideration to Board of Directors, Chairman of the Board may make Chairman of the Board. Board of Directors may consider the proposals for candidates recommended for election to the same vacant position on the Board of no more than two times.

In case of rejection by the Board of Directors of the candidate proposed Chairman of the Board on the same vacant position on the Board in the second time, the right to make proposals for candidates for the vacant position proceeds to the Chairman of the Board of Directors.

Board members may be representatives of the Sole Shareholder and employees of the Company, not its shareholders. Candidates for the position of The Management Board should have the experience, knowledge and qualifications necessary for the proper performance of the duties assigned to the members of the Board, have positive reputation

## The remuneration of the Board members

Remuneration of the members of the Management Board consists of the monthly salary board (base salary) and lump-sum payment to the Independence Day. The size salaries, remuneration conditions, bonuses and social support of Chairman and members of the Board is determined by resolution of the Board of Directors.

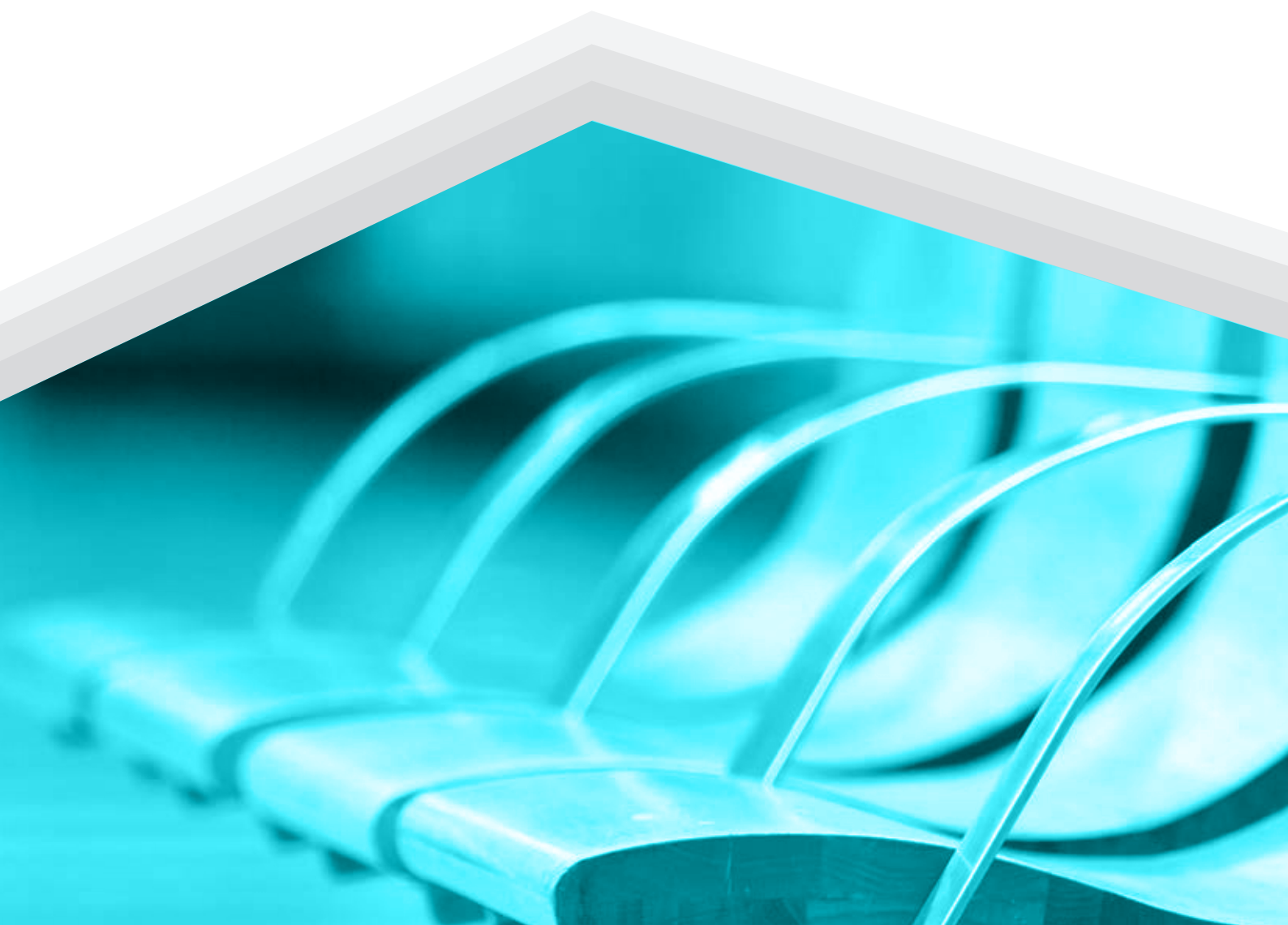
The Board of Directors decision of August 23, 2013 were approved the new version of the wage rules and bonuses of executives and terms of performance evaluation and reward senior employees of the Company by making changes from 30.10.2014.

Award for its results of the year is paid to executives for the financial year after approval in due course results of financial and economic activities of the Company based on the audited financial statement. The Board of Directors approves the key performance indicators Company and their target values, motivational key performance indicators for Board members and their target values for performance evaluation. Corporate indicators which established for the Company, include the net profit and Company gains with equal weights of indicators. Part individual contribution goals are established on the basis of the implementation of the strategic goals of Company.

### **Remuneration in the form of salaries to members of the Management Board in 2015**

Short-term benefits, just in tenge	18086
Including:	
Kerey E.K.– Chairman of the Board	6400
Kabdualieva G.K.– Deputy Chairman of the Management Board Economy and Finance	5898
Kukatov A.T.– Deputy Chairman of the Management Board	5788

Payment of premiums, individual remuneration and payment of interest at the end of the year was not made in the reporting year.



## Activity Board

20 Board meetings were held in 2015. All meetings were held in full-time. The decisions were considered and adopted at the meetings of the Board to the following issues:

### Approved:

- Staffing;
- Work Plan of the Board;
- Rules of the internal labor regulations of the Company;
- Terms of competitive selection for vacant positions;
- Annual budget for 2016;
- Regulation on the service of risk management;
- Procurement of goods, works and services.

### Pre-approved:

In the area of corporate governance:

- Report of the implementation of the action plan to improve the system of Corporate Governance for 2014, action plan for improving the corporate governance system for 2015;
- Draft Regulation on the internal control system in the new edition;
- Report on the Company's adherence to the requirements of the Code of Conduct for 2014 .;
- Report on the implementation / execution of previously adopted during the EA and SD solutions.

In the area of financial and economic activity:

- The annual financial statements for 2014;
- Reports of the Chairman of the Board of the Company on implementation of the development of planCompany;
- Reports on transactions in which the Company has interest, also on transactions with related parties;
- Annual Report for 2014;
- Development Plan Draft for 2016–2020;
- The issue of “for decision of audit organization in the Company and the payment of its services for 2015–2017.”

In the area of strategic planning:

- Report of the Company's development strategy for 2014.

In the field of human resource management:

- The organizational structure of the new edition;
- The issue of “On the implementation of measures aimed at improving Involvement of personnel, the transparency of appointments on the basis of competitive selection, professional development of employees “;
- On the implementation of personnel policy report for 2014;
- The issue of “On the work being done to prevent accidents production, prevention and resolution of labor disputes, conflict prevention”.

## Corporative events

In accordance with the decision of the Management Board of 09.06.2015. (№ 10 Protocol)

17.06.2015, the Company has concluded a deal with JSC “Samruk-Kazyna” that there was an interest.

Under the deal “Samruk-Kazyna” has provided the Company a loan in the amount of 395,000,000 (three hundred ninety-five million) tenge for financing working capital of the Company.



# **MAJOR RISK FACTORS AND RISK MANAGEMENT SYSTEM**

Airport Risks are divided into 4 categories according to the Policy on Risk Management of JSC "Atyrau International Airport" categories of risk: Strategic; Financial; Operating; Legal.

The most critical risks in accordance with the approved risk register related currency risk, due to the presence of the Company's repayment obligations a loan from the European Bank for Reconstruction and Development.

To the other essential risks are: The risk of terrorist acts – (consequences will be catastrophic, airport – a strategic object, in recent years have been attacks in the territory of Atyrau and oblast districts, etc.) The risk of aircraft Incident – (implications for the airport in case of realization of this risk may be Although the probability of catastrophic and minor due to the fact that the airport Constantly is carried out preventive measures to manage this risk.

In 2015, the Company concluded a contract on all compulsory insurance: compulsory ecological insurance, compulsory insurance civil liability of owners of facilities whose operations associated with risk of causing damage to third parties, insurance employee from accidents during execution of labor (service) duties legal entity, compulsory insurance of civil liability vehicle owners.

In 2015, the Company's activities influenced factors both external and internal environment, giving rise to the risks of various kinds.

The main purpose of JSC "Atyrau International Airport" in Management of risk is to minimize the possible negative impact on the implementation of risks caused by internal and external factors.

As part of a comprehensive approach to risk management is the responsibility of the main participants are distributed as follows:

## Allocation of liability for risk management



In the Register of the Company's risks, approved by the Board of Directors of the Company stated the impact of (size) risks

Name of the risks	Description of risk	Impact of risk
Risk of terrorist manifestations	The risk of involvement in the settlement of related emergencies with the seizure of aircraft and other manifestations of terrorism in air transport.	Catastrophic
The risk of damage to aircraft incidents	The risk of damage to aircraft incidents caused by the Company	Substantial
The risk of competition	The risk of competition- is risk of reduction of volumes of passenger and transportation due to Increased competition.	Substantial
The risk of non-compliance requirements of certification, oversight and regulators	Failure to comply legal and regulatory documents due to errors and omissions in the work of the staff; the presence of the second operator airport, leading to inconsistency in the actions in airport management.	Average
The risk of violations regularity-	Risk of violation of schedules, daily plans and the regularity flights of aircraft, violation of technology in operational management process by AC services	average.
Damage / loss risk of cargo	Damage or loss of cargo as a result of non-compliance regulatory requirements, and regulatory documents, errors and omissions in the work of staff	Substantial
The risk of voluntary and involuntary violation established procedures of corporate management officials persons and company	The risk is associated with failure to rated values of corporate governance.	Poor
The risk of lack of fuel and lubricants	The risk is associated with a deficit of fuels – lubricants in the Republic of Kazakhstan	Poor
Liquidity risk	The errors and omissions in the planning and management of cash flow, receivables and accounts payable.	Substantial
Interest rate risk	Changes of market interest rates.	Substantial
Credit Risk	Failure to business obligations to partners' Company	Average

## Major transactions

Transactions that are recognized in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies "and the Company Charter major transactions in the reporting period were not concluded.

## The transaction in which the company has interest

In 2015, the Company entered into a number of transactions in which there is the interest. Total has been concluded 40 transactions with regard to the transactions concluded 5 interests for 2016. Below There are details of transactions, grouped by name a related party.

### Transactions with related parties for 2015

No	Name	Temper of using operations	Sum of operations in thous. tenge
1	JS Kazakhtelecom"	" telecommunication services (expense)	772
		Services for station (Income)	785
2	Services for station (Income) "Samruk Kazyna "	Services for the organization of the seminar (expenses)	80
3	JS "Kazakhtelecom"	Telecommunications Services (expenses)	1250
4	JS "Kazpost"	communications and conduct joint secret works, underwriting services, transportation and delivery confidential, components of trade secrets, for the service confidential, components of trade secrets, for the service marked "K (Confidentially) at category "Express-Departure" also securities and high-value items (hereinafter origin) (expenses)	1098
		Ensuring the admission and domestic regime services(income	268
5	Samruk – Kazyna Contract "	Provision of services to determine the price bands planned for procurement of goods, maintenance services, Maps monitoring of local content services for the right to use electronic information system procurement, to provide services and updating directory (expenses)	7163
6	JSC "KazMunayGaz"	" Purchase of petroleum products on the coupon system expenses)	24765
7	JS "QAZAQ AIR"	provision of regulated services of airports, agency for the sale agreement passenger air services storage of aviation kerosene (income)	13942
8	JSC "Airline "Euro-Asia Air"	services of a medical examination (costs	1299
		Providing services Atyrau Airport, provision of regulated services of airports, provision of pre-shift medical services, inspection services to ensure domestic regime, services of rent, services of support individuals in a controlled area, storage of aviation fuel, services for transmission and distribution electricity (revenues)	171445
9	JSC "KazTrans Gas Aimak "	Implementation of commercial gas, services of transportation of marketable gas, Maintenance gas consuming systems (revenues)	877
10	JSC "Development Bank of Kazakhstan"	Banking services (expense)	877
11	JSC "Air Astana"	Airport services, medical examination services Storage of aviation kerosene (income)	693141
12	"Atyrau oil and gas Refinery"	services for providing of admission and domestic regime	270
13	JSC " Kazakhstan Temir Zholy "	transportation services(expense)	9675
14	JSC "Fund of national Welfare of "Samruk-Kazyna"	Loan agreement (interest loan/expenditure)	395000
15	JSC "KazMunaiGas Aero"	vessel hire services RVS-2000, Service of Jet-fuel (revenue)	5742
		Purchase of TS-1 jet fuel (costs)	406588
16	JS"Aktobe International Airport"	For anti -icing liquid	2640



air astor



# **CORPORATE SOCIAL RESPONSIBILITY**



Under corporate social responsibility refers to a system of voluntary relationship between the worker, the employer and the Company, aimed at improving social and labor relations, maintaining social stability, the development of social and environmental performance.

The Company takes all measures to ensure, to fulfill their obligations with given the current economic situation in the country and in the world.

## Payment Policy and motivation

The Company paid remuneration (wages) in depending on the qualifications of the Company's employees, complexity, quantity, quality and conditions of work and payment of compensatory nature.

Payments of compensation amounted to 3 100 thousand tenge. The average salary -of 131875 tenge, including administrative staff – 198328 tenge and production staff – 126313 tenge.

The total wage fund was 645219 thousand. Tenge in 2015, including costs for paying administrative staff – 73778 thousand tenge. And production staff – 571441 thousand tenge.

The Company doesn't have outstanding debts to employees on wages, on social benefits and guarantees under the terms of the collective agreement.

№ п/п	Name of article	2013	2014	2015	attitude 2014 to 2013	attitude 2015 to 2014
1	2	3	4	5	6	7
1	Payroll, including	782928	729756	645219	93,21%	88,42%
	Industrial staff	683539	644828	571441	94,34%	88,62%
	Administrative Staff	99389	84929	73778	85,45%	86,87%
2	The number of Staff, including	430	404	408	93.96%	100.99%
	Industrial staff	396	378	377	95.45%	99.74%
	Administrative Staff	34	26	31	76.47%	119.23%
3	Average monthly salary, including	151907	150527	131785	99,10%	87.55%
	Industrial staff	143994	142158	126313	98,73%	88.86%
	Administrative Staff	244800	272207	198328	111,20%	72.86%
4	Performance labor	5648	4998	4794	88,50%	95,92%

In accordance with the current legislation of the Republic of Kazakhstan and internal documents of the Company, the Company pays for training, travel expenses in the manner and amount established for persons who are on business trips. During 2015 travel expenses amounted 3307 tenge.

Labor productivity in 2015 amounted to 4794 thousand tenge, which is less than the previous year, due to the decrease in operating income and increasing in the actual number at the end of the reporting period.

## Industrial safety, occupational safety and environmental protection

### Industrial safety, labor protection

The Company adheres to the principle of priority of preservation of life and health of worker over the results of production activities.

Occupational safety Security Service Company, together with the heads of services and departments held a set of measures aimed at improvement of working conditions in 2015.

In accordance with the legislation of the Republic of Kazakhstan, in order to ensure protection of property interests of the Company's employees, whose life and health may be harmed as a result of execution of labor (service) duties, Company carries mandatory insurance of employees of the Company accidents in the performance of labor (service) duties.

At work under harmful and especially harmful working conditions, the employees issue free milk according to the established norms. For work with heavy, harmful and especially harmful working conditions, the employees of the company is established a surcharge.

At the request of the company to the employees of the need to wear uniform and special clothing, the company provides the workers free uniform and special outfit at their own expense.

In accordance with the established norms the workers who employ at jobs with harmful and (or) dangerous working conditions, as well as at work carried out in special temperature conditions or pollution-related issues, company issues wash-off and disinfectants.

The Company controls the compliance by contractors working for leading company's principles and standards in the field of industrial safety, occupational health and environment.

**In 2015, to ensure safe working conditions for employees, the company allocated:**

Description of measures	Funds Sum, thous.tenge
Milk	3696
Detergent	594
Individual protection means	615
annual medical inspection	1299
Insurance	2732
Surcharge for maleficence	23235

During 2015 there were no accidents.

**Environmental protection**

The responsible attitude to the environment – is key policy principle environmental Company. Main activity of the company has no significant impact on the environment, but it is important see the area of responsibility in the field of ecology, in order to minimize negative impact and improve policy in the field of environmental protection.

The environmental management system operates within an integrated company management system.

The main internal regulations are SEM are "Identification requirements in the environmental field, occupational safety and health", "Identification of environmental aspects", "Planning in the field of environmental, occupational health and safety."

In 2015, under the protection of the environment have been carried out by the Company the following activities: In 2015, the permission to issues in environment are also agreed on an action plan for environmental protection "Atyrau

International Airport" for 2016–2020. The Company has developed and agreed with the territorial bodies of the environment protection standards for maximum permissible emissions (MPE) in the atmosphere in which the activities are defined bringing the emissions to the technically sound values.

In accordance with the requirements of environmental legislation of the Republic of Kazakhstan in 2015, the Company carried out an inventory of greenhouse gases, released as part of the Company's activities in the environment, for the year 2014. Calculations of transport and hotbed gas have done.

The technological process does not involve the formation of specific waste. The main production of waste – MSW generated, used mercury fluorescent lamps, used oil, used tires, medical waste, emissions from stationary sources, emissions from mobile sources. There are security measures of waste management production and consumption in a timely manner of their removal. The measures to safe storage, removal and disposal of hazardous waste have done.

Waste production	Quantity for 2015	Removal and disposal waste
Solid waste	884m <sup>3</sup>	LLP "Special transport"
Used mercury lamps	60 шт.	LLP "West Dala"
Used tires	65 шт.	LLP "West Dala"
Medical waste	8 кг.	LLP "West Dala"
Domestic-waste	4686m <sup>3</sup>	JSC "Atyrau and ATMA transport" " Su Amasy "

Environmental fees for emissions into the environment amounted to 268837 tenge. The total amount of measures for protection of the environment is 5,301,398 tenge in 2015.

The fee for negative effects on environmental(tenge)	2014	2015
Removal and placement of solid waste	1683136	1618179
Payments for emissions in environment	348890	268837

Expenses for emission environmental activities tenge	2014	2015
Recycling	52385	319648
Water and sewerage	1961682	2071139
Industrial monitoring	716800	448000
chemical treatment of green spaces	330000	50120

## Social support for working and non-working pensioners and invalids

The Company provides support to pensioners. For Company secured 65 pensioners – former employees of the Company. In 2015, it has been provided financial assistance to the holiday

dates in the amount of 1 270 thous. tenge, for burial material assistance in the amount of 208 thousand. tenge. The financial aid payed by the Victory Day on May, 9– 120 thousand tenge.

## Health protection

The Company created the necessary conditions for the timely passage of the annual medical examinations to employees employed in jobs with hazardous working conditions. In 2015

periodic medical examination took place 225 workers employed in jobs with harmful and (or) hazardous working conditions, the total amount of 1 299 thousand tenge.

## Staff development, education and training

The Company provides employees the opportunity to realize their potential, also encourages their professional development for the quality performance of their duties. The Company is working on professional training, retraining and advanced training of personnel.

qualifications, seminars and trainings specialized subjects totaling 4753 tenge in 2015. We continue training at the expense of the Company 2 employees of production units in JSC "Academy of Civil Aviation" and Aviation College in areas of "traffic management and operation air transport "and" software utility aviation security transportation in air transport."

As part of the professional development of employees, 70 employees were trained on the initial training courses, improving

## Corporate social support

The Company provides its employees with the following types of social support:

- provision of material assistance;
- additional paid holidays.

The financial assistance was provided for a total of 2015 for the Company the amount of 3 286 tenge:

Social support Name	Quantity of employees	Sum in thous tenge
When a child is born	44	1980
Employees who have children with disabilities	3	150
In connection with the death of a relative	9	357
In connection with the employee's death	1	99
In connection with the death of the disabled retiree	2	208
The participants of the Afghan war	1	120
Workers in connection with the retirement	2	212
Low-income workers families by 1-st September	4	160

Employee benefits and social nature of the compensation were made in Under the Labour Code and the collective agreement.

Company provides employees special transport to and from works.

## Socially Responsible Relations with suppliers and partners

n working with suppliers of goods, works and services, the Company adheres to the principles of openness and transparency of the procurement process; optimal and efficient expenditure of money used for procurement; acquisition of quality goods, works and services; increasing the share of local content in goods, works and services; fair competition among potential suppliers; control and responsibility for decisions.

Purchases are conducted in accordance with the rules of procurement of goods, works and services JSC "Sovereign Wealth Fund" Samruk-Kazyna "and organizations of fifty and more percent of voting shares (interests) of which directly or indirectly owned to JSC "Samruk-Kazyna" the right of ownership or trust management.

During 2015 it was conducted purchases totaling 1,100,128 tenge. The share of local content amounted to 32.3%.

## Benefits provided to employees working in the full employment

One of the main tools to ensure a decent standard of living employees of the Company is the system of social benefits and privileges. All employees provided:


Name of benefits and privileges	Unit	Sum
Payment of hospital sheets	thous. tenge	6199
Annual medical examination employees working in hazardous conditions of labor	thous. tenge	1299
Annual vaccination for workers to maintain Immunity to prevent diseases	thous. tenge	190
Child for rearing leave(up to 3 years old)	people	23
Accident insurance of employees cases, the performance of labor duties	thous. tenge	2732

Also, the Company has a Code of Corporate Social Responsibility and corporate social responsibility strategy, which set provision of social guarantees, benefits and compensations, and stated objectives regarding interaction on the basis of the Company and stakeholders following the requirements

and standards of the Republic of Kazakhstan legislation, for providing of effecting work, social-economic and legal guarantees of employers.

Chairman of Board Directors

Chairmen of Board



M. Urazbekov

E. Kerey





**ANNUAL FINANCIAL  
STATEMENTS OF  
THE COMPANY  
AND INDEPENDENT  
AUDITOR'S REPORT  
FOR 2015**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FORMS OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015**

The Management of "Atyrau International Airport" (hereinafter - the "Company") is responsible for the preparation of the forms of the annual financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and the results of its operations, cash flows and changes in equity for the year ended December 31, 2015 in accordance with International financial reporting standards ("IFRS") and the format of the annual financial statements for the purposes of the publication of public interest organizations (except financial institutions) in the media, approved by Order of the Minister of Finance of the Republic of Kazakhstan №143 of February 27, 2015 (hereinafter - the "Order №143").

With a view to distinguish the respective responsibilities of auditors and management in relation to the financial statements of the Company the following statement was made, which should be read in conjunction with the duties of the auditors' in the report independent auditors.

While preparing the financial statements, the management is responsible for:

- Selecting suitable accounting principles and consistent application;
- The use of reasonable estimates and calculations;
- Compliance with legislation of RK and International Financial Reporting Standards;
- Preparing the financial statements on the assumption that the Company will continue its operations in the foreseeable future, except when such inappropriate.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal control of the Company;
- Maintaining proper accounting records that disclose, at any time, with reasonable accuracy information about the Company's financial position and to ensure that the financial statements the requirements of the Guidelines;
- Taking measures within its competence to protect the Company's assets and identifying and preventing fraud and other irregularities.

These financial statements for the year ended December 31, 2015 were authorized for issue on February 25, 2016.

Chairman of the Board



*Kerey*  
Kerey E. K.

Acting Chief Accountant

*Bayamirova*  
Bayamirova L. Zh.





International Auditing Company LLC  
Международная Аудиторская Компания  
**Russell Bedford**  
**BE Partners**  
International Consulting Company LLC  
Международная Консалтинговая Фирма



of. 44a, 2, Luganskogo str.(Dostyk-Satpaeva)  
Almaty c., 050000, Republic of Kazakhstan  
T: +7(727) 399 80 00, 399 80 01, 399 81 18  
F: +7(727) 399 80 06  
E: [bc@rbpartners.kz](mailto:bc@rbpartners.kz)  
W: [www.rbpartners.kz](http://www.rbpartners.kz)

## INDEPENDENT AUDITOR'S REPORT

### To Shareholder of JSC "Atyrau International Airport"

#### *Introduction*

We have audited the accompanying financial statements of "Atyrau International Airport" (hereinafter - the Company), which comprise the balance sheet as of December 31, 2015, statement of profit and losses, statement of changes in equity and cash flow statement for year ended on December 31, 2015, as well as the summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the form of annual financial statements**

Management is responsible for the preparation of the forms of annual financial statements derived from the audited financial statements in accordance with IFRS and in accordance with the Order of the Minister of Finance of the Republic of Kazakhstan №143 from February 27, 2015. The preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (hereinafter "IFRS") shall be responsibility of the Company's management. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 these forms of annual financial statements based on our procedures performed in accordance with International Standard on Auditing (ISA) 810, "Audit assignments on Condensed Financial Statements". 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 preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, and evaluating the overall financial statement presentation.



**Opinion**

In our opinion, the financial statements in all material aspects presents a true and objective information about the financial position of the Company as of December 31, 2015, as well as the incurred expenses, cash flows and changes in equity in the period beginning January 1, 2015 and ending on the date of preparation of these financial statements in accordance with IFRS and in accordance with the principles of the preparation of the forms of annual financial statements for the purposes of publication in the media, approved by Order of the Minister of Finance of the Republic of Kazakhstan № 143 from February 27, 2015.



Sholpana Kudaibergerova  
Auditor / Managing Director  
LLP IAC "Russell Bedford BC Partners"  
State license to perform audit in the  
Republic of Kazakhstan No. 0000097  
issued by Ministry of Finance of RK,  
dated March 11, 2013



Auditor Qualification Certificate  
№0000453 from 14.11.1998

**February 25, 2016**

Member of Russell Bedford International, with affiliated offices worldwide  
Registered Office: 44a, 2, Luganskogo Street, Almaty, Republic of Kazakhstan

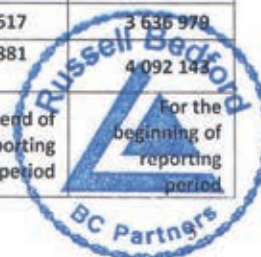


Joint Stock Company  
"Atyrau International Airport"  
Financial Statements for the year ended December 31, 2015

**BALANCE SHEET**  
As of December 31, 2015

Attachment 2  
To the order of Minister of Finance of  
Republic of Kazakhstan  
Dated from February 27, 2015  
Form #143  
In thousand KZT

Assets	Line code	Note	For end of reporting period	For the beginning of reporting period
<b>I. Short-term assets:</b>				
Cash and cash equivalents	010	4	7 691	4 517
Financial assets available-for-sale	011			
Derivatives	012			
Financial assets at fair value through profit or loss	013			
Financial assets held to maturity	014			
Other short-term financial assets	015	5	34 230	1 824
Short-term trade and other receivables	016	6	60 818	84 220
Current tax assets	017	7	126 210	124 940
Reserves	018	8	270 385	219 261
Other short-term assets	019	9	12 930	20 402
<b>Total short-term assets (sum of the lines from 010 to 019)</b>	<b>100</b>		<b>512 264</b>	<b>455 164</b>
Assets (or disposal groups) held for sale	101			
<b>II. Long-term assets</b>				
Financial assets available-for-sale	110			
Derivatives	111			
Financial assets at fair value through profit or loss	112			
Financial assets held to maturity	113			
Other long-term financial assets	114			
Long-term trade and other receivables	115	10	8 935	9 046
Investments accounted for using the equity method	116			
Investment property	117			
Fixed assets	118	11	3 491 699	3 614 556
Biological assets	119			
Exploration and evaluation assets	120			
Intangible assets	121	12	983	1 327
Deferred tax assets	122			
Other long-term assets	123	13		12 050
<b>Total long-term assets (sum of the lines from 110 to 123)</b>	<b>200</b>		<b>3 501 617</b>	<b>3 636 978</b>
<b>Balance (line 100 + line 101+ line 200)</b>			<b>4 013 881</b>	<b>4 092 142</b>
<b>Liabilities and Equity</b>	<b>Line code</b>	<b>Note</b>	<b>For the end of reporting period</b>	<b>For the beginning of reporting period</b>



Joint Stock Company  
"Atyrau International Airport"

Financial Statements for the year ended December 31, 2015

<b>III. Short-term liabilities</b>				
Loans	210	14	1 099 768	528 719
Derivatives	211			
Other short-term financial liabilities	212	15	-	27 839
Short-term trade and other payables	213	16	246 438	328 058
Short-term provisions	214	17	27 702	26 281
Current tax liabilities	215	18	16 462	18 003
Employee benefits	216	19	32 405	25 759
Other short-term liabilities	217	20	30 316	62 173
<b>Total short-term liabilities (sum of the lines from 210 to 217)</b>	<b>300</b>		<b>1 453 091</b>	<b>1 016 832</b>
Liabilities of the disposal group held for sale	301			
<b>IV. Long-term liabilities</b>				
Loans	310	21		378 574
Derivatives	311			
Other long-term financial liabilities	312			
Long-term trade and other payables	313	22	11 157	12 213
Long-term provisions	314			
Deferred tax liabilities	315	23	572 432	607 501
Other long-term liabilities	316			
<b>Total long-term liabilities (sum of the line from 310 to 316)</b>	<b>400</b>		<b>583 589</b>	<b>998 288</b>
<b>V. Equity</b>				
Authorized (share) capital	410	24	786 978	786 978
Share premium	411			
Repurchased own equity instruments	412			
Reserves	413	25	131 659	142 856
Retained earnings (uncovered loss)	414	26	1 058 564	1 147 189
<b>Total equity attributable to owners of the parent company (sum of the lines from 410 to 414)</b>	<b>420</b>		<b>1 977 201</b>	<b>2 077 023</b>
Non-controlling owners	421			
<b>Total equity (line 420 +/- line 421)</b>	<b>500</b>		<b>1 977 201</b>	<b>2 077 023</b>
<b>Balance (line 300+ line 301+line 400 + line 500)</b>			<b>4 013 881</b>	<b>4 092 143</b>

Notes are an integral part of these financial statements



Chairman of the Board

*Kerey E. K.*

Kerey E. K.

Acting Chief Accountant

*Bayamirova L. Zh.*

Bayamirova L. Zh.



Joint Stock Company  
"Atyrau International Airport"

Financial Statements for the year ended December 31, 2015

**INCOME STATEMENT**

For the year ended December 31, 2015

Attachment 2  
To the order of Minister of Finance of  
Republic of Kazakhstan  
Dated from February 27, 2015  
Form #143

In thousand KZT

Item	Line code	Note	For the reporting period	For the previous period
Revenue	10	27	1 953 976	1 979 373
Cost of goods sold and services provided	11	28	1 444 336	1 696 756
<b>Gross profit (line 010 – line 011)</b>	<b>12</b>		<b>509 640</b>	<b>282 617</b>
Distribution expenses	13			
Administrative expenses	14	29	202 136	169 298
Other expenses	15	30	40 974	30 422
Other income	16	31	111 586	38 754
<b>Total Operating Income (loss) (+/- lines from 012 to 016)</b>	<b>20</b>		<b>378 116</b>	<b>121 651</b>
Income from financing	21	32	492	952
Finance costs	22	33	25 763	14 449
The share of the organization in the profit (loss) of associates and joint ventures accounted for using the equity method	23			
Other non-operating income	24			
Other non-operating expenses	25	34	474 259	179 579
<b>Income (loss) before tax (+/- lines from 020 to 025)</b>	<b>100</b>		<b>(121 414)</b>	<b>(71 425)</b>
Income tax expenses	101	35	30 879	8 779
<b>Profit (loss) after tax from continuing operations (line 100 – line 101)</b>	<b>200</b>		<b>(90 535)</b>	<b>(80 204)</b>
Profit (loss) after tax from discontinued operations	201			
<b>Profit for the year (line 200 + line 201) attributable to:</b>	<b>300</b>		<b>(90 535)</b>	<b>(80 204)</b>
Owners of the parent organization				
Non-controlling owners				
<b>Other comprehensive income, total (sum of the lines from 410 to 420):</b>	<b>400</b>		<b>-</b>	<b>-</b>
<i>including:</i>				
Revaluation of fixed assets	410			
Revaluation of financial assets available-for-sale	411			
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	412			
Actuarial gains (losses) on pension obligations	413			
Effect of change in income tax rate on deferred tax of subsidiaries	414			
Cash flow hedges	415			
Exchange difference on investments in foreign entities	416			
Hedges of net investments in foreign operations	417			
Other components of other comprehensive income	418			
The adjustment on reclassification in profit (loss)	419			
Tax effects of components of other comprehensive income	420			
<b>Total comprehensive income (line 300 + line 400)</b>	<b>500</b>		<b>(90 535)</b>	<b>(80 204)</b>
<b>Total comprehensive income attributable to:</b>				



Joint Stock Company  
 "Atyrau International Airport"

Financial Statements for the year ended December 31, 2015

the owners of the parent organization			
share of non-controlling owners			
<b>Earnings per share:</b>	600	(114,81)	(101,91)
<b>including:</b>			
Basic earnings per share:			
from continuing operations			
from discontinued operations			

Notes are an integral part of these financial statements

  
 Chairman of the Board Kerey E. K.

  
 Acting Chief Accountant Bayamirova L. Zh.



Joint Stock Company  
"Atyrau International Airport"

Financial Statements for the year ended December 31, 2015

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2015

Attachment 4

To the order of Minister of Finance of RK  
From February 27, 2015

Form #143

In thousand KZT

Item	Line code	For the reporting period	For the previous period
<b>I. Cash flows from operating activities</b>			
<b>1. Cash inflow, total (sum of the lines from 011 to 016)</b>	<b>10</b>	<b>2 364 497</b>	<b>2 399 750</b>
including:			
sale of goods and services	11	1 455 013	2 145 754
other revenue	12		
advances received from buyers, customers	13	668 821	41 452
income from insurance contracts	14		
received benefits	15		
other inflows	16	240 663	212 544
<b>2. Cash outflows, total (sum of the lines from 021 to 027)</b>	<b>20</b>	<b>1 958 618</b>	<b>2 176 317</b>
including:			
payments to suppliers for goods and services	21	872 222	926 817
advances to suppliers for goods and services	22	104 115	2 158
labor costs	23	507 023	623 412
payment for the benefits	24	27 177	15 008
payments for insurance contracts	25		
income tax and other payments to the budget	26	336 096	408 252
other cash outflow	27	111 985	200 670
<b>3. Net cash flow from operating activities (line 010 – line 020)</b>	<b>30</b>	<b>405 879</b>	<b>223 433</b>
<b>II. Cash flows from investment activities</b>			
<b>1. Cash inflow, total (sum of the line from 041 to 051)</b>	<b>40</b>	<b>363 827</b>	<b>93 446</b>
including:			
realization of fixed assets	41		
realization of intangible assets	42		
realization of other long-term assets	43		
realization of equity instruments of other organizations (except subsidiaries) and interests in joint ventures	44		
realization of debt instruments of other organizations	45		
compensation for the loss of control of a subsidiary	46		
realization of other financial assets	47		
futures and forward contracts, options and swaps	48		
dividends received	49		
benefits received	50	492	952
Other cash inflow	51	363 335	92 494
<b>2. Cash outflow, total (sum of the lines from 061 to 071)</b>	<b>60</b>	<b>443 768</b>	<b>122 332</b>
including:			
purchase of fixed assets	61	48 036	51 875
purchase of intangible assets	62		
purchase of other long-term assets	63		



Joint Stock Company  
"Atyrau International Airport"

Financial Statements for the year ended December 31, 2015

acquisition of equity instruments of other organizations (except subsidiaries), and interests in joint ventures	64		
acquisition of debt instruments of other organizations	65		
acquisition of control over the subsidiaries	66		
acquisition of other financial assets	67		
loans provided	68		
futures and forward contracts, options and swaps	69		
investments in associated and subsidiary organizations	70		
other payments	71	395 742	70 357
<b>3. Net cash flow from investment activities (line 040 – line 060)</b>	<b>80</b>	<b>(79 941)</b>	<b>(28 786)</b>
<b>III. Cash flows from financing activities</b>			
<b>1. Cash inflow, total (sum of the lines from 091 to 094))</b>	<b>90</b>	<b>475 000</b>	<b>150 000</b>
including:			
issuance of shares and other financial instruments	91		
loans received	92	475 000	150 000
benefits received	93		
other cash inflow	94		
<b>2. Cash outflow, total (sum of the lines from 101 to 105)</b>	<b>100</b>	<b>797 764</b>	<b>379 253</b>
including:			
repayment of loans	101	769 925	379 253
payments of benefits	102		
payment of dividends	103	27 839	
payment to shareholders	104		
other cash outflows	105		
<b>3. Net cash flow from financing activities (line 090 – line 100)</b>	<b>110</b>	<b>(322 764)</b>	<b>(229 253)</b>
4. Effect of foreign currency exchange rates to the tenge	120		5 921
<b>5. Increase +/- decrease of cash (line 030 +/- line 080 +/- line 110)</b>	<b>130</b>	<b>3 174</b>	<b>(28 685)</b>
<b>6. Cash and cash equivalents at the beginning of the reporting period</b>	<b>140</b>	<b>4 517</b>	<b>33 202</b>
<b>7. Cash and cash equivalents for the end of the reporting period</b>	<b>150</b>	<b>7 691</b>	<b>4 517</b>

Notes are an integral parts of these financial statements

Chairman of the Board  Kerey E. K.

Acting Chief Accountant  Bayamirova L. Zh.




STATEMENT OF CHANGES IN EQUITY  
For the year ended December 31, 2015

Attachment 6

to the order of Minister of Finance  
Of the Republic of Kazakhstan from  
February 27, 2015  
Form #143

In thousand KZT

Наименование компонентов	Line code	Equity of the Parent organization					Share of non-controlling owners	Total equity
		Owners' (share) capital	Share premium	Treasury stock	Reserves	Retained Earnings		
Beginning balance for January 1 of previous year	10	786 978			154 988	1 242 649	2 184 615	
Changes in accounting policies	11				(1 879)	(1 879)	(1 879)	
Restated balance (line 010+/- line 011)	100	786 978			154 988	1 240 770	2 182 736	
Total comprehensive income, total (line 210+ line 220):	200	-	-	-	(12 132)	(65 742)	(77 874)	
Income (loss) for the year	210					(80 204)	(80 204)	
Other comprehensive income, total (sum of the lines 221 - 229):	220	-	-	-	(12 132)	14 462	2 330	
including:								
Gain from revaluation of fixed assets (net of tax effect)	221				3 033		3 033	
Transfer of depreciation from revaluation of fixed assets (net of tax effect)	222				(15 165)	14 462	(703)	
Revaluation of financial assets available for sale (net of tax effect)	223							







Joint Stock Company  
"Atyrau International Airport"

Financial Statements for the year ended December 31, 2015

Changes in ownership interests in subsidiaries that do not result in loss of control	318								
<b>Beginning balance for January 1 of reporting period (line 100+ line 200+ line 300)</b>	<b>400</b>	<b>786 978</b>	<b>142 856</b>	<b>1 147 189</b>	<b>2 077 023</b>				
Adjustments to previous year (note 13)	401			(12 086)	(12 086)				
<b>Restated balance (line 400+/-line 401)</b>	<b>500</b>	<b>786 978</b>	<b>142 856</b>	<b>1 135 103</b>	<b>2 064 937</b>				
<b>Total comprehensive income, total (line 610+ line 620):</b>	<b>600</b>		<b>(11 197)</b>	<b>(76 539)</b>	<b>(87 736)</b>				
Income (loss) for the year	610			(90 535)	(90 535)				
Other comprehensive income, total (sum of the lines 621 - 629):	620		(11 197)	13 996	2 799				
including:									
Gain from revaluation of fixed assets (net of tax effects)	621								
Transfer of depreciation from revaluation of fixed assets (net of tax effect)	622		(11 197)	13 996	2 799				
Revaluation of financial assets available for sale (net of tax effect)	623								
Share of other comprehensive income (loss) of associated organizations and joint ventures accounted for using the equity method	624								
Actuarial gains (losses) on pension obligations	625								
Effect of change in income tax rate on deferred tax of subsidiaries	626								
Hedging the cash flows (net of tax effect)	627								
Exchange difference on investments in foreign entities	628								
Hedges of net investments in foreign operations	629								





