



January 2016

**Results****MODERNIZATION WILL CONTINUE IN 2016**

In 2015 validity of state program of ceiling tariffs has been completed in Kazakhstan, which starting from 2009 encouraged positive changes at the power energy market.



Within past six years, 3 791 MW of generating capacities were modernized, rehabilitated and put into operations. Share of Central-Asian Electric Power Corporation JSC (CAEPCO JSC) amounts to 566 MW or 14,9% from overall indicators. It stands to mention that from the moment of implementation of state program number of emergency shutdown of power blocks at the power stations of local and national significance has been significantly reduced. Above mentioned facts confirm efficiency of decision adopted by the Decree of the Government dated March 25, 2009 on approval of ceiling tariffs of electric energy for energy generating enterprises. Adopted program allowed to prevent growth of prices for

electric energy and to attract investments to the generation sphere. As the result of implementation of the policy "Tariff in exchange for investments" energy generating enterprises got the funds for reconstruction and modernization of its generating equipment, which allowed ensuring demands of the country's economy in terms of electricity. Volumes of the investments to the power energy sphere of Kazakhstan have been increased by 5 times and achieved KZT 988 bln. In overall 23% from total installed capacity of Kazakhstan stations were renovated and put into operations (compared to 2009). This reserve allows ensuring reliable electricity supply of main sectors of the country's economy and establishes base for further development of the Kazakhstan for long term perspective.

Largest on Kazakhstan private energy holdings – (CAEPCO) in the period of 2009 – 2015 has modernized its assets. It stands to mention that reconstruction and modernization projects of CAEPCO JSC assets will be continued in 2016 after completion of ceiling tariffs program. Volume of CAEPCO JSC investments in the period of 2009-2016 will achieve KZT 74,9 bln. Over this period level of fixed assets depreciation at the energy generating enterprises of the Company will be decreased from critical point 80-90% down to 59%.

**Plans****AMBITIOUS PROJECTS  
CAEPCO JSC IN 2016****SEVKAZENERGO JSC  
Petropavlovsk CHP-2**

- commissioning of boiler unit #12 after reconstruction with increase of steam productivity by 50 tons/hour;
- commissioning of new turbine unit #5 with electric capacity of 95 MW.

**PAVLODARENERGO JSC  
Pavlodar CHP-3**

- reconstruction of boiler unit #5;
- reconstruction of turbine unit #6 with increase of installed electric capacity by 15 MW and heat capacity by 28 Gcal/h.






**Electric distribution  
companies**

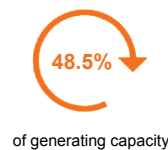
- construction of HVL 35-110 kV - 70.5 km;
- reconstruction of HVL 35-110 kV - 19,2 km;
- reconstruction of substation 10-220 kV - 17 pcs.

**Heating network companies**

- construction of heat main pipelines with use of pre-insulated pipes – 12.079 km;
- Rehabilitation of isolation with use of PPU shell – 5.324 km.

**KEY FIGURES**

-  **1 117 MW** - installed electricity capacity
-  **2 958 Gcal/h** - installed heating capacity
-  **50.5 thous. km** - the total length of electricity lines
-  **989.9 km** - the total length of heating lines
-  **more than 2 million** people Corporation provides electricity

**RESULTS OF INVESTMENT PROGRAM FOR 2009-2015****MODERNIZATION & RECONSTRUCTION****UPDATED ON****PAVLODAR CHP-3:**

turbine unit st. №1 (new)  
turbine unit st. №2 (new)  
turbine unit st. №4  
turbine unit st. №5  
boiler st. №1 (new)  
cooling tower №5 (new)

**PAVLODAR CHP-2:**

cooling tower №2 (new)

**PETROPAVLOVSK CHP-2:**

turbine unit st. №1 (new)  
turbine unit st. №4 (new)  
boiler st. №6  
boiler st. №7  
boiler st. №8 (new)

**GROWTH**

**175 MW**  
(18,6%)  
installed electricity  
capacity

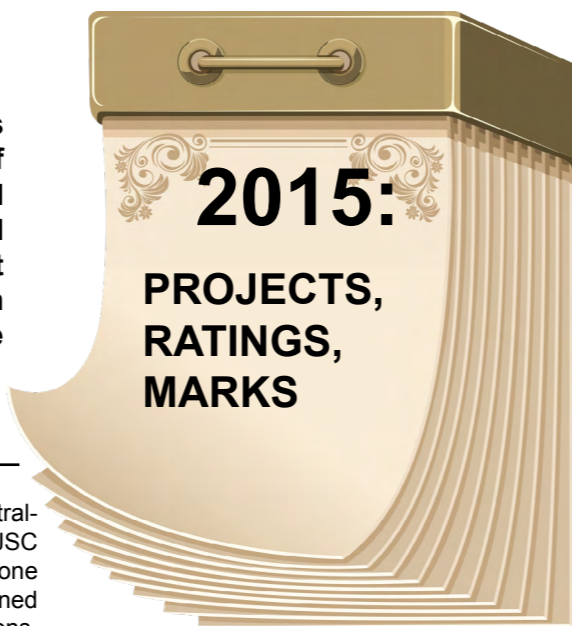
**187 Gcal/h**  
(6,7%)  
installed heating  
capacity

**1 130 mln kW/h**  
(20,9%)  
electric energy  
generation

**270 thous. Gcal**  
(4,5%)  
heat energy  
generation



Summarizing results of 2015, it stands to mention high rates of CAEPCO JSC investment program, expert assessment of Group companies' activity and top-management by Kazakh and international organizations. We have compiled selection of related articles of most dramatic events of 2015, characterizing past period in the sphere of corporate governance, implementation of modernization and social projects in the regions of the Kazakhstan.



**Fitch Ratings**

Fitch Ratings confirmed long term issuer default rating of Central-Asian Electric Power Corporation JSC at "BB-" in the foreign currency. Outlook – "Stable". Confirmation of ratings reflects good business profile and financial positions of the Company. "BB-" rating considers vertical integration of the Company and sustainable position at regional market with access to cheap regulated coal supplies and favorable regulatory regime.

**Group of companies**



Within 2015 at energy objects of Central-Asian Electric Power Corporation JSC (CAEPCO JSC) two new turbine units and one reconstructed turbine unit were commissioned in North Kazakhstan and Pavlodar regions. Total capacity of turbines commissioned in 2015 amounted to 253 MW. It stands to mention that all three turbine units were commissioned at PAVLODARENERGO JSC and SEVKAZENERGO JSC ahead of the schedule.

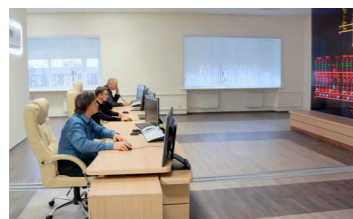
In 2015 Unified payment document were implemented in Astana. New document unites services included in the bills of Astanaenergobyt LLP and Astana-ERC LLP. Modern consolidated payment system provides the possibility to pay all communal services using one bill, that provides time efficiency and economize of the funds for commission fees.

In AEDC JSC project for reconstruction "Astana" substation equipment was completed. Within the frames of the project for complex modernization and expansion of transmission capacities of the Company, two 40 MVA power transformers were replaced by 63 MVA ones. As the result installed capacity of "Astana" substation power transformers increased by 57,5%, from 80 MVA up to 126 MVA.

**Information technologies**

New Central dispatching unit was put into operations at PAVLODARENERGO JSC. CDU manages energy system of Pavlodar region and prevents emergency situations at early stages.

New Central dispatching unit for management of energy system of Pavlodar region (CDU) allows in the real-time mode monitor operation of all energy generating sources of the region, reflects cross flows of electric power in the transmission lines as well as operation of all substation.



In 2015 Data processing center of Central-Asian Electric Power Corporation JSC were launched (CAEPCO JSC – largest private energy company in the power sector of the Kazakhstan).



Data processing center (DPC) will ensure uninterrupted work of all modern informational systems at the enterprises united by CAEPCO JSC group in Pavlodar, North Kazakhstan and Akmola regions as well as in Almaty and Astana cities. Reliability of DPC is ensured by implementation of modern technologies: cloud data storage and virtual servers. DPC servers have Ellipse software installed, which is an Enterprise Asset management (EAM) solution.

**Social projects**



In 2015 Company has developed "PROFENERGY" program for professional development of young specialists. First module in this direction will be program aimed to work with students and attraction of graduates of vocational specialist at the subsidiary organizations of CAEPCO JSC which will be launched starting from 2016.

The program will be implemented in SEVKAZENERGO JSC and then in PAVLODARENERGO JSC and Akmola Electricity Distribution Company JSC. PROFENERGY envisages a lot of benefits for the students. First of all from 2016 vocational practice for students at the enterprises of the holdings will be paid. Payment to each student for each month will be equal to the minimum salary (MS) or KZT 22,859 from January 1, 2016; upon employment for the period of summer holidays – 2 MS or KZT 45,718. Secondly students will have the possibility to be employed for the period of summer holidays. And third, best students will be honored by personal stipendiary.



In December 2015 in Petropavlovsk, North Kazakhstan region child day care center "Alakay" for 320 places was ceremonially opened. Construction of social object was performed within the frames of private and public partnership for the funds of Central-Asian power-energy company JSC (with participation of SEVKAZENERGO JSC).

**Honors and marks**

In the Independence Day eve, according to the President's Nursultan Nazarbayev decree was ceremony of bestowal by government awards. Chairman of the Board of Directors of Central-Asian Electric Power Corporation JSC Mr. Klebanov Alexandr Yakovlevich was awarded by the "Barys" III degree Order. This order is awarded for special efforts, including state, production, scientific and social activity.



Central-Asian Electric Power Corporation JSC (CAEPCO JSC) in 2015 was included to the list of national champions – Kazakhstan business leaders, according to Counsel for competitiveness of National Entrepreneurs Chamber "Atameken" (NEC). In total NEC has recognized 15 leaders in 9 economy sectors. In the sphere of power energy CAEPCO JSC fully corresponds to such criteria as leadership, high market reputation and internal infrastructure.



President of Central-Asian power-energy company JSC Ms. Gulnara Artambayeva was included to the top 10 of most efficient managers of Kazakhstan companies according to the research, conducted in 2015 by National Business magazine together with HR holding "Ankor".



In August 2015 Forbes Kazakhstan announced rating of top growing companies in Kazakhstan, so called "gazelles" upon the results of 2011-2014. Shareholder of CAEPCO JSC - Central-Asian power-energy company JSC was in the top 25 from 250 Kazakhstan enterprises.

Central-Asian power-energy company JSC took second place in the industry rating "Power energy" NB500 2015 (joint project of National Business magazine and McKinsey&Company).

Upon the results of V competition of annual reports, performed by the RAEX rating agency (Expert RA Kazakhstan), annual reports of CAEPCO JSC group was in the top 10. CAEPCO JSC took 7th place. Corporation annual report assessment growth compared to previous year stands for 11%. Also upon the results of the competition subsidiary organizations of the Corporation – SEVKAZENERGO JSC and PAVLODARENERGO JSC took 8th and 9th places correspondingly.

