

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at 30 June 2014

**Consolidated Statement of Profit and Loss and
Other Comprehensive Income for the Period Ended
30 June 2014**

(KZT'000)

| | Note | 6 months of 2014 | 6 months of 2013 |
|---|------|------------------|------------------|
| REVENUE | 4 | 17 994 901 | 16 793 403 |
| COST OF SALES | 5 | (11 044 811) | (10 478 787) |
| GROSS PROFIT | | 6 950 091 | 6 314 616 |
| Selling expenses | 6 | (3 625 365) | (3 285 748) |
| General and administrative expenses | 7 | (1 396 858) | (1 694 379) |
| OPERATING INCOME | | 1 927 868 | 1 334 489 |
| Finance costs | 8 | (522 521) | (519 693) |
| Exchange (loss)/gain from operating activities | | (647 212) | (26 019) |
| Exchange (loss)/gain from financing activities | | (943 355) | (13 674) |
| Investment income, net | | (16 912) | 276 307 |
| Other (costs)/gains | 9 | (14 685) | 8 308 |
| Loss/profit before income tax benefit | | (216 818) | 1 059 718 |
| Income tax payable | 10 | (91 117) | - |
| Loss/profit for the period | | (307 934) | 1 059 718 |
| Loss / (income) from investments available for sale | | - | - |
| Exchange difference from foreign entity translation | | (76 329) | (3 549) |
| Deferred tax related to revaluation | 10 | - | - |
| Total comprehensive (loss)/income | | (384 263) | 1 056 169 |
| Profit/(loss) attributable to : | | | |
| Shareholders of the parent company | | (307 934) | 1 059 718 |
| Minority interest | | (307 934) | 1 059 718 |
| Earnings per common share, KZT | 10 | (97) | 335 |

For the Group Management:



David Paul Westall
Chairman of the Management Board



Askat Agybayev
Chief Financial Officer



Yelena Chumichyova
Chief Accountant

**Consolidated Statement of Financial Position
 as at 30 June 2014**

(KZT'000)

| | Note | At 30 June 2014 | At 31 December 2013 |
|---|------|-------------------|---------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS: | | | |
| Property, plant and equipment | 13 | 17 913 339 | 16 999 612 |
| Advances paid | 14 | 77 992 | 76 192 |
| Intangible assets | | 57 993 | 82 778 |
| Goodwill | | 68 026 | 68 026 |
| TOTAL NON-CURRENT ASSETS | | 18 117 350 | 17 226 608 |
| CURRENT ASSETS: | | | |
| Inventory | 15 | 7 025 940 | 4 695 536 |
| Trade accounts receivable | 16 | 1 421 191 | 1 484 570 |
| Advances paid | 14 | 327 281 | 210 370 |
| Other financial assets | 17 | 86 341 | 104 644 |
| Other current assets | 18 | 4 723 493 | 3 115 052 |
| Bank deposits | 19 | 1 857 | 1 857 |
| Cash and cash equivalents | 20 | 917 022 | 1 933 318 |
| Non-current assets classified as held for sale | 21 | 1 077 689 | 1 273 878 |
| TOTAL CURRENT ASSETS | | 15 580 814 | 12 819 225 |
| TOTAL ASSETS | | 33 698 164 | 30 045 833 |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Share capital | 22 | 2 787 696 | 2 787 696 |
| Preferred shares held within the Group | | (947 400) | (947 400) |
| Withdrawn capital | 22 | (152 427) | (152 427) |
| Provisions | 23 | 2 558 532 | 1 965 357 |
| Retained earnings | | 4 593 075 | 4 820 513 |
| Equity attributable to shareholders of parent company | | 8 839 476 | 8 473 739 |
| Minority interest | | | |
| TOTAL EQUITY | | 8 839 476 | 8 473 739 |

| | | | |
|---|----|-------------------|-------------------|
| NON-CURRENT LIABILITIES : | | | |
| Long-term loans | 24 | 8 472 285 | 8 253 999 |
| Deferred corporate income tax liability | 12 | 1 062 740 | 1 062 740 |
| Accounts payable | 28 | 843 141 | 840 639 |
| TOTAL NON-CURRENT LIABILITIES | | <u>10 378 166</u> | <u>10 157 378</u> |
| | | | |
| CURRENT LIABILITIES : | | | |
| Account payable | 28 | 7 398 870 | 6 170 557 |
| Short-term loans and current portion of long-term loans | 24 | 4 469 365 | 2 565 258 |
| Current portion of finance lease payable | 26 | 285 571 | 331 493 |
| Current portion of bonds payable | 25 | 1 608 941 | 1 574 125 |
| Taxes payable | 29 | 302 680 | 380 085 |
| Other accounts payable and accrued liabilities | | 415 095 | 393 198 |
| TOTAL CURRENT LIABILITIES | | <u>14 480 522</u> | <u>11 414 716</u> |
| | | | |
| TOTAL EQUITY AND LIABILITIES | | <u>33 698 164</u> | <u>30 045 833</u> |
| | | | |
| Carrying amount per common share (KZT) | | 2 779 | 2 430 |
| Carrying amount per preferred share (KZT) | | 1 200 | 1 200 |

For the Group
Management:



David Paul Westall
Chairman of the Management
Board




Askat Agybayev
Chief Financial Officer



Yelena Chumichyova
Chief Accountant

**Consolidated Statement of Cash Flows
for the period ended 30 June 2014 (direct method)**

(KZT'000)

| | 01.01.2014-30.06.2014 | 01.01.2013-30.06.2013 |
|--|-----------------------|-----------------------|
| 1. OPERATING ACTIVITY: | | |
| 1/1. Cash inflow | 19 973 411 | 18 770 352 |
| Income (revenue) from sales | 19 725 706 | 18 469 249 |
| Other inflows | 245 847 | 301 102 |
| 1/2. Cash outflow | 19 736 993 | 17 261 126 |
| Settlements with suppliers | 16 542 495 | 13 893 183 |
| Salaries paid | 777 095 | 786 625 |
| Contributions to pension funds | 103 141 | 104 008 |
| Payments to the budget | 1 840 677 | 2 093 066 |
| Loan interest | 470 790 | 371 218 |
| Other payments | 2 795 | 13 026 |
| Net cash from operating activity | 234 559 | 1 509 226 |
| 2. INVESTING ACTIVITY: | | |
| 2/1. Cash inflow | 1 306 708 | 440 |
| Sale of property, plant and equipment | 1 040 | 440 |
| Sale of intangible assets | - | - |
| Sale of financial investments | - | - |
| Other inflows | 1 305 668 | - |
| 2/2. Cash outflow | 3 519 796 | 900 828 |
| Acquisition of property, plant and equipment | 2 214 128 | 900 828 |
| Investments in intangible assets | - | - |
| Acquisition of financial investments | 1 305 668 | - |
| Other payments | - | - |
| Net cash used in investing activity | (2 213 088) | (900 388) |
| 3. FINANCING ACTIVITY: | | |
| 3/1. Cash inflow | 9 003 567 | 5 801 640 |
| Issue of shares and other securities | - | - |
| Bank loans obtained | 9 003 567 | 4 568 519 |
| Other inflows | - | 1 233 122 |
| 3/2. Cash outflow | 8 040 480 | 6 423 458 |
| Bank loans repaid | 7 932 340 | 6 180 804 |
| Acquisition of own shares | - | 983 |
| Acquisition of own bonds | - | - |
| Dividends paid | - | - |
| Finance lease repaid | 108 140 | 241 671 |
| Repayment of loan from the parent | - | - |
| Other payments | - | - |

| | | |
|--|-------------|-----------|
| Net cash from financing activities | 963 087 | (621 818) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (1 015 442) | (12 980) |
| CASH AND CASH EQUIVALENTS, beginning of the period | 1 934 320 | 470 739 |
| CASH AND CASH EQUIVALENTS, end of the period | 918 878 | 457 760 |



For the Group Management:

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Chairman of the Management Board



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 Chief Financial Officer



Yelena Chumichyova
 Chief Accountant



**Consolidated Statement of Changes in Equity
for the period ended 30 June 2014**

(KZT'000)

| | Share capital | Treasury shares | Preferred shares held within the Group | Investment revaluation provision | Real estate revaluation provision | Provision for share-based benefits | Exchange difference provision | Retained earnings | Total equity |
|---|---------------|-----------------|--|----------------------------------|-----------------------------------|------------------------------------|-------------------------------|-------------------|--------------|
| Balance at 01 January 2013 | 2 787 696 | (152 428) | (947 400) | - | 1 188 618 | 944 599 | 1 080 | 5 991 135 | 9 813 300 |
| Net profit (loss) | | | | | | | | 1 645 205 | 1 645 205 |
| Reduction of share capital | | | | | | | | | |
| Dividends paid | | | | | | | | | |
| Additional paid-in capital | | | | | | | | | |
| Proceeds from investments available for sale | | | | - | | | | | |
| Exchange difference resulting from foreign exchange translation | | | | | | | (5 056) | | (5 056) |
| Reclassification to retained earnings | | | | | (128 300) | | | 128 300 | - |
| Balance at 30 June 2013 | 2 787 696 | (152 428) | (947 400) | - | 1 060 318 | 944 599 | (3 976) | 7 764 640 | 11 453 449 |
| Balance at 01 January 2014 | 2 787 696 | (152 428) | (947 400) | - | 1 020 052 | 944 599 | 706 | 4 820 513 | 8 473 739 |
| Net profit (loss) | | | | | | | | (307 934) | (307 34) |
| Expansion of capital stock | | | | | | | | | - |
| Proceeds from investments available for sale | | | | | | | | | - |
| Restatement of buildings, constructions | | | | | 750 000 | | | | 750 000 |
| Exchange difference resulting from foreign exchange translation | | | | | | | (76 329) | | (76 329) |
| Reclassification to retained earnings | | | | | (80 497) | | | 80 497 | - |
| Balance at 30 June 2014. | 2 787 696 | (152 428) | (947 400) | - | 1 689 556 | 944 599 | (75 623) | 4 593 075 | 8 839 476 |

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