

**Explanatory note**  
**to the consolidated financial statements**  
**of “Atameken Agro” Joint-Stock Company**  
**for 2012 year**

**Explanatory note to the consolidated financial statements of the Group of companies “Atameken Agro” Joint-Stock Company for the period of 2012 includes:**

- 1. General part**
- 2. The information about the basics of participation of the financial statement and aspects of the Accounting policy**
- 3. The information to the consolidated Statement about the financial activity of the Group of companies “Atameken Agro” Joint-Stock Company for 2012**
- 4. The information to the consolidated Statement about the aggregate income of Atameken Agro” Joint-Stock Company for 2012**

The consolidated financial statements for the period of 1<sup>st</sup> quarter of 2013 is made in accordance with the Law “On accounting and financial statements” dated February 27, 2008, Accounting policy of the company, International Financial Reporting Standards with changes, inculcated into force from January 01, 2013 by the Tax Code of the Republic of Kazakhstan.

#### **1. General part**

“Atameken-Agro” JSC (hereinafter referred to as the “Company”) was founded on the basis of contributions from the members and operates in accordance with the legislations of the Republic of Kazakhstan. The company provides for its activity on the basis of full cost accounting.

The company was reorganized from “KazAgroTrade +” Limited Partnership and re-registered by the Department of Justice, Astana city, certificate of state re-registration of the legal entity No. 8839-1902-AO dated September 26, 2008 (date of the first registration is September 03,2003).

Legal address of the company: h/c 30, next to the new meat factory, Kokshetau city, Republic of Kazakhstan.

Form of ownership is a private company. All assets and liabilities are located on the territory of the Republic of Kazakhstan. The company is registered as a taxpayer in the tax committee of Akmola region, TIN is 032 600 218 911. Code according to the state qualifier OKPO is 40052544. BIN - 080940017289

The main activity in accordance with the Charter of the Company is:

- Manufacture and sale of agricultural products;
- Wholesale of spare parts and agricultural toxic chemicals;
- Providing for the freight forwarding services
- Providing for services of the construction and repair of real property objects

For carrying out trading activities of agricultural toxic chemicals the Company has the state license for the activity of the sale of pesticides (agricultural toxic chemicals) issued by the authority of Astana city on May 29, 2006 under № 0026947, in perpetuity.

The company has the right to engage in activities of grain realization for export on the basis of the State license No. 0005424 series EZ dated October 08, 2007 issued by the State Inspection Committee in the agricultural sector of the Ministry of Agriculture of the Republic of Kazakhstan, in perpetuity.

The company has the license GSL dated 05.01.2011 to carry out activities on construction and repair of the real estate objects.



In 2009 full initial public offering of securities in amount of 11 000 000 units is successfully completed, certificate about registration of the bond program № D-12-1 dated August 4, 2008.

In 2008 «Atameken Agro» JSC registered the equity issue in amount of 15 000 000 shares of common stock and 5 000 000 shares of preferred stock, the certificate of registration of the shares No.A5707. As of March 31, 2011 it is placed 1 448 457 shares of preferred stock, 9 000 324 shares of common stock and 997 shares of common stock are paid off.

As of March 31, 2012 shareholders of company are :

Adilov Sh.M.-10,0% - the individual

Sagandykov Zh.T. -8,5% - the individual

Gusev A.Ya. -9,1% - the individual

Agibayev M.K -9,5% - the individual

Zakaryanova L.L. -3,15 – the individual

Savchuk T.V. - 4,66% - the individual

Sapulatov K.A.- 3,16% - the individual

Dzhahutashvili Sh.G.-4,0% - the individual

Beisembayev T.C.-2,46% - the individual

Moldagaziyeva G.F.- 6,43% - the individual

Belkebayeva G.K.- 4,44% - the individual

Islamova E.K.-6,67% - the individual

Other individuals – 8,84%

"Management Company" Alem " JSC - 0,20%- legal entity

«NPF (National Pension Fund) “ Ular Umit “-10,0% JSC - legal entity

Ailemis Limited – 8,89%

"Agro Atameken" JSC has subsidiaries:

|                                    | Share of participation on<br>March 31, 2012 | Share of participation on<br>на December 31, 2011 |
|------------------------------------|---------------------------------------------|---------------------------------------------------|
| "Atameken Agro Timiryazevo"<br>LLP | 91,50%                                      | 91,50%                                            |
| "Atameken Agro Tselinnyi" LLP      | 90,35%                                      | 90,27%                                            |
| "Atameken Agro Korneevka" LLP      | 99,78%                                      | 99,78%                                            |
| "Atameken Agro Shukyrkol" LLP      | 94,72%                                      | 94,72%                                            |



|                           |        |        |
|---------------------------|--------|--------|
| "Sagat SK" LLP            | 95,63% | 95,59% |
| "Atameken Agro Story" LLP | 100%   | 100%   |

## 2. Basis of participation of the financial statements

Statement about the correspondence of IFRS. The Group prepares the consolidated financial statements in accordance with the International Financial Reporting Standards ("IFRS") adopted by the Board Committee on International Accounting Standards Board ("IASB"), consisting of:

International Financial Reporting Standards (IFRS); International Financial Reporting Standards (IAS); and explanations prepared by the Committee on International Financial Reporting Interpretations (KRMFO) or the former Standing Interpretations Committee (SIC).

This consolidated financial statements for the period ended on December 31, 2012 is prepared in accordance with the requirements of IFRS; statements include all information and disclosures.

During the preparation of the consolidated financial statements in accordance with the IFRS, the management used their professional judgment, assumptions and calculated estimations related to the issues of assets reflection and liabilities, as well as disclosure of information about contingent assets and liabilities. Actual results can be different from these estimates. The assumptions and calculated estimations made on the basis of them are continually analyzed for the need to change them. Changes in accounting estimates are recognized in the period when these estimates were revised and in all future periods affected by these changes.

The consolidated financial statements include the following components:

1. Statement about the financial position;
2. Statement about the aggregate income;
3. Statement about the cash flows;
4. Statement about the changes in capital;
5. Explanatory note.

### *The principle of making of the consolidated financial statements*

The consolidated financial statements of the Group shall be prepared on an accrual basis. According to this principle, results of operations and other events are recognized on the fact of their commission, and not when monetary assets or their equivalents are received or paid. They are reflected in the accounts and are included in the consolidated financial statements in the period to which they are related.

Expenses in the consolidated statement about comprehensive income are recognized on the basis of the principle of correlation that is based on the direct link between costs incurred and revenues on specific items of income.

The consolidated financial statements which have been prepared on an accrual basis, inform users not only about last transactions connected with payment and receipt of monetary assets, but as well as the obligations to pay money in future and about resources that represent monetary



assets which will be received in future. This fact makes such consolidated financial statements useful to users in making economic decisions.

The financial statements of the Group have been prepared in accordance with the principle of continuity, according to which repayment of obligations runs in the normal course of business. The consolidated information does not include any corrections, which are necessary if the Group was unable to continue its financial and economic activities based on the principle of continuity.

Qualitative characteristics are attributes which make presented information in the consolidated financial statements useful to users.

The main qualitative characteristics are understandability, relevance, reliability and comparability.

The basis of consolidation is the concept of control, which gives the right to determine the financial and operating policies of the company for the purpose of obtaining of benefits from its activities.

It is supposed that the control can be if the company owns directly or indirectly through subsidiary companies, more than a half of the voting rights of any entities, except exceptional cases when it can be clearly demonstrated that such ownership does not create the control. The consolidated financial statements shall be prepared with the use of corporate accounting policy for analogical transactions and other events in similar circumstances.

During preparing the consolidated financial statements the Company combines its financial statements and financial statements of subsidiary companies line by line by adding together analogical items of assets, obligations, capital, incomes and expenses. Then, in order to the consolidated financial statements can be present financial information about the Group as a single economic entity, the following steps shall be executed:

- a) The carrying value of investments of the Company in each subsidiary company and the share in the capital of each subsidiary company which belong to the Company shall be mutually exclusive;
- b) non-controlling interests in profit or loss of consolidated subsidiaries for the reporting period shall be determined ;
- c) non-controlling interests in net assets of consolidated subsidiaries are determined separately from the share which belong to the shareholders of the Company.

Non-controlling interest in net assets consists of:

- (i) the value attributable to these non-controlling interests at the date of the initial business of combination, calculated in accordance with IFRS (IFRS) 3, and
- (ii) non-controlling interest in changes of the capital of a subsidiary company which happened since the date of the transaction no combination.

Intercompany balances, transactions, incomes and expenses shall be excluded in total amounts. Balances on intercompany estimations and the amounts of intercompany transactions, including incomes, expenses and dividends shall be completely excluded. Incomes and losses resulting from intercompany transactions and recognized in assets cost such as reserves and fixed assets shall be completely excluded.

***Functional currency and currency of statements presentation***



The national currency of Kazakhstan is the Kazakhstani KZT (“KZT”), and the same currency is the functional currency for the Group, and it is used for representing of the consolidated financial statements. All index numbers presented in the consolidated financial statements of the Group are in KZT and shall be rounded to the nearest thousand.

#### *Transactions in foreign currency*

Transactions in foreign currencies shall be recounted into functional currency of the Group at the exchange rates of the National Bank of the Republic of Kazakhstan (“NBRK”) as of the dates of these transactions. Monetary assets and obligations represented in foreign currency at the balance sheet date are recounted into functional currency at the exchange rate of the NBRK which is effective as of that date.

#### *Monetary assets and equivalents of monetary assets*

Monetary assets include cash on hand and demand deposits. Cash equivalents are short-term high liquid investments, readily convertible to known amounts of monetary assets and are subject to insignificant risk of changes in value.

Monetary assets are a financial asset whereas it represents means of exchange and, so it is the basis on which all transactions are measured and recognized in the financial statements. Cash deposit in a bank or similar financial institution is a financial asset because it represents the contractual right of the Contributor to receive money from this institution, or write a check or analogical instrument on the account balance in favor of the creditor in payment on financial obligation.

In the composition of monetary assets and cash equivalents short-term deposits are included (with maturities up to 3 months), as well as monetary assets which are placed on deposit accounts, easily convertible to a certain amount of cash and are subject to an insignificant risk of changes in value, i.e. assets placed on deposit accounts.

#### *Financial investments.*

Investment recognition is organized in accordance with the IFRS: 13 “Consolidated Financial Statements and Accounting for Investments in Subsidiary Companies”, 39 “Financial Instruments: Recognition and Estimation”, 40 “Investments in real estate”. Financial investments are financial assets which are used to receive income (interests, dividends and etc.) and increase in investment capital. During preparing of separate financial statements, investments in subsidiaries jointly controlled and associated entities shall be shown in successful efforts accounting.

Consolidated Financial Statements is Financial Statements of the Group and represented as if it had been prepared by a single economic entity.

#### *Accounts receivable*

Accounts receivable is the requirements to customers, related parties and third persons for receiving cash, goods or services. Accounts receivable is non-derivative financial assets with fixed or determinable payments and which is not quoted on active market.



For the purposes of financial reporting debtor indebtedness is classified as either a short-term or a long-term one. Accounts receivables are classified as short-term one if it is supposed that its repayment will be made within 12 months, or it is for sale. Any other debtor indebtedness is classified as long-term one. Accounts receivables are classified as trade and other debtor indebtedness. Trade accounts receivable is the amounts that buyers shall pay for the final products and goods that are sold in the procedure of course of business activity of the Group.

Other accounts receivables arises during various operations and can be written promise to make payment or provide for goods or services (for example: prepayments, dividends and interests for receiving; the requirements to insurance companies for the occurred events insured; the requirements to the state authorities on tax return and etc.). These types of assets are not financial instruments and are not under the power of IFRS (IAS) 32 "*Financial Instruments: Presentation of information*" and IFRS (IAS) 39 "*Financial Instruments: Recognition and Estimation*". Non trade debtor indebtedness is not subject to discounting.

#### ***Accounts payable***

Accounts payable shall mean the Group's obligations as a result of made various transactions and are the legal basis for further payments for goods, performed works and rendered services. Obligations are estimated by amount of money which is necessary to repay the debt. Accounts payable is taken into account since its inception and is valid till compensation. Write-off of credit indebtedness on the off-balance accounting is performed on the expiration of the statute of limitations in accordance with the Civil Code of the Republic of Kazakhstan.

#### ***Loans and Credits***

Credits and loans are initially recognized at cost. After initial recognition, loans and credits are expressed according to amortized cost and any difference between actual cost and the settlement value is recognized in the report about total income using the method of effective rate of the interest during the whole period till compensation.

#### ***Trade and other credit indebtedness***

Trade and other credit indebtedness are reflected at cost.

#### ***Commodity stocks are assets:***

- a) intended for sale in the procedure of business course;
- b) in the process of production for such sale, or
- c) in the form of materials or raw to be consumed in the process of production or provision of services.

Goods which are bought and are for resale are related to reserves. Net cost of reserves shall include all charges for purchase, expenses for conversion and other costs incurred in order to providing for current location and status of reserves.

Net cost of the collected agricultural products received from biological assets in accordance with the IFRS (IAS) 41 "Agriculture" reserves which consist of collected agricultural products which



the Group has received from its biological assets at initial recognition shall be measured at fair value at the moment of acquisition with the deduction of the estimated costs for sale. This is the net cost of reserves on the said date. In accordance with the Group's accounting policy writing-off of reserves in the account is made by the method of weighted average cost.

### *Intangible assets*

Recording is made in accordance with the IFRS 38 "Intangible Assets". After recognition of intangible assets are valued at initial cost which consists of cash expenses for their buying or creation of an object in the Group, including paid non-refundable taxes and fees and other charges directly connected with bringing of the objects of intangible assets into ready condition for use on orders. The cost of intangible assets is subject to monthly amortization using a method of linear (regular) write-off and is terminated after full write-off of their original cost. The useful service of intangible assets is determined by the expert committee of the Group and on the basis of lease contract on land plots located on the right of use. In the consolidated financial statements intangible assets are represented by the right of using of land plots for agricultural purposes.

### *Property assets*

Property assets of the Group are accounted in accordance with the IFRS 16 "Property assets" Property assets of the Group are stated at revalued amount which corresponds to the market cost as of December 31, 2012. At selling revalued assets amounts reflected in the revaluation reserve are transferred to retained earnings. Property assets bought for the purpose of using in the activities of the Group are reflected in property assets and for the purpose of resale as part of commodity stocks.

Depreciation of property assets is calculated by the method of straight (straight line) depreciation using the depreciation rates stated by the Accounting policy of the company. Future economic benefits included in an asset are consumed by the Group mainly through its use. Proposed useful service terms of property assets are the following:

|                             |               |
|-----------------------------|---------------|
| Buildings and constructions | 5-80 years;   |
| Installations and equipment | 5-12.5 years; |
| Vehicles                    | 5-10 years;   |
| Facilities and furniture    | 5-10 years;   |
| Significant components      | 3-5 years;    |
| Other property assets       | 3 years.      |

Depreciation of property assets starts from the first day of the month following the month when the asset is ready for exploitation, and ends from the first date of the month following the month of termination of its recognition. In case of downtime of the property assets depreciation on it does not stop. Depreciation is calculated monthly and the amount of depreciation expenses for



each month shall be recognized in profit or loss, depending on the functions within the Group, as net cost of realization and administrative expenses, respectively.

Depreciation and amortization of an asset stops, starting from the earlier of two dates: the date of transfer in assets provided for sale (or including in the retiring group which is classified as provided for sale) in accordance with IFRS (IFRS) 5 "*Long-term assets provided for sale and discontinued activity*" or the date of cancellation of recognition of the asset.

### ***Revenues and expenses***

Revenue from the main operational activity of the Group is the income earned from the sale of agricultural produce and resell of the purchased goods.

Revenue is gross inflow of economic benefits for a certain period in the ordinary course of business of the Group, which leads to an increase in capital not related to the contributions of participants in the capital. The word "Revenue" shall mean only the gross inflows of economic benefits received and receivable by the Company and subsidiary companies on their account. Amounts received on behalf of a third party, as well as value-added tax, are not received economic benefits and do not lead to an increase in capital. That is why they are excluded from income.

Income from the main operational activity of the Group is divided into the following components:

- Income from sale of final products;
- Income from sale of goods;
- Government grants;
- Change of fair value of agricultural products

Expenses included in net cost of final products and goods are expenses directly connected with the manufacture of finished products and purchased goods which were sold and are reflected as income in the reporting period.

The group divides net cost of realization on the following components:

- Net cost of realized manufactured final products;
- Net cost of sold goods.

Net cost is recognized as an expense in a report about incomes and losses in the period when it was recognized agreeable income.

### ***Taxation***

The calculation and payment of taxes and other obligatory payments to the budget the Group performs in the procedure stated by the Tax Legislation of the Republic of Kazakhstan. Pension accruals are held at the rate specified by the legislation of the Republic of Kazakhstan, from income received for the calculation of pension contributions for each employee of the Group. The object of taxation in the Group is the property and actions, with the presence of which



the Group has tax liabilities, such as charging of the corporate income tax, withholding income tax, social tax, property tax, land tax, vehicle tax and other possible tax obligations. The procedure of calculation, payment terms and the provision of tax reporting on these taxes shall be performed in accordance with current tax legislation.

Taxable profit (tax loss) is income (loss) for the period which is determined in accordance with the Internal Tax Code of the Republic of Kazakhstan, for which income taxes shall be paid. Income tax expense (income tax benefit) is an aggregate amount included in the profit or loss for the period of in respect of current tax and deferred tax. Current tax is the amount of income taxes payable (recoverable) in respect of taxable profit (tax loss) for the period. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences.

### 3. The information to the consolidated statement of financial performance of companies "Agro Atameken" JSC for 2012.

Consolidated statement of financial position of "Agro Atameken" JSC compiled for the period since January 1, 2012 to December 31, 2012.

**Amount of fund and equivalents (line 10 of consolidated balance sheet).**

|                                       | December 31, 2012 | December 31, 2011 |
|---------------------------------------|-------------------|-------------------|
| Money in bank accounts                | 217 838           | 99 961            |
| Cash on hand in the national currency | 99 231            | 37 826            |
| <b>Total</b>                          | <b>317 069</b>    | <b>137 787</b>    |

**Short-term account receivables (line 12) amounted 2,714,704 thousand KZT, on December 31, 2011 – 1,808,199 thousand KZT.**

In the table presents information on major debtors:

| № | Contractor                | Indebtedness as of December 31, 2012 | Indebtedness as of December 31, 2011 | The subject of indebtedness      |
|---|---------------------------|--------------------------------------|--------------------------------------|----------------------------------|
| 1 | Korneevka-Yesil, LLP.     | 46 914                               | 6 604                                | Len trade                        |
| 2 | Bogatoe, LLP              |                                      | 24 489                               | Spare parts                      |
| 3 | Atameken Astyk, LLP.      | 42 383                               | 11 678                               | Construction services            |
| 4 | Vita Industri             |                                      | 64 987                               |                                  |
| 5 | Dikhan + LLP              | 204 284                              | 74 857                               | Grain, spare parts               |
| 6 | Atameken Agro, LLP.       | 1 008 752                            | 330 941                              | Spare parts, poisons, leasing fa |
| 7 | Shatilo and K, LLP        | 481 162                              | 148 088                              | Pesticides, spare parts          |
| 8 | Atameken Agro Yesil, LLP. | 110 178                              | 259 528                              | Grain, pesticides, spare parts   |
| 9 | Vegetable oil Borovoye,   | 7 480                                | 12 052                               | Colza                            |



|    |                             |         |         |                                            |
|----|-----------------------------|---------|---------|--------------------------------------------|
|    | LLP.                        |         |         |                                            |
| 10 | Michurinskiy, LLP.          |         |         | Transport service, pesticides, spare parts |
|    |                             | 305 684 | 187 651 |                                            |
| 11 | Asia-Tarangul, LLP.         | 0       | 9 090   | Wheat                                      |
| 12 | Elevatormelmontazh, LLP     |         | 20 300  | Construction services                      |
| 13 | <i>BVBA Vanhule</i>         | 197 494 | 234 798 | Flax                                       |
| 14 | Maslodel, LLP.              | 0       | 123 289 | Rape                                       |
| 15 | C.Thywissen                 | 59 017  | 88 600  | Flax                                       |
| 16 | Galitskoe, LLP.             | 15 049  | 11 257  | Poisons                                    |
| 17 | Koluton-95, LLP.            | 0       | 15 616  | Wheat                                      |
| 18 | Magnat, KH                  | 37 452  |         | Leasing fa                                 |
| 19 | Kunar Trade LLP             | 7 367   |         | Wheat                                      |
| 20 | PSH, LLP.                   |         |         | Spare parts, pesticides                    |
|    |                             | 32 687  | 9 707   |                                            |
| 21 | Duvanov, KH                 | 2 987   | 9 663   | Grain                                      |
| 22 | AAZerendy LLP               | 9 969   |         | Services                                   |
| 23 | AgroTses, LLP.              | 23 629  |         | Seeds, poisons                             |
| 24 | Contsern Tsesna Astyk, LLP. |         | 21 388  | Pesticides                                 |
| 25 | Atameken Agro Ozernoe, LLP  | 5 922   |         | Services                                   |

**Stocks (line 13 of consolidated balance sheet)**

| Name of commodity stocks | Residue as of December 31, 2012 | Residue as of December 31, 2011 |
|--------------------------|---------------------------------|---------------------------------|
| Raw materials            | 578 708                         | 477 665                         |
| Fuel                     | 45 691                          | 55 141                          |
| Spare parts              | 146 297                         | 141 482                         |
| Materials                | 72 228                          | 41 406                          |
| Work in process          | 304 648                         | 227 983                         |
| Finished goods           | 1 404 821                       | 2 644 292                       |
| Goods                    | 446 452                         | 641 089                         |
| <b>Total:</b>            | <b>2 998 845</b>                | <b>4 229 058</b>                |

**Current tax assets (line 14 of consolidated balance sheet) are:**

| December 31, 2012 | December 31, 2011 |
|-------------------|-------------------|
| 413 258           | 432 150           |

This line reflects the amount of advances for taxes and the excess of VAT related to the credit of the assessed.

**Other current assets (line 16 of the consolidated balance sheet) are 11 137 380 KZT for the previous period 10 322 746 KZT**



Short-term assets include given prepayments on contracts of futures for buying final products from agricultural forming and pre-payment for the purchase of agricultural machinery, spare parts and services for export sales

Major debtors of given prepayments:

| №  | Name of the enterprise     | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|----|----------------------------|-------------------------------------|-------------------------------------|
| 1  | Yesil Atameken Agro "LLP   | 884 373                             | 874 122                             |
| 2  | Atameken Astyk, LLP.       | 2 478 928                           | 2 902 569                           |
| 3  | Atameken-Agro LLP          | 4 257 226                           | 3 437 121                           |
| 4  | Atameken Agro Ozernoe, LLP | 756 038                             | 622 405                             |
| 5  | Shatilo K, LLP             | 967 914                             | 977 477                             |
| 6  | Korneevka-Yesil, LLP.      | 126 858                             | 76 460                              |
| 7  | Dikhan Plus, LLP.          | 428 197                             | 250 219                             |
| 8  | Michurinsky, LLP.          | 753 913                             | 482 817                             |
| 9  | PSH, LLP.                  | 168 086                             | 202 305                             |
| 10 | RITZVALE LLC               | 17 338                              |                                     |
| 11 | Canamengines GMBH          | 29 604                              | 54 993                              |
| 12 | Maskinfabrikken Reka       | 7 767                               |                                     |
| 13 | RISMI IFD JSC              | 26 315                              |                                     |
| 14 | Eurasia group              | 478                                 |                                     |
| 15 | BSB Logistic AG            | 0                                   | 135 077                             |
| 16 | Khizhnyak IE               | 18 214                              |                                     |
| 17 | EASTAR AUTO PARTS          | 20 963                              |                                     |
| 18 | Akhtanov KH                | 19 019                              |                                     |
| 19 | Karagandinskiy TechPD      | 1 389                               |                                     |
| 20 | Kaz Agro Finance JSC       | 2 948                               |                                     |

Long-term accounts receivables (line 21 of consolidated balance sheet) is:

| № | Name of the enterprise | Indebtedness as of | Indebtedness as of |
|---|------------------------|--------------------|--------------------|
|---|------------------------|--------------------|--------------------|



|    |                          | <b>December 31, 2012</b> | <b>December 31, 2011</b> |
|----|--------------------------|--------------------------|--------------------------|
| 1  | <i>Loan to employees</i> | 11 225                   | 46 477                   |
| 2  | Atameken Astyk, LLP.     | 631 656                  | 1 038 360                |
| 3  | Atameken Agro, LLP.      | 1 554 898                | 548 674                  |
| 4  | Dikhan Plus, LLP.        | 239 302                  | 175 369                  |
| 5  | Korneevka-Yesil, LLP.    | 283 464                  | 207 933                  |
| 6  | Michurinsky, LLP.        | 260 825                  | 191 826                  |
| 7  | Atameken AgroEsil, LLP.  | 17 546                   | 216 079                  |
| 8  | Shatilo and K            | 73 918                   |                          |
| 9  | Magnat K/H               | 3 276                    |                          |
| 10 | PSKH LLP                 | 92 338                   |                          |
|    | <b>Total</b>             | <b>3 168 448</b>         | <b>2 424 718</b>         |

#### **Investment Property (Line 23 of consolidated balance sheet)**

In the table provides information on investment properties of group of companies

| <b>№</b> | <b>Group of fixed assets</b> | <b>Location</b>         | <b>The Balance value as of December 31, 2012</b> | <b>The Balance value as of December 31, 2011</b> |
|----------|------------------------------|-------------------------|--------------------------------------------------|--------------------------------------------------|
| 1        | Buildings of canteens        | North Kazakhstan region | 4 652                                            | 5 025                                            |
|          |                              | Region                  |                                                  |                                                  |
| 2        | Building of office           |                         |                                                  | 22 791                                           |
|          | <b>Total</b>                 |                         | <b>4 652</b>                                     | <b>33 816</b>                                    |

#### **Fixed assets (Line 24 of consolidated balance sheet)**

| <b>№</b> | <b>Group of fixed assets</b> | <b>The Balance value as of December 31, 2012</b> | <b>The Balance value as of December 31, 2011</b> |
|----------|------------------------------|--------------------------------------------------|--------------------------------------------------|
| 1        | Buildings and facilities     | 2 838 855                                        | 2 693 247                                        |
| 2        | Machinery and equipment      | 1 716 480                                        | 1 422 407                                        |
| 3        | Vehicles                     | 3 248 714                                        | 2 824 691                                        |
| 4        | Land                         | 141 781                                          | 31 951                                           |
| 5        | Other fixed assets           | 70 378                                           | 110 743                                          |



|              |                  |                  |
|--------------|------------------|------------------|
| <b>Total</b> | <b>8 016 208</b> | <b>7 083 039</b> |
|--------------|------------------|------------------|

**Biologically assets (Line 25 of consolidated balance sheet)**

| <b>Group of biologically assets</b> | <b>The Balance value as of December 31, 2012</b> | <b>The Balance value as of December 31, 2011</b> |
|-------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Bulls of breed Angus                | 22 121                                           | 0                                                |
| Heifers of breed Angus              | 302 211                                          | 0                                                |
| <b>Total</b>                        | <b>324 332</b>                                   | <b>0</b>                                         |

**Intangible asset (Line 27 of consolidated balance sheet)**

| <b>Group of intangible asset</b> | <b>The Balance value as of December 31, 2012</b> | <b>The Balance value as of December 31, 2011</b> |
|----------------------------------|--------------------------------------------------|--------------------------------------------------|
| Right to use the ground areas    | 4 964 941                                        | 5 090 742                                        |
| Software                         | 600                                              | 135                                              |
| <b>Total</b>                     | <b>4 965 541</b>                                 | <b>5 090 877</b>                                 |

**Deferred tax assets (Line 28 of consolidated balance sheet)**

|                     | <b>The balance as of December 31, 2012</b> | <b>The balance as of December 31, 2011</b> |
|---------------------|--------------------------------------------|--------------------------------------------|
| Deferred tax assets | 316 202                                    | 538 249                                    |

**Other long-term assets (line 29 of the consolidated balance sheet)**

Other long-term assets include uncompleted construction of objects of oil base, car park, hotels, complex on cleaning seed for the following companies in the group of companies in thousand KZT:

|                                | <b>The balance as of December 31, 2012</b> | <b>The balance as of December 31, 2011</b> |
|--------------------------------|--------------------------------------------|--------------------------------------------|
| "Atameken Agro Korneevka" LLP  | 17 436                                     | 2 574                                      |
| "Atameken Agro Timiryazev" LLP | 188 476                                    | 165 834                                    |
| "Atameken Agro Tselinnyi" LLP  | 187 342                                    | 73 530                                     |
| "Sagat SK" LLP                 | 1 963                                      | 1 514                                      |
| "Atameken Agro Shukyrkol" LLP  | 52 868                                     | 9 661                                      |



|                     |                |                |
|---------------------|----------------|----------------|
| "Agro Atameken" JSC | 30 005         | 25 479         |
| <b>Total</b>        | <b>478 090</b> | <b>278 592</b> |

Short-term financial obligations are 7 458 038 thousand KZT as of December 31, 2011 are 5 556 395 thousand KZT and indebtedness on them is presented in the following table:

| Name of creditor                              | Type of liability              | Borrowing currency | Rate of remuneration, %            | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|-----------------------------------------------|--------------------------------|--------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Asia Credit Bank                              | loan                           | KZT                | 14                                 | 0                                   | 699 922                             |
| Savings Bank of Russia                        | loan                           | KZT                | 14                                 | 4 372 805                           | 3 422 301                           |
| Savings Bank of Russia                        | loan                           | USD                | 10                                 | 1 044 301                           | 808 780                             |
| "Halyk Bank" JSC                              | loan                           | KZT                | 15                                 |                                     | 39 375                              |
| "Nurbank" JSC                                 | loan                           | KZT                | 11                                 | 350 177                             | 0                                   |
| "Agrarian Credit Corporation" JSC             | loan                           | KZT                | 6                                  | 9 934                               | 11 758                              |
| "Astana Finance Leasing Company" JSC          | leasing                        | KZT                | 6-month LIBOR, 6 month Euribor +6% | 391 937                             | 227 185                             |
| "Astana Finance Leasing Company" JSC          | leasing                        | USD                | 7                                  | 0                                   | 72 220                              |
| "KazAgroFinance" JSC                          | leasing                        | KZT                | 4,14                               | 36 219                              | 25 263                              |
| Bondholders                                   | Вознагр аждение                | KZT                | 11,3                               | 163 219                             | 192 598                             |
| Shareholders                                  | Dividend s on ordinary shares  | KZT                |                                    | 74 964                              | 56 538                              |
| Shareholders                                  | Dividend s on preferred shares | KZT                | 700/ unit                          | 1 013 920                           | 0                                   |
| <i>State Administration of Land Relations</i> | Rental                         | KZT                |                                    | 562                                 | 455                                 |

**Tax liability (line 31 of consolidated balance sheet)**

|  | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|--|-------------------------------------|-------------------------------------|
|--|-------------------------------------|-------------------------------------|



|  |        |        |
|--|--------|--------|
|  | 41 024 | 73 319 |
|--|--------|--------|

**Obligations under other compulsory payments (line 32 of consolidated balance sheet)**

|  | The balance as of December<br>31, 2012 | The balance as of December<br>31, 2011 |
|--|----------------------------------------|----------------------------------------|
|  | 5 872                                  | 16 409                                 |

**Short-term of credit indebtedness (line 33 of consolidated balance sheet)**

As of December 31, 2012 the short-term accounts receivables is 1 095 420 thousand KZT, as of December 31, 2011 is 1 401 285 thousand KZT.

The following table shows the major creditors:

| Name of creditor             | Indebtedness as of<br>December 31, 2012 | Indebtedness as of<br>December 31, 2011 | The subject of<br>indebtedness |
|------------------------------|-----------------------------------------|-----------------------------------------|--------------------------------|
| ST Agro, LLP.                | 9 632                                   |                                         | spare parts                    |
| BSB Logistik                 | 35 980                                  |                                         | Transport services             |
| Exicon OU                    | 14 646                                  |                                         | Transport services             |
| Tranzit servise ASA          | 20 163                                  |                                         | Transport services             |
| Logos Trade, LLP             |                                         | 300 000                                 | tires                          |
| <i>Cimbria HeldGmbh</i>      | 19 969                                  |                                         | equipment                      |
| <i>Kan Agro Export</i>       | 24 583                                  |                                         | fixed assets                   |
| Votchel FE                   | 4 183                                   |                                         | services                       |
| Toi K/H                      | 996                                     |                                         | goods                          |
| Shinkareva KH                | 3 363                                   |                                         | grain                          |
| Astyk Service, LLP.          | 770 770                                 | 576 854                                 | herbicides                     |
| Agrosoyuzservis, LLP.        | 8 781                                   |                                         | fixed assets                   |
| Atameken Agro, LLP.          | 4 682                                   | 230 846                                 | service, fixed assets          |
| Gusakov FE                   | 2 996                                   |                                         | grain                          |
| KokshetauMunaiCompany<br>LLP | 1 395                                   |                                         | Petroleum                      |
| Corban FE                    | 178                                     |                                         | spare parts                    |
| Ryabov KH                    | 2 319                                   |                                         | grain                          |



|                           |        |        |                        |
|---------------------------|--------|--------|------------------------|
| Arpa, LLP.                | 1 368  |        | wheat                  |
| Dikhan Plus, LLP.         |        | 3 618  | fixed assets           |
| Atameken Astyk, LLP.      | 21 157 |        | fixed assets           |
| Atameken Agro Yesil, LLP. | 941    | 8 828  | services               |
| Korneevka Yesil, LLP.     | 2 966  | 12 874 | Storage services       |
| Agrimer                   | 23 983 |        | wheat                  |
| Bakhyt KH                 | 2 551  |        | wheat                  |
| Maslodel LLP              | 4 616  |        | services               |
| Azko LLP                  | 8 400  | 25 302 | grain                  |
| Soltustik Zharnamai LLP   | 2 846  |        | Petroleum              |
| Khizhnyak FE              | 4 498  |        | Construction materials |
| Karbayev FE               | 3 375  |        | seeds                  |
| Elevatormelmontazh LLP    | 6 609  |        | Construction materials |
| Indebtedness on salary    | 23 323 |        |                        |
| Torangul Torai, LLP       |        | 68 306 | services               |
| Khamzin, KH               |        | 4 025  | pesticide              |
| Selmash Service, LLP      |        | 5 965  | fixed assets           |
| Akseleu, LLP              |        | 17 177 | flax                   |
| Abubakarov, KH            |        | 8 775  | grain                  |
| SK VAM Project            |        | 4 150  | flax                   |

**Short term estimated liabilities (line 34 of consolidated balance sheet)**

|                                      | The balance as of<br>December 31, 2012 | The balance as of<br>December 31, 2011 |
|--------------------------------------|----------------------------------------|----------------------------------------|
| <i>Provision for unused vacation</i> | 33 836                                 | 32 547                                 |

**Other short-term obligations (line 35 of the consolidated balance sheet)**

Other short-term obligations as of December 31, 2012 are represented in advance for coming implementation of wheat, rape, flax and fixed assets.



| Name of creditor         | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|--------------------------|-------------------------------------|-------------------------------------|
| "Atameken Agro" LLP      |                                     | 296 150                             |
| Agrimer LLP              | 268 930                             | 220 134                             |
| "Abzail" LLP             | 444 299                             | 125 840                             |
| «ExpoGrain» LLP          |                                     | 500 000                             |
| "Vitalmar» LLP           |                                     | 60 000                              |
| "Atameken Agro Esil" LLP |                                     | 12 494                              |
| "Agro Nan North" LLP     |                                     | 12 316                              |
| "Agrosoyuz Service» LLP  |                                     | 10 000                              |
| "May" JSC                |                                     | 37 500                              |
| DaxinPetroleum PTE LTD   | 2 920                               | 597 071                             |
| Logos, Trade, LLP        | 424 860                             |                                     |
| Grein Treid LLP          | 796 662                             |                                     |
| Magnat K/H               | 36 982                              |                                     |
| Other                    | 2739                                | 7 847                               |
| "Michurinskiy" LLP       | 765                                 |                                     |
| <b>TOTAL</b>             | <b>1 978 157</b>                    | <b>1 879 352</b>                    |

Long-term financial obligations (line 40 of the consolidated balance sheet) are 4 395 844 thousand KZT as of December 31, 2011 were 4 353 013 thousand KZT and are presented in the table as follows:

| Name of creditor     | Type of obligation              | Borrowing currency | Fee rate,%   | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|----------------------|---------------------------------|--------------------|--------------|-------------------------------------|-------------------------------------|
| <i>Bondholder</i>    | Coupon bonds, without providing | KZT                | 11,3         | 3 916 128                           | 3 897 234                           |
| "KazAgroFinance" JSC | Leasing                         | KZT                | from 4 to 14 | 315 961                             | 98 271                              |

|                                            |         |     |                                    |         |         |
|--------------------------------------------|---------|-----|------------------------------------|---------|---------|
| "Astana Finance Leasing Company" JSC       | Leasing | KZT | 6-month LIBOR, 6 month Euribor +6% | 103 597 | 287 076 |
| State Administration land relations        | Rental  | KZT |                                    | 11 960  | 12 595  |
| Autonomous Agrarian Credit Corporation JSC | Loan    | KZT | 6                                  | 48 198  | 57 837  |

**Deferred tax liabilities (Line 43 of consolidated balance sheet)**

|  | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|--|-------------------------------------|-------------------------------------|
|  | 1 965 808                           | 1 829 845                           |

**Liabilities for preferred shares (Line 44 of consolidated balance sheet)**

|  | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|--|-------------------------------------|-------------------------------------|
|  | 8 703 175                           | 8 703 175                           |

| Owners capital | The balance as of December 31, 2012 | The balance as of December 31, 2011 |
|----------------|-------------------------------------|-------------------------------------|
|                | 9 177 555                           | 8 533 891                           |

**Calculation of the carrying value of one ordinary share as of December 31, 2012:**

| № | Indicators                                                                                | Amount          |
|---|-------------------------------------------------------------------------------------------|-----------------|
| 1 | Assets in the balance sheet, thousands of KZT                                             | 34 854 729      |
| 2 | Intangible assets on the balance sheet, thousands of KZT                                  | 4 965 541       |
| 3 | Short-term and long-term liabilities in the balance sheet, thousands of KZT               | 25 677 174      |
| 4 | Number of common shares, units                                                            | 8 999 327       |
| 5 | The balance of preferred shares in the capital, thousands of KZT                          | 5 781 395       |
| 6 | Net assets for common shares ((page 1, page 2) - page 3 page 5), thousands of KZT         | (1 569 381)     |
|   | <b>The carrying value of one common share at December 31, 2012 (page 6 / page 4), KZT</b> | <b>(174,39)</b> |



### The calculation of carrying amount of one preferred share of 1 Group

|    |                                                                                                                             |               |
|----|-----------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. | Capital belonging by preferred shares of 1 group, thousands of KZT                                                          | 5 781 395     |
| 2. | Accrued dividends, thousands of KZT                                                                                         | 1 013 920     |
| 3. | Sponsored dividends thousands KZT                                                                                           |               |
| 4. | The balance of the dividends, thousands of KZT                                                                              | 1 013 920     |
| 5. | Number of preferred shares, units                                                                                           | 1 448 457     |
| 6. | The debt component of preferred shares, thousands of KZT                                                                    | 8 703 175     |
| 6. | <b>The carrying value of 1 preference share in 1 group as of December 31, 2012, KZT (page 1 + page 4 + page 6) / page 5</b> | <b>10 700</b> |

### 4. The information to the consolidated statement about the aggregate income of "Atameken Agro" JSC for 2012

Notice to 44.

| Income from the sale    | For the reporting period |           | For the prior period |           |
|-------------------------|--------------------------|-----------|----------------------|-----------|
|                         | Quantity, t              | Amount    | Quantity, t          | Amount    |
| wheat                   | 272 347                  | 5 893 511 | 99 619               | 3 542 754 |
| barley                  | 10 455                   | 228 375   | 7 517                | 137 238   |
| rape                    | 19 428                   | 1 266 670 | 15 438               | 1 104 489 |
| including export        | 5 912                    | 456 914   | 2 995                | 245 190   |
| flax                    | 66 595                   | 5 271 069 | 35 130               | 3 215 703 |
| including export        | 65 236                   | 5 131 940 | 32 524               | 3 043 781 |
| rye                     |                          |           | 5 077                | 150 281   |
| sunflower               | 2 962                    | 146 167   | 470                  | 26 535    |
| peas                    | 56                       | 1 248     | 4 207                | 156 573   |
| spare parts             |                          | 303 038   |                      | 235 924   |
| pesticides              |                          | 604 051   |                      | 360 824   |
| services                |                          | 136 209   |                      | 90 893    |
| Leasing of fixed assets |                          | 492 877   |                      |           |
| Other                   |                          | 56 690    |                      | 9 246     |
| grain wastes, hay       |                          | 34 180    |                      | 30 373    |

|              |  |                   |  |                  |
|--------------|--|-------------------|--|------------------|
| <b>Total</b> |  | <b>14 434 085</b> |  | <b>9 060 833</b> |
|--------------|--|-------------------|--|------------------|

The income from subsidies for 2012 compound 499 908 thousand KZT, for the previous period it was 265 512 thousand KZT.

Notice 45.

| <b>Cost of sales</b>         | <b>For the reporting period</b> | <b>For the prior period</b> |
|------------------------------|---------------------------------|-----------------------------|
| <i>Salaries expense</i>      | 522 665                         | 307 065                     |
| <i>Earnings contribution</i> | 55 712                          | 3 089                       |
| <i>capital consumption</i>   | 280 400                         | 204 720                     |
| <i>Expenses on materials</i> | 9 289 552                       | 4 830 771                   |
| <i>overhead expenses</i>     | 923 389                         | 700 227                     |
| <b>Total</b>                 | <b>11 071 718</b>               | <b>6 045 872</b>            |

Notice 46

| <b>Financial income</b>                                     | <b>For the reporting period</b> | <b>For the prior period</b> |
|-------------------------------------------------------------|---------------------------------|-----------------------------|
| <i>indexing</i>                                             | 53                              | 955                         |
| <i>Amortixation of premium on bonds</i>                     | 11 382                          |                             |
| <i>Exchange difference</i>                                  | 3 862                           | 606                         |
| <i>Reward for leasing</i>                                   | 60 134                          |                             |
| <i>Amortization of discount of debts receivable</i>         | 336 703                         | 57 323                      |
| <i>Income from write-off of doubtful debts indebtedness</i> | 2 231                           | 2 774                       |
| <b>Total</b>                                                | <b>414 365</b>                  | <b>61 658</b>               |

Notice 47

| <b>Other incomes</b>                            | <b>For the reporting period</b> | <b>For the prior period</b> |
|-------------------------------------------------|---------------------------------|-----------------------------|
| <i>Cheapening of fertilizers</i>                | 18 810                          |                             |
| <i>Privilege of VAT</i>                         | 225 279                         | 50 540                      |
| <i>penal sanctions under economic contracts</i> | 1 276 831                       | 2 765                       |



|                                                |                  |               |
|------------------------------------------------|------------------|---------------|
| <i>Rent of transport and facilities</i>        | 4 238            | 1 760         |
| <i>Other</i>                                   | 17 315           | 3 727         |
| <i>Income from realization of fixed assets</i> | 1 990            | 6 704         |
| <i>Bonus allowance of grain on elevator</i>    | 18 142           | 9 772         |
| <b>Total</b>                                   | <b>1 562 605</b> | <b>75 268</b> |

Notice 48

| <b>Expense of realization of products and services</b>  | <b>For the reporting period</b> | <b>For the prior period</b> |
|---------------------------------------------------------|---------------------------------|-----------------------------|
| <i>Expenses of transportation</i>                       | 1 817 355                       | 757 963                     |
| <i>Service of elevators</i>                             | 229 921                         | 188 513                     |
| <i>Inspection of cargo</i>                              | 47 494                          | 24 147                      |
| <i>Insurance of cargo</i>                               | 4 298                           | 13 335                      |
| <i>Brokerage service</i>                                | 4 425                           | 1 683                       |
| <i>Certification, customs clearance of export goods</i> | 41 456                          | 5 716                       |
| <i>Other</i>                                            | 11 468                          | 14 881                      |
| <b>Total</b>                                            | <b>2 156 417</b>                | <b>1 006 238</b>            |

Notice 49

| <b>Administration expenses</b>           | <b>For the reporting period</b> | <b>For the prior period</b> |
|------------------------------------------|---------------------------------|-----------------------------|
| <i>Amortization</i>                      | 67 759                          | 65 590                      |
| <i>Payment for labour and deductions</i> | 287 232                         | 199 700                     |
| <i>Business trip expenses</i>            | 22 090                          | 13 345                      |
| <i>Community charges</i>                 | 5 101                           | 4 212                       |
| <i>Taxes</i>                             | 57 017                          | 45 615                      |
| <i>Fines and penalties</i>               | 48 780                          | 80 437                      |
| <i>Maintenance of office machines</i>    | 22 549                          | 31 142                      |
| <i>Communication services</i>            | 14 054                          | 16 645                      |

|                                                |                |                |
|------------------------------------------------|----------------|----------------|
| <i>Bank services</i>                           | 24 099         | 27 930         |
| <i>Sponsorships</i>                            | 51 793         | 59 150         |
| <i>Expenditure of social and cultural life</i> | 28 386         | 28 666         |
| <i>Legal services, underwriting</i>            | 13 445         | 9 366          |
| <i>Auditor and consulting services</i>         | 9 324          | 8 000          |
| <i>Material costs</i>                          | 38 178         | 22 422         |
| <i>Notarial service</i>                        | 4 700          | 1 345          |
| <i>Other expenses</i>                          | 30 846         | 54 615         |
| <b>Total</b>                                   | <b>725 353</b> | <b>668 180</b> |

Notice 50

| <b>Financial expenses</b>                            | <b>For the reporting period</b> | <b>For the prior period</b> |
|------------------------------------------------------|---------------------------------|-----------------------------|
| <i>Interest on bonds</i>                             | 435 459                         | 552 924                     |
| <i>Interest on loans and leasings</i>                | 670 414                         | 720 369                     |
| <i>Indexation</i>                                    | 5 330                           | 1 558                       |
| <i>Exchange difference</i>                           | 63 794                          | 43 645                      |
| <i>The bank commission at issuing the loan</i>       | 18 952                          | 27 333                      |
| <i>Other expenses</i>                                | 73 170                          | 9 489                       |
| <i>The expenses for placing and buy-out of bonds</i> |                                 | 307 298                     |
| <i>Amortization of discount on bonds</i>             | 30 277                          | 30 277                      |
| <i>Dividends on preferred shares</i>                 | 609 264                         | 609 264                     |
| <i>Discount on long-term debtor indebtedness</i>     | 472 799                         | 337 096                     |
| <i>Provision for short-term debtor indebtedness</i>  | 83 954                          | 62 615                      |
| <b>Total</b>                                         | <b>2 463 413</b>                | <b>2 701 868</b>            |

Notice 51

| <b>Other expenses</b>     | <b>For the reporting period</b> | <b>For the prior period</b> |
|---------------------------|---------------------------------|-----------------------------|
| Rent of transport, office | 10 669                          | 15 020                      |



|                                   |                |               |
|-----------------------------------|----------------|---------------|
| Impairment of investment property | 345 650        | 6 994         |
| The realisation of fixed assets   | 46 681         | 15 502        |
| Others                            | 1 258          | 3 754         |
| <b>Total</b>                      | <b>404 258</b> | <b>41 270</b> |

**1. The calculation of basic earnings per ordinary share**

| № | Indicators                                                                                           | Amount         |
|---|------------------------------------------------------------------------------------------------------|----------------|
| 1 | Net profit for the period, thousands KZT                                                             | 163 312        |
| 2 | Dividends on preferred share, thousands KZT                                                          | (404 655)      |
| 3 | Weighted average number of common shares, item                                                       | 8 999 327      |
| 4 | <b>Basic earnings per one ordinary share as of December 31, 2012 (page 1+ page 2)/ page 3) , KZT</b> | <b>(26,82)</b> |

**2. The calculation of diluted earnings per ordinary share**

| Indicator                                              | Preferred shares | Ordinary shares | Total          |
|--------------------------------------------------------|------------------|-----------------|----------------|
| 5. Weighted average number of in view of convertible   | 1 448 457        | 8 999 327       | 10 447 784     |
| <b>Diluted earnings (page 1+ page 2)/ page 5), KZT</b> |                  |                 | <b>(23,10)</b> |



*[Handwritten signature]*

Dzhazin F.A.

Tsygankova Ye.I.