



# **RG BRANDS JSC & SUBSIDIARIES**

## **NOTES**

**to the Interim Consolidated Financial Statements**  
as at 30 September 2016  
*(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 September 2016 and 31 December 2015 the registered share capital of RG Brands JSC was KZT 2,787,696 thousand. As at 30 September 2016 and 31 December 2015 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 September 2016 and 31 December 2015 shareholders of the Company were as follows:

Shareholders	Interest		Common Shares		Amount	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015	30.09.2016	31.12.2015
Mr. T.S. Kaltayev.	0.95%	1.14%	30 000	36 024	33 400	34 375
Mr. K.K. Mazhibayev	61.77%	61.72%	1 944 771	1 944 771	944 726	944 726
Mr. A. Agybayev	0.72%	0.72%	22 655	22 655	24 780	24 780
Mr. R. Bayazeroov	0.90%	0.78%	28 355	24 653	34 178	26 779
Mr. A.V. Khalyapin	0.01%	0.01%	138	138	501	501
SUCCESSFUL INVESTMENT TRUST LLP						
Mr. Y.Zh. Koshkimbayev	8.89%	8.89%	279 968	279 968	258 948	258 948
	26.76%	26.74%	842 384	842 384	397 751	397 751
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3 148 271</b>	<b>3 150 593</b>	<b>1 694 285</b>	<b>1 687 860</b>

As at 30 September 2016 and 31 December 2015 repurchased common shares of the Group made KZT 146,011 thousand or 302,459 common shares and KZT 152,436 thousand or 302,137 common shares respectively.

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

	Ownership interest		Voting right	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
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 North LLC	100%	-	100%	-

RG Brands began production and packing of juice and juice-containing drinks in November 1999. Today the Group has the following trade marks in its portfolio: Gracio, Da-Da and Nectar Solnechnyi, Da-Da Day, Aport, and ASU.

The Group started up the first line for production of carbonated beverages under the trademarks of Pepsi, Seven Up, Mirinda and Aquafina in November 1999.

As at 30 September 2016 RG Brands owned 100% authorised capital of RG Brands Kyrgyzstan LLC registered on 11 March 2004. The interest of the minority shareholder was purchased on 7 October 2008.

RG Brands Kazakhstan LLP (hereinafter “RG Brands Kazakhstan”) was established on 4 April 2006 and comprised production facilities engaged in manufacture of juice, beverages, packaged milk under Moye trade mark, tea under Piala trade mark, bottled water under Asu trade mark, and Grizzly chips. This Company is also engaged in distribution of the Group products in the Republic of Kazakhstan.

In accordance with the decision of RG Brands JSC, a 100% subsidiary – RG Brands Tashkent LLC was registered on 29 August 2009 in the Republic of Uzbekistan.

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

In accordance with the decision of RG Brands JSC, a 100% subsidiary – RG Brands North LLC was registered on 06 May 2016 in the Russian Federation.

The 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 produced and distributed 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 passed 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.

The right to distribute PepsiCo Inc., Pepsi Lipton International Limited and Seven-Up products in the Kyrgyz Republic is provided based on the agreements signed with these companies, which operate up to and including 31 December 2018.

## **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 September 2016.

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. KEY 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.

Since 1 January 2016 the Group has made changes to the accounting policies to replace the cost method used for Machinery and Equipment group of the property, plant and equipment for revaluation model.

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:

	9 months of 2016	(KZT'000) 9 months of 2015
Revenue from sale of juices, juice-containing drinks	9 710 684	6 249 166
Revenue from sale of packaged tea	10 376 599	8 389 986
Revenue from sale of alcohol-free beverages	12 879 329	12 021 649
Revenue from sale of packaged milk	3 109 650	3 422 025
Revenue from sale of chips	379 740	392 073
Revenue from sale of goods for resale	43 101	33 697
	<u>36 499 103</u>	<u>30 508 596</u>

## 5. COST OF SALES

Cost of sales was as follows:

	9 months of 2016	(KZT'000) 9 months of 2015
Materials	20 440 078	15 576 991
Depreciation and amortisation	1 002 908	778 355
Salaries and related taxes	563 554	636 781
Utilities	304 500	241 892
Repair	303 937	303 390
Other costs	72 801	15 445
	<u>22 687 778</u>	<u>17 552 854</u>

## 6. SELLING EXPENSES

Selling expenses were as follows:

	9 months of 2016	(KZT'000) 9 months of 2015
Transportation expenses	2 047 061	2 016 997
Salaries and related taxes	556 725	551 291
Advertising campaigns and marketing research	3 426 972	2 191 726
Expenses for sales reps	923 023	867 764
Other selling costs	330 421	259 081
Amortisation	686 032	465 985
Lease of vehicles, warehouses and office premises	241 893	273 624
Travel expenses	8 100	7 364
Inventory write-off	146 848	-
Recovery of selling expenses	(658 598)	-
	<u>7 708 478</u>	<u>6 633 832</u>

## 7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	9 months of 2016	(KZT'000) 9 months of 2015
Salaries and related payments	1 223 721	1 323 682
Write-off of defected goods, losses of raw materials and supplies	114 539	58 067
Consulting services	240 090	230 132
Penalties and fines	107	4 240
Depreciation and amortisation	104 889	59 810
Taxes other than income tax	132 844	124 574
Bank services	130 648	91 660
Transportation charges	68 458	65 716
Utilities	41 973	37 631
Travel expenses	65 521	47 424

Communication services	28 196	27 180
Insurance	11 361	6 590
Provision for unused employee leaves	13 937	35 151
Accrual/(reversal) of provision for doubtful debts	6 404	1 628
Other costs	396 768	235 993
	<u>2 579 455</u>	<u>2 349 477</u>

## 8. FINANCE COSTS

Finance costs were as follows:

		(KZT'000)
	<b>9 months of</b>	<b>9 months of</b>
	<b>2016</b>	<b>2015</b>
Interest on bank and other loans	1 340 313	852 327
Interest accrued on bonds	18 979	-
Interest accrued on finance lease obligations	-	1 909
	<u>1 359 993</u>	<u>854 236</u>

## 9. OTHER COSTS/GAINS

Other costs were as follows:

		(KZT'000)
	<b>9 months of</b>	<b>9 months of</b>
	<b>2016</b>	<b>2015</b>
(Loss)/income from disposal of property, plant and equipment	50 909	5 319
Other operating expenses, net	-	(81 303)
Other	227 338	21 280
	<u>278 247</u>	<u>(54 703)</u>

## 10. EARNINGS AND CARRYING AMOUNT 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.

		(KZT'000)
	<b>9 months of</b>	<b>9 months of</b>
	<b>2016</b>	<b>2015</b>
Net profit (loss) for the year attributable to equity holders	2 324 047	2 624 953
Weighted average number of common shares	3 147 037	3 159 595
Basic loss/earnings per share, KZT	<u>738</u>	<u>833</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.

$$4,187 = 13,181,228 / 3,148.271$$

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.

$$13,181,228 = (50,915,307 - 80,153) - 37,653,925$$

		(KZT'000)
	<b>at 30.09.2016</b>	<b>at 31.12.2015</b>
<b>Calculation of carrying amount per common share</b>		
Net assets of the Group other than intangible assets	13 181 228	8 526 974
Number of outstanding common shares	<u>3 148 271</u>	<u>3 150,593</u>

Carrying amount per common share, KZT

4 187

2 706

Carrying amount per preferred share 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

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

#### Calculation of carrying amount per preferred share

	at 30.09.2016	(KZT'000) at 31.12.2015
Balance of preferred shares held within the Group	947 400	947 400
Number of outstanding preferred shares	789,500	789,500
Carrying amount per preferred share, KZT	1 200	1 200

## 11. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2016 property, plant and equipment less accumulated depreciation were as follows:

(KZT'000)

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	Total
<b>Historical cost</b>							
At 1 January 2016	1 234 389	5 479 879	19 682 010	343 944	810 382	653 834	28 204 438
Additions		2 822	298 790	1 103	63 786	105 006	471 507
Revaluation surplus/loss			4 574 208				4 574 208
Other reclassifications							-
Internal relocation			29 402		2 813	(32 215)	-
Disposal			(7 801 614)	(51 496)	(18 665)		(7 871 774)
At 30 September 2016	<u>1 234 389</u>	<u>5 482 701</u>	<u>16 782 796</u>	<u>293 551</u>	<u>858 316</u>	<u>726 624</u>	<u>25 378 379</u>
<b>Accumulated depreciation</b>							
At 1 January 2016	-	(1 160 847)	(8 669 384)	(223 644)	(646 094)	-	(10 699 969)
Accrued for the period		(417 296)	(1 239 048)	(27 433)	(72 815)		(1 756 591)
Reclassifications							-
Disposal			7 629 359	49 646	23 417		7 702 422
At 30 September 2016	<u>-</u>	<u>(1 578 143)</u>	<u>(2 279 073)</u>	<u>(201 431)</u>	<u>(695 492)</u>	<u>-</u>	<u>(4 754 138)</u>
<b>Carrying amount at 30 September 2016</b>	<u>1 234 389</u>	<u>3 904 559</u>	<u>14 503 724</u>	<u>92 120</u>	<u>162 824</u>	<u>726 624</u>	<u>20 624 241</u>

## 12. ACCOUNTS RECEIVABLE

As at 30 September 2016 accounts receivable were as follows:

(KZT'000)

Counterparty	at 31.12.2015	Total debits	Total credits	at 30.09.2016
		<b>Trade accounts receivable</b>		
Tandem Trade Company LLP	49 746	166 926	173 036	43 636
SOBLTD LLP Aktau	115 445	945 760	955 681	105 524
Basis-Trade LLP Aktobe	37 615	888 908	885 969	40 554
Pivnoye Podvoriye LLP Aktobe	15 734	832 052	845 193	2 593
G.K. Akhmetbekov Sole Proprietor	29 713	279 854	289 035	20 532
Valentina Alexandrovna Malinovskaya Sole Proprietor	-	132 886	130 502	2 384
CARAT LLP Petropavlovsk (DR)	2 176	198 095	194 676	5 595

Nemas-M LLC		118 057	102 816	15 241
PiRa LLC		132 811	113 242	19 569
V.V. Sagokon Sole Proprietor	25 661	311 282	296 193	40 750
Rakhimzhanov Sole Proprietor Semey	63 179	623 016	626 508	59 687
Magnolia LLP, Taraz (DR)	52 758	1 324 225	1 266 785	110 198
Mereke LLP Kokshetau	30 627	485 641	475 987	40 281
Trigon LLC	11 767	132 875	133 994	10 648
ProdInter LLP, Uralsk	2	764 058	743 913	20 147
FILBI LLC		532 218	360 922	171 296
Pivnaya Karta LLC		128 706	112 636	16 070
Sapsan-Region LLC		128 391	111 695	16 696
Other	1 018 623	582 910	464 791	1 136 742
<b>TOTAL</b>	<b>1 453 046</b>	<b>8 708 671</b>	<b>8 283 574</b>	<b>1 878 143</b>

#### Advances paid

Family Film LLP		24 336	11 318	13 018
Hoogwert International B.V		606 801	483 676	123 125
Tetra Pak Kazakhstan Ltd		688 549	574 056	114 493
Asia International Company LTD	10 000	103 663	90 384	23 279
Zhashylcha LLC	-	40 841	28 109	12 732
ING COMMERCIAL FINANCE POLSKA S.A		151 179	97 847	53 332
Shaanxi Hengtong Fruit Juice		45 498	21 344	24 154
Agro 2020 LLP		29 000	3 000	26 000
Gradius LLP		20 448		20 448
RED TECHNOLOGY LLP	5 602	74 041	67 088	12 555
Dostyk Cinema LLP		16 000	8 000	8 000
O.A. Nam Sole Proprietor	5 100	5 100		10 200
RTS Distribution LLP	13 980	-	975	13 005
Omnigift LLC		12 639		12 639
Mira Sezar LLC	8 914			8 914
Other	273 206	74 899	206 993	141 112
<b>TOTAL</b>	<b>316 802</b>	<b>1 892 994</b>	<b>1 592 790</b>	<b>617 006</b>

### 13. INVENTORY

	at 30.09.2016	(KZT'000) at 31.12.2015
Finished goods	3 075 292	2 086 520
Raw material	3 067 604	1 400 926
Packing material	194 368	602 828
Other	500 705	474 430
Spare parts	245 783	200 535
Less provision for hard-to-sell and obsolete inventories	(23 223)	(33 627)
	<u>7 060 530</u>	<u>4 731 612</u>

### 14. OTHER FINANCIAL ASSETS

	at 30.09.2016	(KZT'000) at 31.12.2015
Investments available for sale	-	4 197
Investments held for trading	6 709 266	2 678 963
	<u>6 709 266</u>	<u>2 683 160</u>

### 15. OTHER CURRENT ASSETS

	at 30.09.2016	(KZT'000) at 31.12.2015
Short-term accounts receivable from related parties	283 973	209 523
Employee debts	172 560	55 560
Other recoverable tax	154 306	75 643
Other receivables	248 757	265 821
Prepaid expenses	26 032	13 901
Less provision for doubtful debts	(133 408)	(127 469)
	<u>752 220</u>	<u>492 979</u>

## 16. LOANS, BONDED DEBTS AND FINANCE LEASE

Below is the information of loans, finance lease and other financial liabilities as at 30 September 2016:

(KZT'000)

Creditor	Loan currency	Average rate, % per annum	Opening balance	Total		Closing balance	Maturity date
				Debits	Credits		
Asian Development Bank	USD'000	3.50%	11 250	2 500	1 250	10 000	2020
Administrative Expense Acco	KZT'000		3 825 113	1 439 525	969 013	3 354 600	
	USD'000		(117)			(117)	
<b>ADB discount</b>	KZT'000		(39 654)	5 262	17 269	(27 646)	
Kazinvest Bank JSC	KZT'000	6.00%	1 200 000	814 286	814 286	1 200 000	2016
Europe Development Bank (2015)	KZT'000	8.75%	5 443 409	1 088 682	544 341	4 899 068	2020
Дисконт EBRD (2015)	KZT'000		(48 250)		12 833	(35 417)	
Europe Development Bank (2016)	KZT'000	10.25%		766 667	4 216 667	3 450 000	
<b>EBRD discount (2015)</b>	KZT'000			25 875	439.090	(25 436)	
Al Hilal Bank JSC	KZT'000	7.50%	1 182 939	2 380 276	1 937 471	740 133	2019
Nurbank JSC	KZT'000	8.00%	990 000	990 000	2 000 000	2 000 000	2016
International Finance Corporation	KZT'000	9.50%	3 008 801	250 733	250 733	3 008 801	2022
<b>International Finance Corporation discount</b>	KZT'000		(72 546)		13 756	(58 790)	
Subsidiary Bank "ALFA BANK", OJSC	RUB'000	12.00%	159 158	159 158			2016
	KZT'000		733 718	888 101	154 383		
Subsidiary Bank "ALFA BANK", OJSC	KZT'000	19.00%			519 860	519 860	2016
Subsidiary Bank "ALFA BANK", OJSC	KZT'000	19.00%	300 000	300 000		-	2016
ATF Bank JSC	KZT'000	5.50%	666 667	250 000	166 667	583 333	2019
SHINHAN BANK KAZAKHSTAN	KZT'000	7.00%	553 000	553 000	553 000	553 000	2016
Development Bank of Kazakhstan	KZT'000	6.00%	3 000 000	3 000 000	4 980 000	4 980 000	2017

  

Creditor	Loan amount, total	Maturity date						
		2016	2017	2018	2019	2020	2021	2022
Subsidiary Bank "ALFA BANK", OJSC	519 860	519 860						
Subsidiary Bank "ALFA BANK", OJSC	0							
Kazinvest Bank JSC	1 200 000		878 571	128 571	128 571	64 286		
Europe Development Bank (2015)	4 899 068	544 341	1 088 682	1 088 682	1 088 682	1 088 682		
Europe Development Bank (2016)	3 450 000	383 333	766 667	766 667	766 667	766 667		
International Finance Corporation	3 008 801		501 467	501 467	501 467	501 467	501 467	501 467
Al Hilal Bank JSC	740 133	147 602	320 795	217 389	54 347			
Asian Development Bank Administrative Expense Acco	3 354 600	419 166	810 371	850 025	850 025	425 013		
SHINHAN BANK KAZAKHSTAN	553 000	553 000						
Nurbank JSC	2 000 000		2 000 000					
Development Bank of Kazakhstan	4 980 000		4 980 000					
ATF Bank JSC	583 333	83 333	166 667	166 667	166 667			

Total	25 288 796	2 650 636	11 513 219	3 719 468	3 556 425	2 846 113	501 467	501 467
	<b>at 30.09.2016</b>	<b>at 31.12.2015</b>						
Loans	25 288 796	20 903 647						
Discount	(147 289)	(160 450)						
Loan %	206 954	142 868						
Factoring	-	64 707						



**TOTAL**            **25 348 461**            **20 950 772**

**17. ACCOUNTS PAYABLE**

As at 30 September 2016 accounts payable were as follows:

Counterparty	at 31.12.2016	Total debits	Total credits	(KZT'000)
				at 30.09.2016
<b>Long-term accounts payable for equipment</b>	<b>84 520</b>	<b>50 623</b>	<b>9 446</b>	<b>43 343</b>
TETRA LAVAL CREDIT AB	84 520	50 623	9 446	43 343
<b>Short-term accounts payable</b>	<b>6 827 349</b>	<b>21 395 370</b>	<b>22 977 337</b>	<b>8 409 315</b>
Asian Tea Company Private Limited	2 253 621	5 283 125,00	5 480 261,00	2 450 757,00
COFCO Tunhe Co, Ltd	48 660,00	134 246,00	120 014,00	34 428,00
DASM/MS LLP	6 741,00	32 619,00	47 944,00	22 066,00
China Resources Packaging Materials Co.,Ltd		138 791,00	327 913,00	189 122,00
DOHLER HOLLAND	47 459	363 630,00	396 811,00	80 640,00
ED&F MAN SUGAR LTD	0	939 969,00	1 420 172,00	480 203,00
Gan-Shmuel Foods LTD	152 850	383 357,00	326 320,00	95 813,00
HYUNDAI CORPORATION	90 975	1 351 173,00	1 274 973,00	14 775,00
Kagazy Recycling LLP	53 777	459 484,00	485 438,00	79 731,00
KASKAT SP . Z O.O.	125 951	525 534,00	584 886,00	185 303,00
P.E.T. TOO	27 468	1 066 236,00	1 086 410,00	47 642,00
Dohler Sp.z.o.o.	8 725,00	33 427,00	42 913,00	18 211,00
Pepsi-Cola International, Cork	901 278	2 375 453,00	2 178 071,00	703 896,00
Sanmenxia City Yitong Industry and Trade Co. LTD		1 185,00	64 417,00	63 232,00
TEEPACK Spezialmaschinen GmbH AND Co.KG.	77 611	162 626,00	110 314,00	25 299,00
TETRA LAVAL CREDIT AB	99 130	67 978,00	56 380,00	87 532,00
Eurasia Trans Logistic LLP		128 740,00	143 159,00	14 419,00
Tetra Pak Kazakhstan Ltd	18 926	1 574 352,00	2 649 757,00	1 094 331,00
VAN REES B. V.	253 161	3 662 722,00	4 089 383,00	679 822,00
Xinjiang Lonran Int'l Engineering & Technology Co., Ltd	146 012	454 598,00	451 918,00	143 332,00
Alaska-Poligraphoformleniye LLC	32 091	180 181,00	196 834,00	48 744,00
Borusan Makina Kazakhstan LLP	32 439	119 207,00	100 354,00	13 586,00
Dohler Kazakhstan LLP	29 117	309 238,00	332 863,00	52 742,00
Branch of Plasform ambalaj sanayi ve ticaret A.S	55 298	304 113,00	282 793,00	33 978,00
AC NIELSEN Kazakhstan LLP	34 301	156 892,00	171 793,00	49 202,00
DOMUS PRINT LLP		128 436,00	161 529,00	33 093,00
Fruit Tech Natural S.A.	35 019,00	179 044,00	200 522,00	56 497,00
Gat Givat Haim Cooperative Society for P.ofA.P ltd	28 848,00	73 844,00	65 728,00	20 732,00
Other	2 267 890	805 170	127 467	1 590 187

**18. TAXES PAYABLE**

	(KZT'000)	
	at 30.09.2016	at 31.12.2015
Value added tax	810 152	1 002 281
Personal income tax	22 428	
Other taxes	54 914	52 794
Social tax	17 077	
	<b>904 571</b>	<b>1 055 075</b>

**19. OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	(KZT'000)	
	at 30.09.2016	at 31.12.2015
Employment expenses accrued	168 089	121 651
Employee leave allowances and bonuses accrued	261 609	248 271
Advances received	16 892	10 199
Other accrued liabilities	29 176	30 300
	<b>475 769</b>	<b>410 421</b>

## 20. OPERATING AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where more than 81.5% 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 ice 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 alcohol-free 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
<b>Period ended 30 September 2016</b>					
Revenue	12 080 230	13 865 989	10 509 783	43 101	36 499 103
Operating profit (loss) before tax	530 342	1 734 741	252 544	7 812	2 525 438
Income tax expense	(42 292)	(138 960)	(20 139)		(201 391)
Net profit/(loss)	488 050	1 595 781	232 405	7 812	2 324 047
Accumulated depreciation	609 902	771 347	412 581	-	1 793 830
Acquisition of property, plant and equipment and intangible assets	47 151	127 307	297 049	-	471 507

	Production of juice and juice-containing beverages	Food stuff	Franchise	Trading	Consolidated
<b>Period ended 30 September 2016</b>					
Segment assets	20 602 261	12 001 427	18 311 616	-	50 915 307
Deferred income tax assets					-
Total assets	20 602 261	12 001 427	18 311 616	-	50 915 307
Segment liabilities	16 270 466	8 102 773	10 881 758	-	35 255 012
Deferred income tax liabilities	720 192	984 642	694 078	-	2 398 913
Total liabilities	16 990 658	9 087 415	11 575 836	-	37 653 925

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

	9 months of 2016	9 months of 2015	(KZT'000)
Kazakhstan	29 756 315	25 873 987	
Kyrgyz Republic	3 810 991	2 356 318	
Russia	2 874 027	2 058 601	
Turkmenistan	-	161 221	
Tajikistan	56 904	41 137	
Mongolia	-	17 331	
Luxembourg	865	-	
	<b>36 499 102</b>	<b>30 508 596</b>	

## 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 171,442.5 a month since 1 January 2016; previously monthly contributions per employee amounted to KZT 160,230. 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 September 2016 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 Mr. Ye.Zh. Koshkinbayev.

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 September 2016 and 31 December 2015 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.

(KZT'000)

	Sale		Acquisition	
	Period ended 30 September 2016	Period ended 31 December 2015	Period ended 30 September 2016	Period ended 31 December 2015
Parent company	6 925	1 776	144 891	180 301
Jointly controlled companies	472	6 151	19 302	22 826

	Accounts receivable		Accounts payable	
	At 30 September 2016	At 31 December 2015	At 30 September 2016	At 31 December 2015
<b>Parent group</b>				
Trade and other operations payable	-	-	-	-
<b>Jointly controlled companies</b>	283 973			
Trading transactions	218 367	139 782	-	59 421
Transactions in securities	-	-	-	-
Broker's debt	56 052	1 388	-	-
Managed money	4 809	949 132	-	-
Temporary financial aid	4 745	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

During the period after the reporting date and prior to the date of the financial statements approval, no events have happened to the Group which would require adjustments or disclosures in the notes to the consolidated interim financial statements.

Chairman of the Management Board

Chief Financial Officer

Chief Accountant

  
Dewaele Hans Alexander

  
Askat Agybayev

  
Daulet Uvaliyev