



RG BRANDS JSC & SUBSIDIARIES

NOTES

to the Interim Consolidated Financial Statements
as at 30 June 2015
(in KZT thousands unless stated otherwise)

1. GENERAL

The core business of RG Brands JSC and its subsidiaries (jointly referred to as “the Group”) is production, sale and distribution of juices, carbonated beverages, milk, chips, packing, sale and distribution of tea and other commercial products. The Group mainly operates in the Republic of Kazakhstan (hereinafter “Kazakhstan”).

Ownership structure of the Company – RG Brands JSC was initially registered on 22 June 1998 as a limited liability partnership and transformed into an open joint stock company on 27 March 2001. The Company was re-registered as a joint stock company on 17 February 2004.

As at 30 June 2015 and 31 December 2014 the registered share capital of RG Brands JSC was KZT 2,787,696 thousand. As at 30 June 2015 and 31 December 2014 the share capital comprised 3,452,730 common shares amounting to KZT 1,840,296 thousand and 789,500 preferred shares amounting to KZT 947 400 thousand. The share capital was paid in full.

As at 30 June 2015 and 31 December 2014 shareholders of the Company were as follows:

Shareholders	Interest		Common Shares		Amount	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Mr. T.S. Kaltayev.	1.14%	1.42%	36 024	45 024	34 375	34 384
Mr. K.K. Mazhibayev	61.73%	61.55%	1 944 771	1 944 771	944 726	944 574
Mr. A. Agybayev	0.72%	0.72%	22 655	22 655	24 780	24 780
Mr. R. Bayazerov	0.78%	0.78%	24 653	24 653	26 778	26 778
Mr. A.V. Khalyapin	0.01%	0.01%	138	138	501	501
SUCCESSFUL INVESTMENT TRUST LLP	8.89%	8.86%	279 968	279 968	258 948	258 948
Mr. Y.Zh. Koshkimbayev	26.74%	26.66%	842 384	842 384	397 751	397 903
Total	100.0%	100.0%	3 150 593	3 159 593	1 687 860	1 687 868

As at 30 June 2015 and 31 December 2014 repurchased common shares of the Group made KZT 152,436 thousand or 302,137 common shares.

Group structure and transactions – The Group consists of RG Brands JSC and subsidiaries as follows:

	Ownership interest		Voting right	
	2015	2014	2015	2014
RG Brands Kazakhstan LLP	100%	100%	100%	100%
Uni Commerce Ltd.	100%	100%	100%	100%
RG Brands Kyrgyzstan LLC	100%	100%	100%	100%
RG Brands Tashkent LLC	100%	100%	100%	100%
PRG Bottlers Kazakhstan LLP	100%	100%	100%	100%

RG Brands manages the activities of its subsidiaries.

RG Brands Kazakhstan LLP (hereinafter – RG Brands Kazakhstan) is engaged in the following activities:

- production of juice under Gracio, Da-Da and Nectar Solnechnyi trademarks;
- production of carbonated soft drinks under Pepsi, Seven-Up, Mirinda, and Aport trademarks;
- packing and sale of tea varieties from imported raw stock under Piala and Assortea trademarks;
- production of packetized milk under Moye trademark;
- processing of agricultural products including potato chips under Grizzly trademark;
- production of bottled water under ASU trademark;
- production of juice-containing drinks and cold tea under DaDa Day, CiTi and Lipton trademarks;
- production of Yeti energy drink;
- sale and distribution of the Group products in the Republic of Kazakhstan and CIS countries.

Core business of Uni Commerce Ltd is management of the Group investment portfolio.

RG Brands Tashkent LLC (hereinafter – RG Brands Tashkent) and RG Brands Kyrgyzstan LLC (hereinafter – RG Brands Kyrgyzstan) are engaged in sale and distribution of the Group products in the Republic of Uzbekistan and Kyrgyz Republic accordingly.

All subsidiaries are registered in the Republic of Kazakhstan except for RG Brands Kyrgyzstan and RG Brands Tashkent, which are registered in Kyrgyz Republic and Republic of Uzbekistan accordingly.

Head Office of the Company is located in Almaty; its production capacities are located in Almaty, Almaty Oblast, and Kostanai, Republic of Kazakhstan. As specified above, the Company is also present in Kyrgyz Republic and Republic of Uzbekistan to implement its sale and distribution strategies.

Legal address: 212b, Raimbek ave., Almaty, Republic of Kazakhstan
Form of ownership: Private

Bottling Agreements with PepsiCo and Seven-Up International

The Group produces and distributes carbonated alcohol-free beverages in accordance with the exclusive bottling agreements entered into and between RG Brands Kazakhstan and PepsiCo Inc. and RG Brands Kazakhstan and Seven-Up International. Under these agreements, the rights to bottle, sell and distribute PepsiCo and Seven-Up products in Kazakhstan pass to RG Brands Kazakhstan till 21 July 2010 with automatic prolongation for 5 years and subsequently for another 5-year period upon the end of each 5-year period.

On 12 January 2009 PepsiCo Inc., Seven-Up and the Group entered into the agreement providing the right to export PepsiCo Inc. products to Kyrgyzstan. Besides, the Group entered into distribution agreements covering Tajikistan and Turkmenistan. These agreements were extended to 31 December 2013.

The right to distribute the products of PepsiCo Inc., Pepsi Lipton International Limited and Seven-Up in Kyrgyz Republic, Tajikistan and Turkmenistan is granted based on the agreements signed by these companies and valid to and including 31 December 2014. Distribution agreements covering Kyrgyz Republic, Tajikistan and Turkmenistan were extended to 31 December 2014 by signing the additional agreement on 17 March 2014.

2. BASIS OF PREPARATION

These consolidated interim financial statements of RG Brands JSC and its subsidiaries (hereinafter “the Group”) have been prepared in accordance with International Financial Reporting Standard (hereinafter “IAS”) 34 *Interim Financial Reporting*.

The reporting period is from 01 January to 30 June 2015.

The Group keeps accounts in Kazakhstan monetary units (KZT) in accordance with the effective laws of the Republic of Kazakhstan. These consolidated interim financial statements are presented in KZT thousands.

These consolidated interim financial statements have been prepared on the historical cost basis except for certain assets and liabilities measured at fair value.

These consolidated interim financial statements have been prepared based on two fundamental assumptions – accrual basis of accounting and going concern.

To calculate the carrying amount of shares, the Group uses the following method: the carrying amount per common share equals the difference between the Company equity and the value of preferred shares divided by the number of common shares placed.

The carrying amount per preferred share equals the value of preferred shares placed divided by the number thereof.

3. SIGNIFICANT ACCOUNTING POLICIES

Since 1 January 2010 the Group has made changes to the accounting policies for depreciation of production-related property, plant and equipment. Such equipment is depreciated using the units of production method instead of the straight-line method. As for other recognition and measurement policies, when preparing these interim financial statements the Group used accounting policies applied in the latest annual financial statements.

4. REVENUE

Revenue was as follows:

	6 months of 2015	6 months of 2014	(KZT'000)
Revenue from sale of juices, juice-containing drinks	4 045 813	3 942 658	
Revenue from sale of packaged tea	5 092 015	4 867 945	
Revenue from sale of alcohol-free beverages	7 067 958	6 382 919	
Revenue from sale of packaged milk	2 395 598	2 544 525	

Revenue from sale of chips	255 675	256 854
Revenue from sale of goods for resale	25 679	-
	<u>18 882 738</u>	<u>17 994 901</u>

5. COST OF SALES

Cost of sales was as follows:

	6 months of 2015	6 months of 2014
Materials	9 754 854	9 869 349
Depreciation and amortisation	567 241	419 733
Salaries and related taxes	411 251	381 253
Utilities	156 930	176 891
Repair	189 667	180 577
Other costs	18 424	17 008
	<u>11 098 367</u>	<u>11 044 811</u>

(KZT'000)

6. SELLING EXPENSES

Selling expenses were as follows:

	6 months of 2015	6 months of 2014
Transportation expenses	1 280 619	1 199 785
Salaries and related taxes	350 346	304 182
Advertising campaigns and marketing research	1 290 464	970 966
Expenses for sales reps	639 465	568 818
Other selling costs	18 644	180 162
Amortisation	311 254	279 789
Lease of vehicles, warehouses and office premises	162 704	119 358
Travel expenses	5 861	2 306
	<u>4 059 357</u>	<u>3 625 365</u>

(KZT'000)

7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	6 months of 2015	6 months of 2014
Salaries and related payments	806 414	683 557
Write-off of defected goods, losses of raw materials and supplies	38 839	35 552
Consulting services	140 904	177 308
Penalties and fines	4 283	9 632
Depreciation and amortisation	31 153	24 751
Taxes other than income tax	75 409	71 538
Bank services	67 447	78 842
Transportation charges	45 360	42 854
Utilities	26 216	33 324
Travel expenses	36 918	20 147
Communication services	18 454	15 164
Insurance	4 671	12 435
Provision for unused employee leaves	23 263	16 951
(Reversal of)/provision for hard-to-sell and obsolete inventory	-	478
Accrual/(reversal) of provision for doubtful debts	820	(1 226)
Other costs	166 003	175 551
	<u>1 486 155</u>	<u>1 396 858</u>

(KZT'000)

8. FINANCE COSTS

Finance costs were as follows:

	6 months of 2015	6 months of 2014	(KZT'000)
Interest on bank and other loans	527 521	414 357	
Interest accrued on bonds	0	88 687	
Interest accrued on finance lease payable	1 831	19 477	
Dividends on preferred shares	0	0	
	<u>529 352</u>	<u>522 521</u>	

9. OTHER COSTS/GAINS

Other costs were as follows:

	6 months of 2015	6 months of 2014	(KZT'000)
(Loss)/income from disposal of property, plant and equipment	1 725	180	
Other operating expenses, net	(27 403)	72 525	
Other	(17 241)	(87 391)	
	<u>(42 920)</u>	<u>(14 685)</u>	

10. EARNINGS PER SHARE

Earnings/(loss) per share is calculated by dividing net profit/(loss) for the year attributable to equity holders by the weighted average number of common shares outstanding during the year determined as follows:

	6 months of 2015	6 months of 2014	(KZT'000)
Net profit (loss) for the year attributable to equity holders	1 423 670	(307 934)	
Weighted average number of common shares	<u>3 150 593</u>	<u>3 159 593</u>	
Basic loss/earnings per share, KZT	<u>452</u>	<u>(97)</u>	

The Company uses the following calculation method to determine the carrying amount of shares:

Carrying amount per common share is a quotient of the net assets for common shares by the number of common shares.

$$3\ 378 = 10\ 641\ 808 / 3\ 150,593$$

Net assets for common shares are calculated using the following formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

- TA – issuer's assets recognised in the issuer's statement of financial position as at the calculation date;
- IA – intangible assets in the issuer's statement of financial position as at the calculation date;
- TL – liabilities in the issuer's statement of financial position as at the calculation date;
- PS – balance of Authorised Capital, Preferred Shares item in the issuer's statement of financial position as at the calculation date.

$$10\ 641\ 808 = (32\ 131\ 502 - 41\ 145) - 21\ 448\ 549$$

Carrying amount per preferred share of the first group is calculated using the following formula:

$$BVPS2 = LPS / NOPS2, \text{ where}$$

- BVPS2 – (book value per preferred share of the second group) carrying amount per preferred share of the second group as at the calculation date;
- NOPS2 – number of outstanding preferred shares of the second group as at the calculation date;
- LPS – balance of preferred shares recorded as liabilities in the issuer's statement of financial position as at the calculation date

$$1\ 200 = 947\ 400 / 789\ 500$$

11. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2015 property, plant and equipment less accumulated depreciation were as follows:

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Constructi on in progress	Total
Historical cost							
At 1 January 2015	1 247 923	5 368 646	18 722 360	338 730	794 111	664 120	27 135 890
Additions		3 036	675 219	13 328	71 613		763 195
Reclassification							-
Revaluation surplus							-
Disposal			(274 191)	(563)	(19 336)		(294 089)
At 30 June 2015	<u>1 247 923</u>	<u>5 371 682</u>	<u>19 123 388</u>	<u>351 495</u>	<u>846 388</u>	<u>664 120</u>	<u>27 604 996</u>
Accumulated depreciation							
At 1 January 2015	-	(509 881)	(8 145 489)	(192 912)	(601 903)	-	(9 450 185)
Accrued for the period		(278 767)	(442 519)	(19 789)	(40 575)		(781 650)
Reclassifications							-
Disposal			275 444	584	17 851		293 879
At 30 June 2015	<u>-</u>	<u>(788 648)</u>	<u>(8 312 565)</u>	<u>(212 117)</u>	<u>(624 626)</u>	<u>-</u>	<u>(9 937 957)</u>
Carrying amount at 30 June 2015.	<u>1 247 923</u>	<u>4 583 034</u>	<u>10 810 824</u>	<u>139 378</u>	<u>221 762</u>	<u>664 120</u>	<u>17 667 040</u>

12. ACCOUNTS RECEIVABLE

As at 30 June 2015 accounts receivable were as follows:

(KZT'000)

Counterparty	Opening balance	Total debits	Total credits	Closing balance
Long-term accounts receivable	220 098	1 600	167 239	54 458
Peter Binder GMBH	81 753		79 760	1 993
STM SPZOO Poland	30 269		30 269	0
Dinara Yestemesovna Bekkuliyeva	2 500	1 600		4 100
Zhasulan Turarovich Saginov	758		650	108
Other	104 817		56 560	48 257
Short-term accounts receivable	3 362 419	811 775	1 785 905	2 388 289
CARAT LLP	11 879	6 381		18 260
Cinema Property Management LLP	5 465		5 465	0
DSF Trading Co LLP	2 204		2 200	4
Magnum Cash&Carry LLP	25 339		8 617	16 722
OSTEN LLP	5 326		2 532	2 794
Parade Retail LLP	314		314	0
Region Logistic Sole Proprietor	4 968		4 968	0
Silk Way City LLP	4 105		2 819	1286
Sinooil LLP, Astana Branch	1 804		237	1567
TANDEM EXCLUSIVE LLP	62 939		62 939	0
The Caspian International Restaurants Company LLP	11 538	3 063		14 601
KazExpo-2017 LLP	1 540			1540
Agner LLP	0	4 050		4 050
Alma Retail Systems LLP	3 257		390	2 867
Alma RS LLP	9 023		2 089	6 934
Alma Store LLP (ADK Mall)	12 423		2 341	10 082
Alma Store LLP	2 285		643	1 642
Sinooil LLP, Almaty Branch	1 006	1 297		2 303
Alyp-2008 LLP	3 545		956	2 589
Al-Asad LLP	1 850		1 850	
Anvar LLP, Astana Branch	3 482		845	2 637
Anaur Consumers LLP, Atyrau	216 464		43 184	173 280
B.A.Atayev, Private Enterprise	0	34 287		34 287
Akhmetbekov Private Enterprise Dzhezkazan FS/DR)		14 779		14 779
ART 2012 LLP	587	174		761
Almaty Branch No.1, Magnum Cash&Carry LLP	29 986		13 689	16 297

Almaty Branch No.2, Magnum Cash&Carry LLP	28 229		10 066	18 163
Almaty Branch No.3, Magnum Cash&Carry LLP	5 163		2 465	2 698
Branch No.4, Magnum Cash&Carry LLP	14 275		4 252	10 023
Almaty Branch No.6, Magnum Cash&Carry LLP	3 448		364	3 084
Almaty Branch No.7, Magnum Cash&Carry LLP	23 979		4 944	19 035
Almaty Branch No.8, Magnum Cash&Carry LLP	0	5 116		5 116
Astana Branch, Magnum Cash&Carry LLP	21 457		8 595	12 862
SabTradeCompany LLP	377		377	
Basis-Trade LLP Aktobe	74 604		67 968	6 636
Bahus-Center LLP	304	9 330		9 634
R.A. Aldangorova Sole Proprietor	430		430	0
Bolashak LLP (Canteen)	1 742		1 742	0
Hermes-Trade LLP	3 712		904	2 808
Firkan City Hypermarket	2 301	63 357		65 658
Dauys, City Department for Press Distribution	0	4 142		4 142
Dastarkhan-TRADE LLP	7 782		4 115	3 667
Dastarkhan LLP*	1 434		832	602
Dostyk Cinema LLP (DOSTYK MULTIPLEX)	3 680		1 525	2 155
Gulbanum Khamitovna Dulyatova Sole Proprietor	276			276
ZHETI ASPAN LLP	898	713		1 611
Balsheker Zhunusova Sole Proprietor (Distributor)	11 536		2 237	9 299
Ideal-2008 LLP	2 366			2 366
INTERFOOD KGJC LLP	3 202		1 826	1 376
Zh. Kenzhabayev (Atbasar)	2 803		2 803	0
Zh.N. Kabiyeu (Ucharal)	1 093	128		1 221
Gelios LLP, Almaty Branch	1 178		635	543
Zaure Yerubayeva Sole Proprietor	794		39	755
Kim "Vegas Gas Station"	0	44 847		44 847
SOBLTD LLP	168 778		17 581	151 197
Leko LLP	6 499		147	6 352
Magnolia LLP, Taraz	87 303	7 157		94 460
Edik Fanilovich Konbekov	1 578		1 578	0
Kazbek Kussainov, Turkestan	24 913	10 083		34 996
O. Litvinova, Sole Proprietor	1 549		18	1 531
Lyudmila - KZ , LLP	5 645		1 101	4 544
A.K. Mazur, Sole Proprietor	15 700	9 066		24 766
G.E. Mambetomurova Sole Proprietor	607		607	0
Gulzhakhan Konysbekovna Meirmankulova	1 200			1 200
Mereke LLP Kokshetau (DR)	0	37 158		37 158
Mecury 2030 LLP	1 496		302	1 194
METRO Cash & Carry LLP	13 047	13 818		26 865
Nesipkul Omirzakhova Sole Proprietor	7 823		1 534	6 289
Wholesale Club LLP	19 262		8 241	11 021
Sigma-Import LLP, Petropavlovsk	8 502		5 658	2 844
Pischetorg LLP	28 301		3 111	25 190
Atrium LLP	8 923		3 598	5 325
Premium-Siberia LLC	5 048		4 911	137
Ya.T.Razyev Sole Proprietor	8 774		50	8 724
Ramstore Kazakhstan LLP, Astana Branch	8 122		1 576	6 546
Ramstore Kazakhstan LLP	41 540		18 534	23 006
Ye. Rakhimzhanov, Semei (FS)	70 770		31 638	39 132
Aidos Redzhepbaiuly Sole Proprietor (Altyn-Orda Market)	3 400		155	3 245
RTS Distribution LLP	554		554	0
SABYRZHAN COMPANY LLP	28 994		11 850	17 144
ZhanKhan Kommerts LLP	383		383	0
Tair Imirovich Saitov (Panfilov)	8 212	1		8 213
Svit Trade 2009 LLP	3 842		3 842	0
Skif Sauda LLP	1 674		303	1 371
Skif Trade LLP, Almaty Branch	8 876		2 805	6 071
Skif Trade LLP, Branch	8 795		5 291	3 504
Skif Trade LLP, Karaganda Branch	6 634		1 967	4 667
Good Company LLC	11 662	13 195		24 857
Solnechnyi Supermarket LLP	2 725		952	1 773
Empire-Foodstuff LLP (Bereke)	304		31	273
Taimas LTD	626		390	236

Keremet Company LLP	1 374		947	427
Mega-Network LLP	3 928	2 749		6 677
Office Dom.kz LLP	742		521	221
Andrey Anatoliyevich Rusakov Sole Proprietor	9 866		9 866	0
Tandem Trade Company LLP	0	63 014		63 014
Tamasha Market LLP	5 073		3 237	1 836
GREEN MART Retail Chain	26 397		4 997	21 400
TOT LLP	1 484	790		2 274
M.A. Turekulova Sole Proprietor	1 055		1 055	0
A.A. Trishnevskiy, Sole Proprietor	1 295		284	1 011
Ust-Kamenogorsk Branch, Wholesale Club LLP	2 418	385		2 803
Ramstore Kazakhstan LLP, Shymkent Branch	1 987		1 147	840
Ramstore Kazakhstan LLP, Karaganda Branch	2 995		2 308	687
Firkan LLP (Chernyshevskiy Str.)	3 125		2 272	853
Branch No.5, Magnum Cash&Carry LLP	4 971		1 318	3 653
Best Service LTD LLP	2 061	1 331		3 392
Astykhzan Trade Center LLP	6 745		3 241	3 504
Uma Zapad LLP	1 033	97 689		98 722
Other	254 946		33 971	220 975
Trade accounts receivable	1 591 948	448 100	466 069	1 573 979
Anykey Studio LLP	0	4 230		4 230
Alatau Invest Construction TOO	0	1 234	1 234	0
Ark Stone Group TOO	20		20	0
BC Industry TOO	434		434	0
DG CONSULTING LTD	1 273			1 273
DISTRILAB LLP	1 179		1 179	0
ED&F MAN SUGAR LTD	1 058			1 058
Forklift trans LLP	190		190	0
Goodmorning KZ LLP	2 722	1 847	4 569	0
GT Machinery LLP	2 000	5 000	7 000	0
Guide and Support Logistics Group LLP	8 870		8 870	0
Happylyon Corporation LLP	2 500		2 500	0
HEADHUNTER.KZ LLP	1 898		1 529	369
MAS Agro (Ivanhoe Invest b.v.)	2 209			2 209
NAIMAN GROUP LLP	1 409	1 433	2 842	0
Oni Process	16			16
RED TECHNOLOGY LLP	2 670		2 670	0
RGL SERVICE LLP	5 288	4 478		9 766
Sinooil LLP, Almaty Branch	2 138		465	1 673
SINOOIL LLP, Shymkent Branch	3 774		3 173	601
Sinooil LLP, Astana Branch	1 984		1 044	940
TNO Triskelion B.V.	409		409	0
UNCO JET LLP	123		123	0
Ventara-service Sole Proprietor	339	144		483
Agro Tom Plus LLP	19 920			19 920
AkOrda Capital LLP	3 382		3 382	0
Almaty Gasservice Holding JSC	21 524		5 818	15 706
Almatyenergosbyt	10 507	13 876	24 383	0
Alfa Laval Potok OJSC	0	4 907		4 907
Amanat Insurance JSC	2 153		775	1 378
ASEM LLP	1 000			1 000
BekasAGRO LLP	1 674		0	1 674
Borusan Makina Kazakhstan LLP	841		737	104
Gelios LLP, Almaty Branch	6 302	811		7 113
Geo-Escad LLP	1 400			1 400
Globopack LLP	1 525		293	1 232
GfK Kazakhstan LLP	1 833		1 833	0
Davletov Sole Proprietor	1 210		1 210	0
Iliya Aleksandrovich Iliyev	602			602
Image Sila LLP	2 380		1 211	1 169
Inter-Kholod LLP	536		536	0
Kar-Tel LLP	2 416		1 347	1 069
Kazakhstan Temir Zholy JSC	7 878		1 173	6 705
Kazakhstan Stock Exchange JSC	3 132		628	2 504
KazTransGas Aimak JSC	2 021	8 312	10 333	0
KazTransGas-Almaty LLP	2 450		863	1 587

Kapchagai Porcelain LLP	0	2 250	2 250	0
Aigerim Corporation LLP	1 487		1 487	0
KRK ASSORTI LLP	250			250
Abdukadyr Kubenov Sole Proprietor	1 000		1 000	0
Nikolai Peasant Farm	1 935			1 935
Mira Sezar LLC	0	8 914		8 914
Murat-Khan Sole Proprietor	9 619			9 619
Oil Insurance Company OJSC	171		99	72
Nurbank JSC	2 322		1 229	1 093
Zhashylcha LLC	0	2 865	2 865	0
PricewaterhouseCoopers Tax & Advisory LLP	3 302			3 302
National Institute of Intellectual Property, Republican State-Run Enterprise, of the Committee for Intellectual Property Rights	1 589		667	922
Remenergo LLP	9 339		5 985	3 354
RTS Distribution LTD	27 390		8 285	19 105
Rest-Travel LLP	0	2 200	2 200	0
San-Ali LLP	0	5 681	5 681	0
Agro Inc JV LLP	0	4 543	4 543	0
Streetball League of Kazakhstan, Public Association	0	2 000	2 000	0
Alina LLP	3 255		3 163	92
Kazakhstan Temir Zholy Technology Center for Carriage Document Processing, Karaganda 4558715	4 983		4 983	0
Temir Zholy Kyzylorda	1 226		231	995
Nikolai Andreyevich Ten	1 740			1 740
Technology Center for Carriage Document Processing, Branch of Kazakhstan Temir Zholy National Company CJSC	2 406	340		2 746
TMA-SpetsService LLP	4 448			4 448
ULBA IRON & STEEL PLANT OJSC	164	728		892
Energotechservice Firm LLP	1 125		1 125	0
Kazakhstan Barysy Kazakh Kures Development Fund	1 500		1 500	0
Halyk-Life JSC	1 525		1 014	511
Sherubai Su LLP	0	15 900		15 900
Other	4 516	190 380		194 896
Advances paid	222 481	282 073	143 080	361 474
Almaty Cotton Plant LLP	882		882	0
Resmi Direct Investments	69 883	17 902		87 785
Retail Management	797 220		796 853	367
Marat Saginbekovich Abdanbayev Sole Proprietor	0	3 665		3 665
RESMI Group	27 207			27 207
Resmi Finance & Investment House JSC	83 785		38 291	45 494
Kazneftechim, Issuer	2 250			2 250
Tukym LLP	1 032			1 032
Tetra Pak Global Distribution S.A.		59 800	59 800	0
Other	565 731		280 695	285 036
Other accounts receivable	1 547 990	81 602	1 176 756	452 836
Total	3 582 516	813 375	1 953 144	2 442 747

13. INVENTORY

	(KZT'000)	
	at 30.06.2015	at 31.12.2014
Finished goods	2 593 500	3 289 333
Raw material	1 888 980	1 985 632
Packing material	744 333	933 883
Other	464 594	356 434
Spare parts	225 846	232 806
Less provision for hard-to-sell and obsolete inventories	(10 055)	(17 908)
	<u>5 907 197</u>	<u>6 780 179</u>

14. OTHER FINANCIAL ASSETS

	(KZT'000)	
	at 30.06.2015	at 31.12.2014
Investments available for sale	28 386	47 120
Investments held for trading	186 202	197 638
	<u>186 202</u>	<u>197 638</u>

Current portion
Non-current portion of related party receivables

214 588	244 758
214 588	244 758
0	
214 588	244 758

15. OTHER CURRENT ASSETS

Other receivables
Employee debts
Other recoverable tax
Recoverable VAT
Other receivables
Prepaid expenses
Advances paid for investment assets
Less provision for doubtful debts

	(KZT'000)	
		(KZT'000)
	at 30.06.2015	at 31.12.2014
	297 307	219 509
	79 169	46 731
	55 827	30 897
	72	43
	151 329	532 517
	25 449	79 731
		797 220
	(156 317)	(158 658)
	452 836	1 547 990

16. LOANS, BONDS AND FINANCE LEASE

Below is the information of loans, finance lease and other financial liabilities as at 30 June 2015:

(KZT'000)

Creditor	Loan currency	Average rate, % per annum	Opening balance	Total		Closing balance	Maturity date
				Debits	Credits		
Tetra Laval	EUR'000	4.01%	82	82		-	-
	KZT'000		18 072	18 072		-	
Tetra Laval	EUR'000	3.26%	532	532		0	2015
	KZT'000		117 914	118 967	1 054	0	
Asian Development Bank Administrative Expense Acco	USD'000	2.84%	20 000	833		19 167	2020
	KZT'000		3 647 000	155 042	76 875	3 568 833	
Discount Asian Development Bank Administrative Expense Acco	USD'000		(241)		41	(200)	
	KZT'000		(43 939)		6 629	(37 310)	
Kazinvest Bank JSC	KZT'000	8.50%	444 000	444 000	1 200 000	1 200 000	2015
Europe Development Bank	USD'000	3.82%	4 545	4 545			2015
	KZT'000		828 864	845 227	16 364	0	
Europe Development Bank	KZT'000	8.6%	3 856 000			3 856 000	2016
Discount Europe Development Bank	KZT'000		(23 466)		3 616	(19 850)	
Al Hilal Bank JSC	KZT'000	7.50%	1 773 347	295 204		1 478 143	2019
Discount Al Hilal Bank JSC	KZT'000		(1 117)		1 117		
Nurbank JSC	KZT'000	8.00%	1 994 333			1 994 333	2016
SHINHAN BANK KAZAKHSTAN	KZT'000	7.00%	540 000	627 000	640 000	553 000	2015
International Finance Corporation	KZT'000	8.88%			1 601 226	1 601 226	2022
Discount International Finance Corporation	KZT'000			89 093	7 302	(81 791)	
Sberbank of Russia	EUR'000	7.51%	725	725		0	2017
	KZT'000		160 553	160 553		0	
BS ALFA BANK OJSC	USD'000	3.39%	0		1 436	1 436	2015
	KZT'000		0		267 359	267 359	
Creditor	Loan amount, total	Maturity date					
		2015	2016	2017	2018	2019	2020
BS ALFA BANK OJSC	1 436	1 436					
Asian Development Bank Administrative Expense Acco	19 167	3 334	4 167	4 167	4 166	3 333	
Kazinvest Bank JSC, KZT'000	1 200 000	0	750 000	128 571	128 571	128 571	64 286
Europe Development Bank, KZT'000	3 856 000		3 856 000				
Al Hilal Bank JSC, KZT'000	1 478 143	295 204	590 408	320 795	217 389	54 347	
Nurbank JSC	1 994 333	1 004 333	990 000				
SHINHAN BANK KAZAKHSTAN	553 000	553 000					
International Finance Corporation	1 601 226			266 871	266 871	266 871	800 613

17. ACCOUNTS PAYABLE

As at 30 June 2015 accounts payable were as follows:

Counterparty	Opening balance	Total debits	Total credits	Closing balance
Long-term accounts payable	116 811	39 962	0	76 849
TEIRA LAYAL CREDIT AD	116 811	39 962		76 849
Short-term accounts payable	6 867 523	4 193 983	1 909 884	4 583 423
AB-MC Distribution Company LLP	594	594		0
Adnet Network Advertising Agency LLP	2 629	1 692		937
AF Compressors Middle East FZE	0		2 489	2 489
Ahlers Kazakhstan LLP	1 993	1 993		0
AIE Logistics LLP	0		27 321	27 321
ALBE LOGISTIC UND TRADE GMBH	13 410	10 183		3 227
ARBAT Advertising LLP	41 219	41 219		0
Arena-S LLP	120 149	7 081		113 068
Asian Tea Company Private Limited	597 738	416 653		181 085
Asian Synergy Logistics LLP	0		3 198	3 198
Austria Juice GmbH	22 019	22 019		0
CLASSIC TEAS (PVT) LIMITED	19 758	19 630		128
CLICK ADVERTISING AGENCY LLP	4 065	4 065		0
COFCO Tunhe Co, Ltd	14 729	14 729		0
Crea LLP	19 530	19 530		0
Czarnikow Group Limited	507 449		333 667	841 116
Das Marketing.kz LLP	6 104	6 104		0
DASM/MS LLP	3 195	3 195		0
Dohler Food & Beverage Ingredients (Rizhao) Co., l	9 050	9 050		0
DOHLER HOLLAND	75 417	23 829		51 588
Elke Company LLP	2 999		252	3 251
E-way.kz LLP	2 714	2 714		0
Energy Partner LLP	0			0
Esarom GmbH	0		4 156	4 156
Eurasia Trans Logistic LLP	0		9 214	9 214
FIRMENICH SA	8 035	8 035		0
Flavourland LTD LLP	4 544	2 628		1 916
Food Island LLP	40 423	23 116		17 307
Fruit Tech Natural S.A.	26 226	25 909		317
G-FORCE LLP	3 012	3 012		0
Gan-Shmuel Foods LTD	37 197		39 797	76 994
Gemini Packaging Pty.LTD Company	5 777	3 991		1 786
Givat Haim Cooperative Society For P. of A.P ltd	52 040	27 729		24 311
Golden Country LLP	1 264	438		826
Gulser Computers LLP	7 753	7 753		0
Greatview Aseptic Packaging Europe GmbH	0		5 919	5 919
High Tech Logistics LLP	0		55 177	55 177
Hoogwert International B.V	21 084		15 031	36 115
HRC LLP	4 408	2 849		1 559
Huhtamaki S.N.G.	24 113	6 162		17 951
HUNAN EAST LAND TEA CO., LTD	28 527	16 283		12 244
HYUNDAI CORPORATION	0		137 756	137 756
IFL LTD GRETTON HOUSE	92 191	92 191		0
INNOVA INVESTMENT	59 480	59 480		0
Intellicup LLP	6 387	6 387		0
IZ-Plast LLP	1 564	1 564		0
K CREATION AND PRODUCTION	966	966		0
Kagazy Recycling LLP	52 992		294	53 286
KASKAT SP . Z O.O.	131 012	131 012		0
Kazmelt TRADE LLP	1 100		50	1 150
KAZTEN LLP	6 208	6 208		0
KERUEN EW LLP	2 300	2 300		0
Kreative Koncepts LLP	8 394	3 801		4 593
L.A.B. INTERNATIONAL KENYA LIMITED	53 968	53 968		0
Lanxess Deutschland GMBH	0		5 014	5 014
LG International Corp.	209		7	216
Magnum Cach&Carry LLP	0		67 813	67 813
Millward Brown ARMI-Marketing Ukraine LLC	0		5 499	5 499
Moody's Investors Service LTD	14 573	14 573		0
Morgan David Robin Idris	0		1 400	1 400

Mosaic Media LLP	580	580		0
MAGIC BOX COMPANY LLC	15 766	7 470		8 296
Optimum Media Eurasia LLP	0		12 556	12 556
P.E LABELLERS S.P.A	1 597	1 597		0
Peak Akzhal LLP	1 522	1 522		0
PEPSI LIPTON INTERNATIONAL	111 363		123 727	235 090
PEPSI-COLA INTERNATIONAL CORK	0		632 790	632 790
Property Retail	2 150		47	2 197
PURICO GMBH	29 375	29 375		0
Ramok Gida Dis Ticaret LTD.STL.	45 610	45 610		0
RED TECHNOLOGY LLP	0		3 410	3 410
ROTOPACK LLP	1 084		794	1 878
Santrade Company LLP	2 270		3 085	5 355
SC AMRAZ ROMANIA SRL	0			0
SIDEL BLOWING AND SERVICES	10 057		25 390	35 447
Sinooil LLP	540		8 555	9 095
ST-ALTERNATIVA LLC	3 559	3 559		0
STM SPZOO Poland	0		16 100	16 100
Technodom Operator JSC	75 043	55 573		19 470
TETRA PAK Export Ltd	19 832	1 546		18 286
TETRA PAK Global Distribution S.A.	300 463	286 667		13 796
Tetra Pak Kazakhstan Ltd	1 360 513	1 360 513		0
TFF - Central Asia/CA LLP	0		58 848	58 848
TSPS Company LLP	0			0
TURKUAZ HORECA LLP	2 243	1 291		952
UBC Cool Astana LLP	175 963	175 766		197
UBC PROMO LLP	0		27 368	27 368
UBC Service Kazakhstan LLP	4 017		584	4 601
UNIVERSAL LOGISTICS LLP	0		6 785	6 785
UPAK-Areal LLC	7 634	2 919		4 715
VAN DER MOLEN GMBA	44 003	44 003		0
VAN REES B. V.	640 447	217 549		422 898
Veles Freya LLP	29 077	16 111		12 966
Xinjiang lonran intl engineerin & technology Co.,L	62 568	8 298		54 270
Asia International Company LLP	5 678		13 198	18 876
ASIA PLAST SERVICE LLP	2 605		7 828	10 433
Alfa Edibl Oils Central Asia LLP	6 200	6 200		0
Alaska-Poligraphoformleniye LLC	9 158		38 108	47 266
Astron LLP	479	226		253
Atardo CJSC	10 013	10 013		0
Atasu Trans LLP	5 884	936		4 948
Basis-2010 LLP	1 877	563		1 314
Batalinskoye LLP	5 046	5 046		0
Belorus Agrarian Company LLP	19 725	19 725		0
BERICAP KAZAKHSTAN LLP	17 269		41 397	58 666
Birlesu Insurance Company LLP	329		7 642	7 971
WHITE CJSC	24 999	9 709		15 290
Viktorovskoye LLP	17 299	15 271		2 028
A.U. Vorobkalo Sole Proprietor	15 942	15 942		0
Vadim Sergeevich Gerr Sole Proprietor	5 522	5 522		0
Globus LLP	567		0	567
Doehler Kazakhstan LLP	18 799		32 500	51 299
DONCHENKO Sole Proprietor	12 809	12 809		0
Dostyk-Sayakhat LLP	16 615	16 207		408
Unified Trade System Kazakhstan LLP	538		1 819	2 357
Zholashar Railway Service LLP	0		2 728	2 728
Tetra Pak LLP	78 742	67 182		11 560
Intellservice LLP	69 978	31 244		38 734
Issyk Fruit Canning Plant LLP	4 168	1 628		2 540
Kaspoligraph LLP	9 621	3 357		6 264
KazRefTransService	14 345		8 883	23 228
Quatro Media Bishkek LLC	0		14 946	14 946
Kombi Trans BM LLP	5 726	2 304		3 422
KustanaiTransService LLP	640	210		430
Megachimproject LLP	578	578		0
MONTAZHLEGMACH LLP	6 407		1 583	7 990

Maximise LLC	0		10 987	10 987
Promkhimsnab LLC	0		19 260	19 260
Promyshlennaya komplektsiya LLC	0		8 614	8 614
PEPSI INC., CORK, IRELAND, Concern	384 313	384 313		0
Rexam Beverage Can Naro Fominsk LLC	16 069		11 798	27 867
Simtrans Logistics LLP	15 497	15 497		0
SynteZ Firm LLP	2 135		1 619	3 754
TAVADA & Co. LLP	7 699	4 305		3 394
Tetra Pak JSC	0		10 738	10 738
Cleanness Technology LLP	1 184			1 184
Three S LLP	5 834	5 834		0
Turar LLP	17 018	4 838		12 180
Ulba Complex LLP, Ust-Kamenogorsk	23		3 984	4 007
Center No.1 LTD LLP	13 265		17 775	31 040
Eligita Asia LLP	3 300	1 455		1 845
AC NIELSEN Kazakhstan LLP	0		10 962	10 962
Eco-Sphere LLC	0		9 422	9 422
Other	905 844	188 486		717 358
Total	6 984 334	4 233 945	1 909 884	4 660 272

18. TAXES PAYABLE

		(KZT'000)
	at 30.06.2015	at 31.12.2014
Value added tax	422 251	393 027
Personal income tax	22 838	44 098
Other taxes	3 412	5
Corporate income tax	22 826	38 975
Social tax	11 569	14 895
	<u>482 897</u>	<u>491 000</u>

19. OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		(KZT'000)
	at 30.06.2015	at 31.12.2014
Employment expenses accrued	152 819	127 164
Employee leave allowances and bonuses accrued	230 698	199 422
Advances received	78 523	78 132
Other accrued liabilities	27 458	29 725
	<u>489 498</u>	<u>434 443</u>

20. OPERATING AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where 93% (2008: 95%) of the business is done, the management determined that the Group segmentation base is best reflected by the following business lines:

- Production, distribution and sale of products under the home brands of the Group including juices (Gracio, Da-Da, Nectar Solnechnyi), juice-containing drinks (DaDa Day, Aport), Asu bottled water, CiTi cold tea and Yeti energy drink;
- Production, distribution and sale of other products under the home brands of the Group including Piala Tea, Grizzly Chips and Moye milk;
- Production, distribution and sale of franchised products including carbonated nonalcoholic beverages (Pepsi, Pepsi Light, Mirinda, Seven-Up and Lipton Ice Tea);
- Trade transactions including sale and distribution of imported goods of other manufacturers.

					(KZT'000)
	Production of juice and juice- containing beverages	Food stuff	Franchise	Trading	Consolidated
Period ended 30 June		2015			
Revenue	5 132 173	7 743 288	5 981 599	25 679	18 882 738

Operating profit (loss) before tax	328 572	1 079 593	156 463	-	1 564 628
Income tax expense					-
Net profit/(loss)	328 572	1 079 593	156 463	-	1 564 628
Depreciation and amortization	195 184	373 601	341 070	1 367	911 222
Acquisition of property, plant and equipment and intangible assets	76 320	206 063	480 813		763 195

	Production of juice and juice-containing beverages	Food stuff	Franchise	Trading	
Period ended 30 June	2015				
Segment assets	13 001 622	7 573 832	11 556 048	-	32 131 502
Deferred income tax assets	-	-	-	-	-
Total assets	13 001 622	7 573 832	11 556 048	-	32 131 502
Segment liabilities	9 274 524	4 618 767	6 202 841	-	20 096 132
Deferred income tax liabilities	406 017	555 104	391 295	-	1 352 417
Total liabilities	9 680 541	5 173 871	6 594 136	-	21 448 549

The Group's revenue from sales by countries was as follows:

	6 months of 2015	6 months of 2014
Kazakhstan	16 034 801	15 722 389
Kyrgyz Republic	1 340 374	1 316 189
Russia	1 322 744	656 733
Turkmenistan	140 165	233 911
Mongolia	32 383	51 737
France	-	10 994
	18 882 738	17 994 901

21. RETIREMENT BENEFITS

In accordance with the requirements of the laws of the Republic of Kazakhstan, the Group makes 10% pension contributions from the employee salaries. However, subject to the Republic of Kazakhstan laws, this amount per employee shall not exceed KZT 160,230 a month since 1 January 2015; previously monthly contributions per employee amounted to KZT 149,745. These amounts are expensed as incurred. Contributions to the pension funds are deducted from the employee salary and recognised in the total salaries paid in the consolidated statement of comprehensive income.

As of 30 June 2015 the Group had no liabilities to its current or former employees on additional pension contributions, postretirement medical benefits, insurance payments or other retirement benefits.

22. RELATED PARTIES

Related parties of the Group are companies controlled and related to the Company shareholders – Mr. K.K. Mazhibayev and Ye.Zh. Koshkinbayev (see Note 1).

Transactions between the Company and its subsidiaries are eliminated at consolidation and not disclosed in this note. Transactions entered by the Group with the related are disclosed below.

Trading transactions – as at 30 June 2015 and 31 December 2014

Trading transactions with the related parties include:

- sale of carbonated alcohol-free beverages, natural juice, tea;
- sale/purchase of other materials, property, plant and equipment, securities and rendering of various services;
- loans and borrowings.

	Sale	Acquisition
Period ended 30 June 2015	Period ended 31 December 2014	Period ended 30 June 2015
		Period ended 31 December 2014

Parent company	237	1 776	73 579	180 301
Jointly controlled companies	19 112	6 151	16 929	22 826

	Accounts receivables		Accounts payable	
	At 30 June 2015	At 31 December 2014	At 30 June 2015	At 31 December 2014
Parent company				
Trade and other operations payable	-	-	-	-
Jointly controlled companies				
Trading transactions	247 456	139 782	61 110	59 421
Transactions in securities	-	-	-	-
Broker's debt	-	1 388	-	-
Money on broker's account	1 697 361	949 132	-	-
Temporary financial aid	49 945	78 339	-	-

Key management benefits – Key management benefits are determined by the shareholders' meeting and senior management of the companies in accordance with the staff policy, staff list, personal employment contracts, decisions of the shareholders, orders on accrual of bonuses, etc.

23. EVENTS AFTER THE REPORTING DATE

On 6 August 2015, dividends for 2014 were paid to the holders of preferred shares (NIN KZ1P46310119). The amount of dividends paid on preferred shares made KZT 189,480 thousand.

On 13 August 2015, dividends for 2014 and 2013 were paid to the holders of common shares for the amount of KZT 756,142 thousand and 220,257 thousand accordingly.

Actin Chairman of the Management Board

Askat Agybayev

Chief Financial Officer

Askat Agybayev

Chief Accountant

Olesya Andreyeva

