

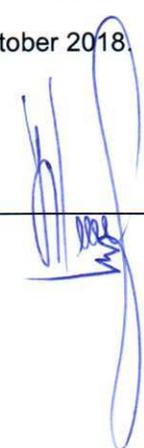
**Aztelekom LLC**  
**Statement of Financial Position**

<i>In thousands of Azerbaijani manats</i>	Note	31 December 2017	31 December 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	190,623	206,039
Intangible assets		278	117
Available for sale investments		45	45
<b>Total non-current assets</b>		<b>190,946</b>	<b>206,201</b>
<b>Current assets</b>			
Inventories	10	6,995	4,870
Trade and other receivables	9	10,428	10,280
Other current assets		503	379
Other taxes prepayments		-	130
Cash and cash equivalents	8	2,149	1,572
<b>Total current assets</b>		<b>20,075</b>	<b>17,231</b>
<b>TOTAL ASSETS</b>		<b>211,021</b>	<b>223,432</b>
<b>Equity</b>			
Charter capital		22,244	22,244
Transfers from Government		104,453	104,453
Retained earnings		54,481	48,834
<b>TOTAL EQUITY</b>		<b>181,178</b>	<b>175,531</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	12	353	431
Deferred income tax liability	18	-	964
<b>Total non-current liabilities</b>		<b>353</b>	<b>1,395</b>
<b>Current liabilities</b>			
Short-term borrowings	12	514	11,675
Trade and other payables	11	25,911	32,383
Deferred revenue		2,615	2,239
Other taxes payable		450	209
<b>Total current liabilities</b>		<b>29,490</b>	<b>46,506</b>
<b>TOTAL LIABILITIES</b>		<b>29,843</b>	<b>47,901</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>211,021</b>	<b>223,432</b>

Approved for issue and signed on behalf of the Management on 10 October 2018.

  
 Zaman Verdiyev  
 First Deputy Chief Executive Officer



  
 Amid Ulubayov  
 Chief Accountant

**Aztelekom LLC**  
**Statement of Profit or Loss and Other Comprehensive Income**

<i>In thousands of Azerbaijani manats</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
Revenue	13	74,835	90,882
Cost of services	14	(54,552)	(58,674)
<b>Gross profit</b>		<b>20,283</b>	<b>32,208</b>
General, administrative and other operating expenses	15	(25,197)	(28,019)
<b>Operating (loss)/profit</b>		<b>(4,914)</b>	<b>4,189</b>
Finance cost	16	(933)	(2,896)
Other non-operating income	17	14,603	9,930
<b>Profit before income tax</b>		<b>8,756</b>	<b>11,223</b>
Income tax expense	18	(3,109)	(964)
<b>Profit for the year</b>		<b>5,647</b>	<b>10,259</b>
<b>Total comprehensive income for the year</b>		<b>5,647</b>	<b>10,259</b>

**Aztelekom LLC**  
**Statement of Changes in Equity**

<i>In thousands of Azerbaijani manats</i>	<b>Charter capital</b>	<b>Transfers from Government</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 1 January 2016 (Unaudited)</b>	<b>22,244</b>	<b>104,453</b>	<b>38,575</b>	<b>165,272</b>
Total comprehensive income for 2016	-	-	10,259	10,259
<b>Balance at 31 December 2016</b>	<b>22,244</b>	<b>104,453</b>	<b>48,834</b>	<b>175,531</b>
Total comprehensive income for 2017	-	-	5,647	5,647
<b>Balance at 31 December 2017</b>	<b>22,244</b>	<b>104,453</b>	<b>54,481</b>	<b>181,178</b>

**Aztelekom LLC**  
**Statement of Cash Flows**

<i>In thousands of Azerbaijani manats</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>			
Profit/(Loss) before income tax		8,756	11,223
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	7,14,15	16,567	16,217
Impairment of trade and other receivables	15	-	507
Write-down of Inventories	15	637	2,114
Finance costs	16	933	2,896
Foreign exchange translation differences		(960)	2,662
<b>Operating cash flows before working capital changes</b>		<b>25,933</b>	<b>35,619</b>
Decrease in trade receivables		4,812	2,592
(Increase)/decrease in inventories		(2,762)	100
Increase in other receivables and prepaid expenses		(4,830)	(6,026)
(Increase)/decrease in other current assets		(123)	1,284
Decrease in trade and other payables		(5,512)	(14,481)
Increase in deferred revenue		375	343
Increase/(decrease) in taxes payable		240	(9)
<b>Changes in working capital</b>		<b>18,133</b>	<b>19,423</b>
Income taxes paid		(4,072)	-
Interest paid		(639)	(1,331)
<b>Net cash from operating activities</b>		<b>13,422</b>	<b>18,092</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	7	(1,138)	(2,983)
Acquisition of intangible assets		(175)	(12)
<b>Net cash used in investing activities</b>		<b>(1,313)</b>	<b>(2,995)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		840	-
Repayment of borrowings		(12,372)	(14,861)
<b>Net cash (used in)/from financing activities</b>		<b>(11,532)</b>	<b>(14,861)</b>
Effect of exchange rate changes on cash and cash equivalents		-	(410)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,572</b>	<b>1,746</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,149</b>	<b>1,572</b>