«ATAMEKEN - AGRO» JSC

Consolidated financial statements
For the year ended December 31, 2011

and

Audit report

Content

CONFIRMATION OF HEAD PERSONS ABOUT THEIR RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2011

The following statement, which shall consider in association with the description of auditor's responsibilities contained in this audit report, which is made for the purpose of differentiation of responsibilities of independent auditors and management in regard to consolidated financial statements of "Atameken – Agro" JSC and its subsidiary companies (hereinafter referred to as the "Group").

Management is responsible for preparation of consolidated financial statements, which truly reflects the financial position of the Group as of December 31, 2011 as well as results of activity, changes in capital and movement of funds for the period ended December 31, 2011, according to the International Accounting Standards (hereinafter referred to as the "IAS").

At preparation of consolidated financial statements the management is responsible for:

- Selection of suitable accounting principles and its consistent appliance;
- Use the reasonable estimates and calculations;
- Observance of requirements of IAS;
- Preparation of financial statements from assumption that the Group will continue its activities in the foreseeable future, except cases, when it is inappropriate.

The management is also responsible for:

- Development, inculcation and provision an effective and reliable system of internal control within the Group;
- Maintenance of accounting system, allowing at any time with the sufficient degree to prepare the information about the financial position of the Group and ensure the compliance of financial statement with the requirements of IAS;
- Keeping of accounting in accordance with the laws of the Republic of Kazakhstan;
- Adoption of measures under its jurisdiction for provision of safety of the Group's assets;
- Exposure and prevention of fraud, errors and other irregularities.

Management is reasonably expects that the Group will continue the activity in near future. Therefore, consolidated financial statements of the Group was is prepared in accordance with the principle of continuous activity.

On behalf of «Atameken - Agro» JSC:

/Signature/

Dzhazin F.A.
General Director

May 14, 2012

/Signature/

Tsygankova Y.I.
General Accountant

May 14, 2012

/Seal/ «Atameken - Agro» JSC, Kokshetau city, Akmolinsk region, Republic of Kazakhstan

ALMIR CONSULTING
Audit Company

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e-mail: almirconsulting@mail.ru
info@almir

"ALMIR CONSULTING" LLP, State license
for audit activity in the territory of the RK
№ 0000014, issue by Ministry of Finance
of Republic of Kazakhstam, November 27, 1999

"Confirm"
Director of "ALMIR CONSULTING" LLP
Ph.D. in Economics, docent **B.K. Iskendirova**
/Signature/
/Seal/ "ALMIR CONSULTING" LLP

To shareholders and Board of directors of «Atameken - Agro» JSC

AUDIT REPORT

We made audit of attached consolidated financial statements of «Atameken - Agro» JSC and its branch organization (hereinafter referred to as the "Group"), which concludes Consolidated financial statements as of December 31, 2011 and adequate consolidated reports about total income, changes in capital, movements of funds for the period of a year, ended on this date and as well as thumbnail sketch of essential element of accounting policy and other explanatory notes.

Responsible of management of entity for the this financial statements

Responsible for the preparing and impartial presentation this consolidated financial statements, was prepared in accordance with International Accounting Standard incur the management of the Group. This responsibility includes: developing, inoculation and maintaining internal control connected with the preparation and fair presentation of consolidated financial statements, are free from the material misstatement, whether due to fraud or error; selecting and applying the accounting policies, the validity of estimates.

Responsible of auditor

Our responsibility is expressed an opinion on this consolidated financial statements on the statements based on our audit. We have audited consolidated financial statements in accordance with International Accounting Standard. Those standards require that we comply with ethical requirements as well as planning and audit in such a way that shall get a reasonable certainty is that consolidated financial statements, does not keep of material misstatement.

The audit involves performing procedures for receiving the auditing evidences about the amounts and disclosures of information in consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of reasonable distortions in the consolidated financial statements due to irregularities and errors. At estimation of such risks in order to design audit procedures appropriate circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls, the auditor should consider internal control relevant to the preparation and fair presentation of consolidated financial statements a Group including assessment of the risks of material misstatement in the financial statements due to fraud or error. In assessing such risks, in order to design audit procedures appropriate circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls, the auditor should consider internal control relevant to the preparation and fair presentation of consolidated financial statements a group. An audit also includes assessing the acceptability of the nature of accounting policies used and reasonableness of estimates made by management, as well as evaluating the overall consolidated financial statements.

We consider that auditing evidences received are sufficient and appropriate to provide a basis for our opinion.

/Seal/ "Almir Consulting" LLP, for audit reports.

OPINION

In our opinion the consolidated financial statements present fairly in all aspects of the existing financial position of «Atameken - Agro» JSC as of December 31, 2011, the financial results of activity and movement of cash flows for the period ended on this date, in accordance with the International Accounting Standards.

Auditor

"ALMIR CONSULTING" LLP
№ 0000464 dated November 14, 1998

Treguba I.E
/seal/
/signature/

May 14, 2012 Almaty city

/Seal/ "Almir Consulting" LLP, for audit reports.

«Atameken - Agro» JSC

Consolidated financial statement about the financial position for the period as of December 31, 2011

(in thousand of tenge)

	Note	December 31, 2011	December 31, 2010
I. Short-term assets			
Monetary means and its equivalents	4	137 787	561 429
Short-term accounts receivable	5	1 808 199	3 988 767
Inventories	6	4 229 058	2 764 977
Current tax assets	7	432 150	501 481
Other short-term assets	8	10 322 746	12 094 370
Total short-term assets		**16 929 940**	**19 911 024**
II. Long-term assets			
Long-term accounts receivable	9	2 424 718	46 611
Investment property	10	33 816	41 909
Fixed assets	11	7 083 039	7 388 253
Intangible assets	12	5 090 877	5 220 904
Deferred tax assets	14	538 249	299 384
Other long-term assets	15	278 592	362 479
Total long-term assets	**200**	**15 449 291**	**13 359 540**
Total assets		**32 379 231**	**33 270 564**
III. Short-term liabilities			
Short-term financial liabilities	16	5 556 395	5 267 750
Liabilities on taxes	17	73 319	15 210
Liabilities on other obligations and voluntary payments	18	16 409	3 089
Short-term liabilities	19	1 401 285	1 629 774
Short-term estimated liabilities	20	32 547	16 533
Other short-term liabilities	21	1 879 352	1 963
Total Short-term liabilities	**300**	**8 959 307**	**6 934 319**
IV. Long-term liabilities			
Long-term financial liabilities	22	4 353 013	7 535 621
Long-term loans payable	23	-	18 781
Deferred tax liabilities	24	1 829 845	1 811 264
Liabilities on dividends on priveleged shares	25	8 703 175	8 703 175
Total long-term liabilities	**400**	**14 886 033**	**18 068 841**
V. Capital			
Stock capital	26	6 560 823	6 560 823
Redeemed share instruments		(87)	(34)
Emission gain (loss)		(3 205)	(1 245)
Inventory devaluation of fixed assets and intangible asset		2 321 090	2 309 453
Other inventories		68 180	66 703
Retained earnings (uncovered loss)		(872 897)	(1 010 559)
Total capital of shareholders of "Atameken -Agro" JSC		**8 073 904**	**7 925 141**
Share of non-controlling shareholders		459 987	342 263
Total capital		**8 533 891**	**8 267 404**
Total liabilities and capital		**32 379 231**	**33 270 564**
Carrying amount of common share (tenge)	27	**(259,84)**	**(303,88)**
Carrying amount of priveleged stock of group 1 (tenge)	28	**10 000,00**	**10 000,00**

/Signature/

Dzhazin F.A.
General Director
May 14, 2012

/Signature/

Tsygankova Y.I.
Accountant-general
May 14, 2012

/Seal/ «Atameken - Agro» JSC, Kokshetau city, Akmolinsk region, Republic of Kazakhstan

Consolidated financial statements about the financial position shall be read in conjunction with the explanatory notes to the financial statements presented on pages 10-41.

/Seal/ "Almir Consulting" LLP, for audit reports.

«Atameken - Agro» JSC

Consolidated financial statement about the aggregated income for the year ended December 31, 2011
(in thousand of tenge)

	Note	2011 year	2010 year
Revenue from realization of production and services	29	9 060 883	6 528 802
Revenue from the state subsidies	30	265 512	149 856
Change of fair value of ready production	31	1 483 902	(578 191)
Initial cost of goods sold and services rendered	32	(6 045 872)	(5 676 852)
Gross profit		**4 764 425**	**423 615**
Revenues from financing	33	58 884	42 745
Other revenues	34	78 042	199 356
Expenses on realization of ready production and services rendered	35	(1 006 238)	(609 835)
Administrative expenses	36	(668 180)	(641 698)
Expenses on financing	37	(2 701 868)	(1 926 439)
Other expenses	38	(41 270)	(80 264)
Gain (loss) before tax		**483 795**	**(2 592 520)**
Savings in corporate income tax (CIT)	39	163 720	190 750
Net income (loss) for the period		**647 515**	**(2 401 770)**
It is due:			
Share of shareholders of "Atameken - Agro " JSC		**529 346**	**(2 323 756)**
Share of non-controlling shareholders		**118 169**	**(78 014)**
Other aggregated revenue:			
Revaluation of fixed assets		-	-
Deferred tax associated with revaluation of fixed assets and intangible assets		27 745	30 696
Total aggregated revenue for the period		**675 260**	**(2 371 074)**
Shareholders of "Atameken - Agro " JSC		**555 614**	**(2 294 722)**
Owed to share of non-controlling shareholders		**119 646**	(76 352)
Profit per share (tenge):			
Basic	40	**13,85**	**(362,94)**
Reduced		**11,93**	**(312,63)**

/Signature/
Dzhazin F.A.
General Director
May 14, 2012

/Signature/
Tsygankova Y.I.
Accountant-general
May 14, 2012

/Seal/ «Atameken - Agro» JSC, Kokshetau city, Akmolinsk region, Republic of Kazakhstan

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«Atameken - Agro» JSC

Consolidated financial statement about the changes in capital for the year ended December 31, 2011

	Share capital	Redeemed own share instruments	Emissionary revenues	Revaluation reserve of fixed assets and intangible assets	Other inventories	Undistributed profit (gain)	Total	Share of uncontrolled shareholders	Total capital
The balance as of December 31, 2010	**6 560 823**	(34)	(1 245)	**2 309 453**	66 703	(1 010 559)	7 925 141	342 263	8 267 404
Aggregated gain (loss) for the period	-	-	-	26 268	-	529 346	555 614	119 646	**675 260**
Transfer to undistributed profit	-	-	-	(14 631)		14 631	-	-	-
Redeemed own share instruments	-	(53)	(1960)	-	-	-	(2 013)	-	**(2 013)**
Dividends on privileged shares	-	-	-	-	-	(404 655)	(404 655)	-	**(404 655)**
Purchase / increase of the share of branch companies	-	-	-	-	1 477	(1 660)	(183)	(1 922)	**(2 105)**
The balance as of March 31, 2011	**6 560 823**	**(87)**	**(3 205)**	**2 321 090**	**68 180**	**(872 897)**	**8 073 904**	**459 987**	**8 533 891**
The balance as of December 31, 2009	**12 677 468**	**(31)**	**(1 140)**	**2 278 959**	99 284	1 731 498	16 786 038	**431 485**	17 217 523
Change of amount. Privileged shares are classified as liability	(6 116 645)		-	-	-	-	(6 116 645)	-	**(6 116 645)**
Aggregated gain (loss) for the year	-	-	-	29 034	-	(2 323 756)	(2 294 722)	(76 352)	**(2 371 074)**
Transfer to undistributed profit	-	-	-	(202)	-	202	-	-	-
Redeemed own share instruments	-	(3)	(105)	-	-	(410 195)	(108)	-	**(108)**
Dividends on privileged shares	-	-	-	-	-		(410 195)	-	**(410 195)**
Purchase / increase of the share of branch companies	-	-	-	1 662	(32 581)	(8 308)	(39 227)	(12 870)	**(52 097)**
The balance as of December 31, 2010	**6 560 823**	**(34)**	**(1 245)**	**2 309 453**	**66 703**	**(1 010 559)**	**7 925 141**	**342 263**	**8 267 404**

/Signature/
Dzhazin F.A.
General Director
May 14, 2012

/Signature/
Tsygankova Y.I.
Accountant-general
May 14, 2012

/Seal/ «Atameken - Agro» JSC, Kokshetau city, Akmolinsk region, Republic of Kazakhstan
Consolidated financial statement about the changes in capital shall be read in conjunction with the explanatory notes to the financial statements presented on pages 10-41.
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«Atameken - Agro» JSC

Consolidated financial statement about the movement of cash flows for the year ended December 31, 2011 (direct method)
(in thousand of tenge)

	2011	2010
I. The movement of cash flows from operating activity		
1.Cash inflows, including:	**18 730 049**	**12 646 446**
realization of goods, works and services	12 107 224	8 714 892
advances received	6 064 925	3 580 593
subsidies received	265 512	-
other incomes	292 388	350 961
2. Cash outflows, including:	**(14 970 716)**	**(14 701 931)**
payments to providers for goods and services	(3 368 605)	(2 736 874)
advances issued	(10 270 228)	(9 696 855)
the payments of salary	(418 691)	(369 967)
the payment of remuneration on loans	(615 465)	(325 884)
corporate income tax	(18 645)	(9 264)
other payments in budget	(188 369)	(249 945)
other payments	(90 713)	(1 313 142)
The net sum of cash flows from operating activity	**3 759 333**	**(2 055 485)**
The movement of cash flows from operating activity		
1.Cash inflows, including:	**23 215**	**1 672**
realization of fixed assets	-	1 672
cancelation of loans granted to others organizations	22 490	-
others inflows	725	-
2. Cash outflows, including:	**(162 224)**	**(360 984)**
obtaining of fixed assets	(116 967)	(118 490)
obtaining of other long-term assets	(43 305)	(195 715)
obtaining of financial assets	-	(46 779)
granting of loans to other organizations	(1 952)	-
The net sum of monetary funds from investment activity	**(139 009)**	**(359 312)**
The movement of funds from financial activity		
1. Cash inflows, including:	**9 153 364**	**5 011 332**
equity offering and other securities	-	-
borrowings	9 067 490	4 856 052
other incomes	85 874	155 280
2. Cash outflows, total	**(13 197 330)**	**(2 551 292)**
repayment of loans	(8 537 565)	(979 454)
own share acquisition	(2 013)	(108)
payment of dividends	(1 040 248)	(1 053 882)
redemption of own bonds	(3 617 504)	(517 847)
3. The net sum of monetary funds from financial activity	**(4 043 966)**	**2 460 040**
Total: Increase +/- decrease of cash	**(423 642)**	**45 244**
The monetary means and its equivalents at the beginning of reporting period	**561 429**	**516 185**
The monetary means and its equivalents at the end of reporting period	**137 787**	**561 429**

/Signature/ /Signature/

Dzhazin F.A. **Tsygankova Y.I.**

General Director **Accountant-general**

May 14, 2012 May 14, 2012

/Seal/ «Atameken - Agro» JSC, Kokshetau city, Akmolinsk region, Republic of Kazakhstan

Consolidated financial statement about the movements of cash flows shall be read in conjunction with the explanatory notes to the financial statements presented on pages 10-41.

/Seal/ "Almir Consulting" LLP, for audit reports.

(in thousand of Kazakhstan's tenge)

1. General part

«Atameken-Agro» JSC (hereinafter referred to as "the Community") registered by the Department of Justice of Akmola region of Ministry of Justice of the Republic of Kazakhstan, September 26, 2008. Community created by converting from LLP "KazAgroTrade+" and is the successor.
Certificate about the state registration of legal entity is № 8839-1948-06-AO, series B № 0237020.
Legal address: b. 30, district Novyi Myasokombinat, Kokshetau city, Akmola region, republic of Kazakhstan.
Address of actual location: the same
The code on state Classifier of GCEO is 400052544.
The Community is registered as a taxpayer in the tax committee of Akmola region, with confirming of state registration as a taxpayer since September 11, 2003
To Community assigned TIN is 032 600 218 911.
To Community assigned Business-identification number 080 940 017289.
The Community is registered as a taxpayer of tax on value added since December 01, 2003
On December 31, 2011 the Community owned the following shareholders:

Name of the shareholder	Ordinary shares		Preferred share		Total shares	
	quantity	part	quantity	part	quantity	part
Ailemis Limited	900 000	8,6134	-	-	900 000	8,6134
JSC Pension savings fund "Ular Umyt"	899 993	8,6134	1 420 000	13,5901	2 319 993	22,2035
JSC Management Community "ALEM"	15 390	0,1473	-	-	15 390	0,1473
LLP Management Community "ALEM"	3000	0,0287	-	-	3000	0,0287
LLP Summery B.V.	650	0,0062	-	-	650	0,0062
LLP Saya-Invest	-	-	28 457	0,2723	28 457	0,2723
Agibayev M.K.	855 030	8,1831	-	-	855 030	8,1831
Adayev Y.S.	900 032	8,6138	-	-	900 032	8,6138
Aidarbekov Ermekbay	132 148	1,2647	-	-	132148	1,2647
Ahtanov M.S.	70	0,0007	-	-	70	0,0007
Balkebayeva G.K.	400 000	3,8282	-	-	400 000	3.8282
Beisembayev T.S.	221 463	2,1195	-	-	221 463	2,1195
Bektanov K.K.	147 416	1,4108	-	-	147 416	1,4108
Dhzazin F.A.	200 000	1,9141	-	-	200 000	1,9141
Dzhahutashvili A.I.	360 013	3,4455	-	-	360 013	3,4455
Dobroskok A.I.	135 004	1,2921	-	-	135 004	1,2921
Zhukeeyev S.A.	179 970	1,7224	-	-	179 970	1,7224
Zakaryanova L.L.	284 346	2,7213	-	-	284 346	2,7213
Islamova A.B.	500 000	4,7852	-	-	500 000	4, 7852
Malkov A.B.	819 030	7,8385	-	-	819 030	7,8385
Moldagaziyeva G.F.	557 147	5,3322	-	-	557147	5,3322
Savchuk T.V.	418 999	4,0100	-	-	418 999	4,0100
Sagandykov Zh. T.	765 028	7,3217	-	-	765 028	7,3217
Sapulatov K.A.	284 346	2,7213	-	-	284 346	2,7213
Shatilo Ts. B.	20 252	0,1938	-	-	20 252	0.1938
Иought out securities	997	0,0095	-	-	997	0,0095
			-	-		
Total	**9 000 324**	**86,1374**	**1 448 457**	**14**	**10 448 781**	**100,00**

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(in thousand of Kazakhstan's tenge)

On December 31, 2010 the Community was owned by the following shareholders:

Name of the shareholder	Ordinary shares		Privileged shares	Total shares	
	quantity	part		quantity	part
Adayev Y.S.	900 032	10,00	-	900 032	8,61
JSC Management Community "ALEM"	899 993	10,00	850 000	1 749 993	16,75
JSC Pension savings fund "Ular Umyt"	-	-	570 000	15 390	5,46
LLP Management Community "ALEM"	3000	0,0287	-	3000	0,0287
Agibayev M.K.	855 030	9,50	-	855 030	8,183
Malkov A.B.	819 030	9,10	-	819 030	7,84
Sagandykov Zh. T.	765 028	8,50	-	765 028	7,32
LLP Saya-Invest	-	-	28 457	28 457	0,2723
Aidarbekov Ermekbay	132 148	1,47	-	132148	1,26
Beisembayev T.S.	221 463	2,46	-	221 463	2,12
Dhzazin F.A.	200 000	1,50	-	200 000	1,91
Dzhahutashvili A.I.	360 013	4,00	-	360 013	3,45
Dobroskok A.I.	135 004	1,50	-	135 004	1,29
Zhukeeyev S.A.	179 970	2,00	-	179 970	1,72
Zakaryanova L.L.	284 346	3,16	-	284 346	2,72
Sapulatov K.A.	284 346	3,16	-	284 346	2,72
Novchihina O.A.	70	0,00	-	70	0,00
Savchuk T.V.	418 999	4,66	-	418 999	4,01
Shatilo T.V.	20 252	0,22	-	20 252	0,19
Balkebayeva G.K.	400 000	4,44	-	400 000	3,82
Bektanov K.K.	167 066	1,86	-	167 066	1,60
Hought out securities	997	0,0095	-	997	0,0095
Islamova A.B.	500 000	5,56	-	500 000	4,80
Moldagaziyeva G.F.	557 147	6,19	-	557147	5,34
Ryspayev A.Zh.	900 000	10,00	-	900 000	8,62
Total	**8 999 937**	**100,00**	**1 448 457**	**10 448 394**	**100,00**

November 21, 2008 the Agency for Regulation and Supervisory of financial market organizations (hereinafter referred to as "the FSA") registered the issue of authorized shares of the Community in the amount of 15 000 000 (fifteen million) ordinary and 5 000 000 (five million) preference shares. The issue of authorized shares of the Community included in the State register of securities under the number A5707.

Information about placing of shares of the Company:

Type of the share	TIN	The quantity of shares of each issue	Quantity of shares on the personal account of shareholders	Quantity of unallocated shares on the personal account of shareholders	Quantity of bought out shares bought out stocks
ordinary shares	KZ1C57070019	15 000 000	9 000 324	5 999 676	997
preferred share	KZ1C57070115	5 000 000	1 448 457	3 551 543	-

Principal value of ordinary shares of Community is 86,60 tenge for the share. Principal value of preferred share of Community is 10 000,00 tenge for the share.

The guaranteed size of dividends by preferred shares are 700,00 tenge for the share.

By the Community disposed 9 000 324 ordinary shares, which appropriated the national identification number KZ1C57070019 and 1 448457 preferred shares which appropriated the national identification number KZ1C57070115. The Community bought 997 ordinary shares.

The movement of ordinary and preferred shares of the Community during 2011, represented as follows:

(in thousand of Kazakhstan's tenge)

	The balance of the shares on December 31, 2010	Bought out in 2011		The balance of the shares on December 31, 2011
		November 29, 2011	November 29, 2011	
Quantity of ordinary shares, units	8 999 937	5	605	8 999 327
The price of placement	86,60	86,60	86,60	86,60
Quantity of preferred shares, units	1 448 457	-	-	1 448 457
The price of placement	10 000,00	-	-	10 000,00

Registration activity of the Community is executed "Registration system of securities" JSC, with number of license 0406200345 dated March 10, 2005 on the basis of the agreement from June 06,2011, № A-21-01033-P.

The main type of activity of the Community and its branch companies (hereinafter referred to as the "Group") are as follows:
- manufacture and realization of agricultural products;
- rendering transport- shipping services:
- wholesale of spare parts and pesticide;
- design and exploration;
- construction-assembly;
- production (output) of building materials, products and designs;
- expert work and engineering services in the field of architecture, urban planning, and building activity;
- Other activities, are not prohibited by current legislation of the Republic of Kazakhstan.

The Group for the trading activities of pesticides received General State License series Akm. УСХ number 04030 for the right of realization of pesticides (toxic chemicals) on the territory of the Republic of Kazakhstan, issued by the Department of Agriculture of Akmola region, January 27, 2009.

The Group has General State License series ЭЗ № 0101399, issued by the Committee of state inspections in agricultural sector dated October 23, 2008 on the right to sale grain for export.

For activities in the field of architecture, urban planning and building activities the Group has a State license number for the ГСЛ № 01121 dated March 01,2011, issued by the Management of State Architecture-building Control of Akmola region by the following types of works:
• construction-assembly work, the application dated March 01, 2011;
• building works, the application dated January 21,2011

Branch organization

This consolidated l financial statements include the following Branch organizations:

Branch organization	Share of participation, % December 31, 2011	Share of participation, % December 31, 2010	Physical location of organization
LLP "Atameken-Agro-Celinnyi"	90,27	89,14	North-Kazakhstan region, district name after Gabit Musrepov v. Chistopolye.
LLP "Atameken-Agro-Korneevka"	99,78	99,78	North Kazakhstan region. Esilsk district, v. Korneevka, 10Celinnaya Street.
LLP "Atameken-Agro-Timiryazevo"	91,50	91,50	North Kazakhstan region. Timiryazev district, v. Dokuchaev, 21School Street.
LLP "Atameken-Agro-Shukyruly"	94,72	94,72	North-Kazakhstan region, district name after Gabit Musrepov v. Shukyrkol.
LLP "Sagat CK"	95,59	95,48	North-Kazakhstan region,

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LLP«Atameken – Agro Stroy»	100	100	b. 30 ,12 Kalinino Street, district Novyi Myasokombinat, v. Khmelnitskoe, Timiryazev district,Kokshetau city

2. Basis of preparation of financial statements

This consolidated financial statements of "Atameken - Agro" JSC and its branch organizations in accordance with the International Accounting Standards (hereinafter referred to as the "IAS") and interpretations of the Committee on International Financial Reporting Standards (hereinafter referred to as the "IFRS")

Accounting year includes period since January 1 to December 31
Responsible officials of the Group's consolidated financial statements are as follows:
General Manager - Dzhazin Farhat Amangeldyevich.
Chief Accountant - Tsygankova Evgenia Ivanovna.

As of January 31, 2011 the average number of employees of the Group was 875 and in 2010 it consisted of 870 people.
The Group accounts in the currency of Kazakhstan's monetary unit (Tenge) in accordance with the working laws of the Republic of Kazakhstan. The consolidated financial statements are presented in thousand of tenge, except gain per share and carrying amount of the shares represented in tenge.
The consolidated financial statements have been prepared under the historical (initial) value, except for certain assets and liabilities at fair or depreciation cost.
At preparing of the consolidated financial statements, there are two fundamental assumptions – using of the accrual method and the principle of continuity.
The consolidated financial statements have been prepared on the accrual basis, inform users about not only past transactions connected with the payment and receipt of funds, but as well as the obligation to pay money in the future and the resources that represent bankroll, which shall be received in the future.
The consolidated financial statements have been prepared on the basis of principle of continuity, which means the realization of assets and liquidation of obligations in the normal course de. These statements do not include any adjustments that are required if the Group could not prod their financial and economic activities based on the principle of continuity.
The preparation of the consolidated financial statements requires using by management subjective estimates and assumptions that affect the amounts recognized in the consolidated financial statements. These subjective estimates and assumptions based on the information available on the date of the forming of consolidated financial statements. Basic estimates and assumptions that are mainly related to deferred tax, the calculation of allowance for doubtful requirements, determining the fair value of agricultural products and discounting cash flows, based on information available at the date of consolidated financial statements and therefore actual results may differ materially from these estimates.

3. Basic principles of accounting policies

New and revised standards and interpretations

The following changes in standards, amendments and interpretations, which came into force in 2011, had no effect on accounting policies, financial position or results of financial activities of the Group:

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• IAS (IAS) 24 "Related party disclosures" (revised) changes the definition of a related party, stresses the same approach to the relationship of related parties and clarifies the circumstances under which certain persons and senior staff affected by the relationship of the Company with related parties. As well as provides for an exception to the general requirements for disclosure of related party for the bargains with government and companies under the control or significant influence of the same state as the compiler of the reporting company. The changes were taken into account when disclosing the information.
• Amendment to IAS (IAS) 32 "Financial Instruments: presentation of information" refers to the classification of certain rights issues in a foreign currency or as an equity instrument or a financial instrument. The group has no such instruments.
• Amendment to IFRS (IFRS) 7 "Disclosure," explains the required level of disclosure about credit risk and the available software, and also eliminates the requirement for disclosure of financial assets whose terms have been revised to avoid delay or impairment. The changes were taken into account when disclosing the information.
• Amendment to IAS (IAS) 1 "Presentation of Financial Statements" explains that the potential repayment obligations through the issuance of equity securities is not relevant to its assignment to a short or long term. The Group has not issued such instruments.
• Amendments to IFRS (IFRS) 1, "First-time Adoption of International Financial Reporting Standards" related to changes in accounting policies in the year of transition to IFRS. notional value and the result of revaluations and tariff regulations and the application of the notional value of the transition to IFRS. The amendments do not apply to financial statements Group.
• Amendment to IAS 14 interpretation 1 FR1C (IAS) 19 "Employee Benefits" in for voluntary contributions to the advance does not apply to the financial statements Group.

The following new standards, amendments to standards and interpretations not yet entered into force in respect of the financial year beginning January 1, 2011, and have not been adopted early by the Group:
• IFRS (IFRS) 9 "Financial Instruments" introduces new requirements on classification and valuation of financial assets and financial liabilities, and to end their recognition. Effective for annual periods beginning on January 1, 2015. Earlier application is permitted.
• IFRS (IFRS) 10 "Consolidated Financial Statements" introduces a requirement representation of the parent Community financial statements as a single economic bekta replaces the requirements previously contained in IAS (IAS) 27 "Consolidated and Separate Financial Statements "and SIC 12" Consolidation of special enterprises destination. "The standard introduces the concept of povoe control and consolidation of a unified model of llya companies on the basis of control regardless of the nature of the investment. Applies to Young accounting periods beginning on January 1, 2013.
• IFRS (IFRS) 11 "Agreement on joint activities" replaces IAS (IAS) «Participation in work together. "The standard requires the party to work together to identify type of joint activity in which it participates, evaluating their rights and responsibilities, and then take them into account under this type of activity. Effective for annual reporting periods beginning on January 1, 2013.
• IFRS (IFRS) 12 "Disclosure of ownership interests in other legal entities" requires the presentation of detailed information that will enable for users of financial statements to evaluate the nature and risks associated with those of other companies, and the consequences of these interests on their financial position, financial performance and cash flows. Effective for annual periods beginning on January 1, 2013.

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- IFRS (IFRS) 13, "Fair Value" replaces the guidelines for the assessment the fair value presented in the separate IFRS, and presents a unified guidance on estimating fair value. The standard provides a revised definition fair value, provides a framework for measuring fair value and establishes disclosure requirements for fair value measurements. Effective for annual periods beginning on January 1, 2013. Earlier application is permitted.
- Amendment to IAS (1AS) 1 "Presentation of Financial Information" requires that the Community was under other comprehensive income, which in future may be reclassified to profit or loss. In addition, companies will have to be only one report of income and other comprehensive income. You can use other names. Applicable from 1 July 2012, earlier adoption is permitted.
- Amendment to IFRS (IAS) 12 "Income Taxes" enacts an exception to the principles of assessment requirements and the deferred tax liability associated with investment property, the assessment which is carried at fair value, as well as for investment property acquired as a result of transactions union business. . Effective for annual reporting periods beginning on January 1, 2012.
- IFRS (IAS) 19 "Employee Benefits" (revised) changes the approach to the recognition of actuarial gains and losses, the cost of pension) plan, payments allocable to short-term and long-term, the treatment of expenses and taxes on the benefit plans, as well as to disclosure of the information. Effective for annual periods beginning on January 1, 2013 and earlier adoption is permitted.
- IFRS (1AS) 27 "Consolidated and Separate Financial Statements" re-released as IFRS (1AS) 27 "Separate Financial Statements", which retained the requirements for preparation of separate financial reporting and disclosure requirements with a number of refinements. Effective for annual reporting periods beginning on January 1, 2013.
- IFRS (IAS) 28 "Investments in associated companies" re-released as IFRS (IAS) 28 "Investments in associates and joint ventures", in which some changes, including the proportionate consolidation method is excluded for joint ventures. Effective for annual reporting periods. beginning with January 1, 2013.

Currently, the Group's management assesses the impact of new standards.

Principles of Consolidation

The consolidated financial statements include the statements of the parent company and its controlled subsidiaries and associated organizations after the exclusion of all substantial on-farm operations.

Branch organizations are consolidated from the date when parent company obtains control over them, until the date on which control ceases.

The financial statements of branch organizations is prepared for the same reporting date as the statements of the parent company, using consistent accounting policies.

Full consolidation

At preparation of consolidated financial statements of the financial statements of parent company and its subsidiaries are combined itemizely by adding together analogous items of assets, liabilities, revenues and expenses. Balances within the Group and the intra-group transactions, including sales, expenses and dividends are excluded completely. Income and expenses arising from intragroup transactions are eliminated fully.

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Association of enterprises

Acquisition of branch organization is taking into account by the purchase method. By this, the cost of acquisition is valued by sum of fair value of assets received, accrued and conditional liabilities and share instruments issued by the Community in exchange of control at acquired organization to date of acquisition, plus any expenses, directly connected with the association of enterprise.

A goodwill, arisen from acquisition, is recognize as asset and initially reflect by its cost which presents the excess of cost of association of enterprises at share of Community in fair value of assets acquired, liabilities and conditional liabilities will excess the cost of association of enterprises then such excess will refer to gain.

On each reporting date the Group estimates the carrying amount of goodwill by possibility of its depreciation. The loss from depreciation, if there is one, is recognize at estimation of gain or loss from retirement.

Monetary means and its equivalents

Money and monetary equivalents include cash money, money on bank accounts (on settlement or currency accounts, on deposit account before demand)

The methods of re-count in tenge

Monetary assets and liabilities expressed in foreign currency are re-count in tenge on corresponding exchange rate to the date of making reports. Operations in foreign currency are reflecting by the rate available to the date of transaction. Gain and loss from exchange difference on transactions are reflecting in Income Statement.

The following exchange rates for the end of year used by the Group at making of financial reports:

	December 31, 2011 year	**December 31, 2010 year**
Tenge/ 1 Euro	191,72	196,88
Tenge/ 1 U.S.dollar	148,40	147,50

Financial assets

The initial recognition

In accordance with International Accounting Standards (IAS) 39 "Financial instruments: recognition and estimation", the financial assets are classifying as financial assets, estimated by its fair value through gain or loss; loans and accounts receivable; investments, retained before the cancellation or financial assets for sale, depending from situation. At initial reflection in reports the financial assets are estimated by its fair value. In case, if investments don't classified as financial assets, re-estimated by its fair value through the gain or loss, then at reflection in reports to its fair value will added cost directly connected to them at the deal. At the initial reflection in reports of financial assets the Group assumes to them a corresponding category.

Date of recognition

All standard acquisitions and sales of financial assets recognizing to the date of deal realization, i.e. to the date when the Group have accepted the liability to obtain or sale any asset. Standard acquisitions or sales are the acquisitions or sales of financial assets which demand a delivery during the period, usually established by the norms or rules established in market.

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Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets that are not quoted in active market with fixed or determinable payments. They are not intended to immediate sale or sale in the near future, and are not classified as a financial assets valued at fair value through the gain or loss, or investment securities available for sale.
Such assets are reflected at depreciation cost using the effective interest method. Loans and accounts receivable include: trade and other accounts receivables in the statement of financial situation.

The effective interest method
The effective interest method is a method of calculation of depreciation cost of financial asset and allocation of interest incomes during the relevant period. Effective interest rate is a rate that exactly discounts estimated future inflows of money through the expected period of financial asset or, if applicable, a shorter period. Income is recognized on the basis of effective interest on debt instruments,
except for financial assets designated as financial assets estimated at its fair value through the gain or loss.

Recognition of fair value
A fair value of financial instruments traded on reporting date is realizing on active market is determined on the basis of quoted market prices or quotations of dialers (quotes on purchase for long positions and quotes on sale for short positions), without deduction for transaction costs.

A fair value of other financial instruments which aren't traded on active market is determined using of appropriate valuation techniques. Methods of valuation include a model based on fair value, the comparison to similar instruments for which there are market prices for observation, options pricing models and other valuation models.

Termination of recognition of financial assets
Termination of recognition of financial asset (or a part of financial asset or a part of group of similar financial assets) are possible in case of:

- The expiration of validity of rights on acquisition of monetary inflows from such asset;
- The transference by Group of its rights on acquisition of monetary inflows from such asset, or storage by a Group of rights acquisition of monetary inflows from such asset with simultaneous acquisition of liabilities to repay them in full amount to the third person without substantial delays;
- Also,
- If a Group or a) transferred almost all the risks and profits connected with such asset, or b) didn't transfer, didn't save for its almost all risks and profits connected with it, has transferred control of the asset.

In case, if a Group transferred its rights on acquisition of monetary inflows from asset and has neither transferred nor retained substantially all the risks and benefits connected with it, nor transferred control of the asset, the asset is recorded in the amount of Group's continuing involvement in the asset. Continuation of participation in the asset that has a form of a guarantee on transferred asset is valued at the lower of the initial carrying amount of the asset and maximum size of compensation that may be required for repay to the Group.

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Inventories

Inventories are valued at lower of two amounts: initial cost and possible fair value of realization. Initial cost of inventories purchased include: expenses on acquisition of inventories, expenses on transport and raw materials associated with its delivery to the place of its storage and putting in proper condition.

The initial cost of ready production and work in process include the costs of raw materials, salary expenses and other direct expenses, also corresponding share of production overheads.

Inventories are writing-off to expenses of the Group by average-weighted cost method and accounted by the lowest of initial cost's amount and cost of fair realization. Cost of fair realization is a price of sale at standard reporting activity with deduction of costs on completion, marketing and distribution.

In accordance with IAS 41 "Agriculture", inventories consisting of joint agricultural production at initial recognition are calculated by its fair value to the moment of harvest with deduction of estimated costs on sale.

Gain and loss arising at initial recognition of agricultural production on its fair value with deduction of sale costs is to be included in structure of gain or loss for the period, in which they arise.

Investment property

Investment property is a real estate (land, building, or part of a building, or both), of which the Group owns in order to renting or increase its value, and not for use in the production process, sale or provision of goods and services.

The initial recognition is estimated by actual costs on acquisition (price of purchase and all costs directly connected with the acquisition).After the initial recognition for investment property it is used a model of accounting for re-estimated cost.

Fixed assets

Fixed assets (land, buildings, structures, machinery and equipment) are accounted for re-estimated cost which is a fair value of fixed assets to date of re-estimation with deduction of accrued depreciation and subsequent. All other objects of fixed assets after the recognition as asset are accounted by its initial cost with deduction of accrued depreciation of fixed assets and accumulated impairment losses.

A reserve from re-estimation of fixed assets is transferred to undistributed gain at cancellation of exploitation of asset.

Depreciation is accrued only on own fixed assets and fixed assets which the Group may acquire in long-term rent.

The Group use a method of uniform rectilinear depreciation of fixed assets.

The estimated useful lives for the calculation of depreciation of fixed assets during the reporting period were as follows:

Name	The period of useful life (in years)
Buildings & facilities	12,5
Machines & equipment	5-12,5
Transport means	5-10
Agricultural inventory	5-10
Meaningful components	3-5
Other fixed assets	3

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The residual value of fixed assets is determined by the Group of 10% of the re-estimated cost on the following groups of fixed assets:
- buildings and facilities;
- machinery and equipment, transmission devices;
- transport means

Depreciation on fixed assets, the newly commissioned into exploitation, is made from the first day of the month following the month of entry, and on retired fixed assets it is stops from the first day of the month following the month of retirement.

Subsequent costs in own and long-term leased fixed assets are included in the carrying amount of asset or recognized as a separate asset in the case where there is a possibility that the future economic benefits associated with the asset will be obtained by the Group and the value of such asset can be measured reliably timated.

All other costs of repair and technique services are reflecting in the joint income statement during that financial period in which they were incurred.

Subsequent costs in fixed assets received to short-term leasing or to timely gratuitous usage are recognized as expense in that period in which they were incurred, independently from character of costs incurred.

A write-off of fixed assets is realized at retirement or in case, if in future the aren't expected the acquisition of economic profits from use or retirement of this asset. Gain and loss arising in result or writing-off of asset (calculated as difference between fair inflows from retirement and carrying amount of asset) is included into the joint income statement for the period in which asset was written-off.

Uncompleted construction includes the costs directly connected with construction of fixed assets, including correspondent distribution of direct variable overheads incurred during the construction.

Intangible assets

The initial recognition of intangible assets are carried at initial cost. After recognition of intangible assets, excluding land-use rights are reflected at initial cost with deduction of accumulated sums of depreciation and losses from devaluation. Re-estimation reserve of intangible assets is transferred to undistributed profit from asset retirement.

The cost of intangible assets is due to monthly paid depreciation by the straight-line (equal) method of writing-off and terminated after the full writing-off of its initial costs.

The period of useful life of intangible assets is estimated by expert commission of the Group.

Devaluation of non-financial assets

On each reporting date the Group is estimate is there any signs of possible devaluation of asset by the way of checking of signs of devaluation of assets' carrying amount.

If these signs exist, the Group estimates the redemption cost of assets and compares with its carrying amount. Redemption sum of asset represents the highest amount from fair value of asset or generating unit with deduction of costs on sale or cost of using, and estimated for separate asset excluding cases, when asset doesn't generate any inflows of monetary means which in significant measure are independent from inflows of monetary means generated by other assets or groups of assets. If carrying amount of asset excess the redemption sum then asset considered as devaluated and its cost reducing till redemption sum. Loss from devaluation refers to expenses in income statement or to capital (for re-estimated assets in limits of reserve of re-estimation).

Biological assets and agricultural production

The Group recognizes a biological asset or agricultural production only when:

(a) the Group controls the asset as a result of past events;

(b) there is high possibility of receiving by the Group of future economic profits associated with this asset; and

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(c) fair value and actual value of asset can be measured reliably. At the moment of initial recognition and at the end of each reporting period a biological asset is measuring at its fair value with deduction of expenses on sale, excluding those cases, when a fair value can't be measured.
Agricultural production received from a biological assets of the Group is measured at its fair value with deduction of expenses on sale designated at the moment of receiving of production. Received as a result of such measuring the amount is initial cost on this date. Gain and loss arisen at the initial recognition of agricultural production at its fair value with deduction of expenses on sale shall be included into composition of gain or loss in which they were arisen.

Rented assets

Rent, under which the Group assumes substantially all the risks and benefits arising from the right of ownership are classified as financial rent. After initial recognition a rented assets are valued at the sum of the lower of its fair value: fair value or current value of minimal rent payments. After the initial recognition assets are taking into account in accordance with the accounting policy used in association with such asset.

Other rent is operating rent and rented assets don't recognize in the financial statement of the Group.

Financial liabilities

Financial liabilities are classified as financial liabilities, reflected at its fair value through the gain or loss, or as other financial liabilities.

Bank loans and debt securities

Bank loans and debt securities after the initial recognition are reflected at its fair value with use of the effective interest method.

Accounts payable and other liabilities

Accounts payable and other liabilities initially reflecting at its fair value, and further, at its depreciation value with use of the effective interest method.

Other financial liabilities

Other financial liabilities including means of a bank, customer's accounts, debt securities issued and other liabilities, are initially recognizing at its fair value with deduction of transaction costs.
Subsequently, other financial liabilities are estimated at its depreciation value. A percentage expense is calculated with use of the effective interest method.

Termination of estimation of financial liabilities

The Group terminates the estimation of financial liabilities only in case of its cancellation, withdrawal or expiration of requirement period to them. When existing financial liability replacing by other liability before the same debtor on completely another conditions, or a conditions of existing liability are changing significantly, then such exchange or change is recognized as withdrawal of the initial liability and recognition of new one. The difference between the carrying amount of the financial liability, recognition of which is terminates, and prepaid or is to be prepaid remuneration is estimated in gains or losses.

Accounting for financial assets and liabilities

Financial assets and liabilities are accounted and reflected at net basis in the consolidated financial statement, when the Group has legal right to account the estimation of sum and the Group is aimed at cancellation of it on the net basis or realizes asset and liability simultaneously. In case of transference of the financial asset which isn't qualified on writing off, the Group doesn't recognize this transaction as writing off of transferred asset and related to it liability.

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Taxation

Income tax includes current and deferred taxes. Current income tax is recognized in the income statement, deferred income tax also recognized in the income statement, excluding cases, when it refers to articles, recognizing directly in the capital or in other aggregate income. In these cases it recognizes in the capital or in other aggregated income. After tax profit is differ from fair profit reflected in the income statements it doesn't include the articles about revenues and expenses which is subject to taxation or deduction for other aims of taxation in other periods, and also exclude the articles which can't be taxed or recognized. Accrual of expenses of the Group on corporate income tax in the current year is realized with use of tax rates validating on the date of financial reporting composition.

Current tax represents expected tax, which is paid from tax profit or the year, calculated with use of tax rates, validating on the reporting date and any adjustments of the tax to be paid in association of past years.

Deferred tax is estimated with use of liability method and calculation of time differences between the carrying amount of the assets and liabilities, used in the financial reporting, and sums used in tax priorities. The calculation of sum of deferred tax is based on estimated method of realization or regulating of carrying amount of the assets or liabilities with use of tax rates validating on the reporting date.
Deferred tax asset is reflected only in that measure, in which it is the possibility of presence of tax income in future, by which may be covered time differences, unused tax losses and credits. Deferred tax assets are decreased in that measure, in which the realization of tax asset seems impossible.
A carrying amount of deferred tax assets is checked on each reporting date and decreases in that measure, in which there is no possibility that the profit will be received from realization of tax requirement, sufficient for the full of partial compensation of an asset.
Besides the income tax, there is a variety of taxes and payments in the Republic of Kazakhstan associated with the operating activity of the Group. These taxes included in the article about administration expenses in the consolidated income statement of the Group for the reporting period.

Pension and other liabilities
The Group doesn't have any schemes of pension provision, besides the governmental pension program of the Republic of Kazakhstan which require from employer to make deductions calculated as a percent from current payments of gross salary. The Group made deductions of pension payments for its employees to pension funds. Besides, the Group hasn't any liabilities on payments after the completion of working activity.

Capital
Ordinary shares
Ordinary shares and privileged shares which can't be cancelled are classified as capital. Expenses on payment of services to the third persons directly connected with the issuance of the new shares, excluding cases of association of the enterprises, are reflected in composition of capital as decrease of sum, received as a result of this emission. The sum of decrease of fair value of means received at nominal value of shares issued is reflected as additional prepaid capital.

Privileged shares

IFRS (IAS 32) "Financial instruments: presentation of information" is required to classify privileged shares and its components as financial liabilities or share instruments in accordance with the composition of contractual agreement and definitions of the financial liability or share instrument. Dividends on privileged shares are classified as financial liabilities. At initial recognition the fair value of liability is equivalent to the current value of liability on dividends' payment during the period of appeal of privileged share, discounted at the rate of remuneration for analogous instrument which doesn't keep the residual right on discretional dividends.

Recognition of revenues and expenses

The amount of revenue from sale of production is estimated on its fair value of received, or to be received of compensation, with calculation of all trade discounts and cessions provided. The revenue is recognized in that moment when the initial risks and profits associated with the right of ownership were transferred to buyer, and the possibility of receiving of corresponding compensation is high, expenses incurred and potential costs of the production may be safely estimated and the amount of income can be measured reliably.

At definition of results of financial-agricultural activity the Group is use the principle of accrual in accordance with the revenues are recognized (reflected) when they were obtained, and expenses when incurred.

By the revenues of the Group understood:

- Revenues from main activity (from realization of ready production and goods, execution of works and services, governmental subsidies and revenue from change of fair value of agricultural production);
- Revenues received from non-main activity (remunerations, revenues from retirement of assets etc.);
- Other revenues.

To expenses refer the following types of expenses:

- Initial cost of ready production, works executed and services referred;
- Expenses from realization;
- Expenses on realization of production and referring of services;
- Administrative expenses;
- Other expenses.

Financial revenues and expenses

To composition of financial revenues include the percentage revenues on bank deposits, on loans and accounts receivable. The percentage revenue is recognized in the aggregate statement on moment of arise, and its sum is calculated with use of the effective interest method. Net-amount of revenue from change of exchange rates of foreign currencies, change of fair value of financial instruments, estimated on its fair value, change of which is reflected in the composition of revenues and expenses for the period.

In composition of financial expenses include percentage expenses on financial liabilities, estimated on its depreciation value of dividends on privileged shares classified as liabilities; change of fair value of financial instruments estimated on fair value, change of which is reflected in the composition of revenues and expenses for the period; net-amount from change of exchange rates of foreign currencies; expenses on creation of reserves on doubtful accounts, expense from devaluation of accounts receivable; recognition of expenses from devaluation of other financial assets.

Estimated and conditional liabilities, conditional assets

Estimated liabilities are the liabilities with uncertain time and sum, they are recognized in case, when:

- as a result of past event the Group has any existing liability (legal or timely);
- is possible the appearance of need in any outflow of the resources for the execution of this liability;
- the sum of liability may be checked reliably.

Conditional liabilities represent existing liability which arise from past events, but isn't recognize because the appearance of need in outflow of the resources for execution of liability isn't possible or the sum of liability can't be estimated with sufficient reliability.

Conditional liabilities aren't recognized, but are the subject of disclosure in cases when possibility of retirement of resources is unlikely.

Conditional liabilities aren't reflected in the financial reports, but are the subject of disclosure in cases, when the acquisition of economic benefit is probable.

Disclosure of the information about associated sides

A side is associated with the Group if this side directly or indirectly, through one or several intermediaries control the Group or under control of the Group; has a share in the group, providing a significant influence on it at making of financial or operating decisions.

The operations between the associated sides – is transference of resources, services or liabilities between the associated sides, independently whether payment was/wasn't made.

The associated sides are:

a) Companies which directly or indirectly, through one or several intermediaries control the Group, under control of the Group, or both with it are under general control (to these Companies refer holding Companies, branch Companies and other branch Companies of one head firm);

b) Dependent Companies – a Companies, on which activity the Group renders the significant influence, but which aren't branch, joint Companies of the investor;

c) Private persons, who directly or indirectly own the shares with the right of vote of the Community, which give them a possibility to make significant influence on Community' s activity;

d) Key managerial personnel, i.e. persons, who authorized and responsible for realization of planning, management and control of activity of the Group, including directors and staff persons of the Group, and also non-executing directors and their relatives;

e) Companies, whose significant shares with a right of vote directly of indirectly belong to persons, designated in items c) or d), or to person, on which these persons influence significantly. To them refer a Companies belonging to directors or big stock Communities, and Companies, which have common with the Community of key managerial member.

Segment reporting

Operating segments are coincided on the basis of internal reports about components of the Group, regularly checked by the most general authorized person, who responsible for the decision making on operating activity, in order to provision of resources to segment and estimation of results of its activity.

The Group estimates the information about reporting segments in accordance with IFRS. The reporting operating segment is segregated at execution of one from the following quantitative requirements:

- Its revenue from sales to external customers and from transactions with other segments compound not less than 10 percent (%) from aggregated revenue – internal and external – all operating segments; or
- Absolute indicator of gain or loss consist of not less than 10 percent (%) from the highest of aggregated profit of all operating segments, which didn't show the loss, and aggregated loss of all operating segments, which showed the loss; or

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- Its assets compound not less than 10 percent (%) from aggregated assets of all operating segments.

In case, if common gain from external sales, shown by operating segments, compound less than 75 percent (%) of gain of organization, as reporting are coincided the additional operating segments (only if they aren't fulfill the quantitative criteria, described above) until the segments shown in the reporting statements wouldn't included the minimum 75 percent (%) of gain of the Group.

Events after the reporting date

Events after the reporting date are the events, both favorable and unfavorable, which happened during the period between the reporting date and date of confirmation of the financial statements. Events, confirming the existence of condition on the reporting date, are reflecting in the financial reporting (correcting events). Events, evidencing about arisen conditions after the reporting date don't reflect in the financial reporting (non-correcting events). If non-correcting events are significant, then information about them must be revealed in the notes to financial reporting.

4. Monetary means and its equivalents

In order to reflect monetary flows a monetary means include the presence of monetary means and means on bank and current accounts.

(in thousand of tenge)

	December 31, 2011 year	December 31, 2010 year
Branch Bank of "SBERBANK" JSC in Astana city	87 703	14 399
"BTA Bank" JSC	6 341	12 430
HSBC Bank Kazakhstan, Astana city	9	1 500
"Narodnii Bank" JSC	215	1 306
"Asia Credit Bank" JSC	11	-
North-Kazakhstan Branch of "Cesna Bank" JSC	5 682	6 933
Monetary means on accounts in Branch Bank of "SBERBANK" JSC in Astana city	-	514 000
Monetary means in cash	37 826	10 801
	137 787	561 429

These assets of the Group are uncharged and independent from loanable liabilities.

5. Short-term accounts receivable

(in thousand of tenge)

	December 31, 2011 year	December 31, 2010 year
Trade accounts receivable	1 507 334	3 944 415
Liability to workers	21 185	5 896
Short-term remuneration receivable	-	836
Other accounts receivable	350 683	38 384
Reserve on doubtful requirements	(71 003)	(764)
	1 808 199	3 988 767

6. Inventories

(in thousand of tenge)

	December 31, 2011 year	**December 31, 2010 year**
Raw materials and materials	715 694	1 154 742
Ready production	2 644 292	65 592
Products	641 089	1 067 016
Work in process	227 983	477 627
	4 229 058	2 764 977

7. Current tax assets

(thousands tenge)

	December 31, 2011	December 31, 2010
Corporate income tax	10 006	24 551
Value added tax	403 166	455 585
Other	18 978	21 345
	432 150	**501 481**

8. Other short-term assets

(thousands tenge)

	December 31, 2011	December 31, 2010
Prepayments by commodity stocks supply, works and services	10 321 807	12 151 040
Reserve by indeterminate demands	-	(57 433)
Other short-term assets	939	763
	10 322 746	**12 094 370**

9. Long-term creditor indebtedness

(thousands tenge)

	December 31, 2011	December 31, 2010
Prepayments by commodity stocks supply, works and services	2 706 929	-
Reserve by indeterminate demands	46 477	46 611
Other short-term assets	(328 688)	-
	2 424 718	**46 611**

10. Investment property

(thousands tenge)

	December 31, 2011	December 31, 2010
Investment property	33 816	41 909

11. Property as

(thousands tenge)

	Land	Building and installations	Machineries and equipments, transmission devices	Vehicles	Other property assets	Total
Initial cost						
The balance as of December 31, 2010	**28 899**	**3 963 563**	**1 875 877**	**4 086**	**165(159**	**10 12(1 246**
Inflow	3 051	198 616	270 507	409 277	17 732	899 183
Disposal	-	(10 149)	(134 350)	(230 842)	(6 277)	(381 618)
The balance as of December 31, 2011	**31950**	**4 152 030**	**2 012 034**	**4 265**	**176 514**	**10 637 811**
Accumulated depreciation						
The balance as of December 31, 2010	-	**1 142 332**	**431 206**	**1 127**	**30 497**	**2 731 993**
Amortization accrued during the reporting period	-	321 019	186 332	345 209	35 570	888 130
Amortization of fixed withdrawn assets	-	(4 567)	(24 014)	(31920)	(4 850)	(65 351)
The balance as of December 31, 2011	-	**1 458 784**	**593 524**	**1 441**	**61 217**	**3 554 772**
Carrying amount as of of December 31, 2011	**31 950**	**2 693 246**	**1 418 510**	**2 824 036**	**115 297**	**7 083 039**
Initial cost						
The balance as of December 31, 2009	**27 843**	**3 850 635**	**1 660 217**	**3 940**	**140 340**	**9 619 385**
Inflow	1 102	128 769	461 250	820 619	74 086	1 485 826
Disposal	(46)	(15 841)	(245 590)	(674	(49 367)	(984 965)
The balance as of December 31, 2010	**28 899**	**3 963 563**	**1 875 877**	**4 086**	**165 059**	**10 120 240**
Accumulated depreciation						
The balance as of December 31, 2009	-	**829 535**	**273 846**	**816 871**	**17 443**	**1 937 695**
Amortization accrued during the reporting period	-	312 797	157 391	3 12 234	13 060	795 482
Amortization of fixed withdrawn	-	-	(31)	(1 147)	(6)	(1 184)
Carrying amount as of of December	-	**1 142 332**	**431 206**	**1 127**	**30 497**	**2 731 993**
The balance as of December 31, 2010	**28 899**	**2 821 231**	**1 444 671**	**2 958890**	**134 562**	**7 388 253**

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Revaluation of fixed assets of the Group (land plots, buildings, constructions, vehicles and equipment) as of December 31, 2007 was made by "Capital Commercial Center" LLP (License ЮЛ-00597-(22811-1901-ТОО) No. 0048598 dated July 24,2006) on the basis of Contracts No. 21/10 dated August 03,2010, No. 22/10 dated August 03,2010 and No 23/10 dated August 06,2010. Also in 2009 fair value of assets was evaluated when the Group purchased branch organizations "Sagat-SK" LLP and "Atameken Agro Shukyrkol" LLP. Evaluation was made by "American Appraisal" Company (License ЮЛ-(87533-1910-ТОО (ИУ) No.0131463 dated March 20, 2008) on the basis of the Contracts No. KZ 092353 dated November 17,2009 and No. KZ 092487 dated January 25,2010.

Land plots, buildings, constructions, vehicles and equipment are fixed assets which are represented as loan security and agreements of financial leasing by the Group (Notice 16).

12. Intangible assets

(thousand tenge)

	The right to use land	Other property assets	Total
Initial cost			
The balance as of December 31, 2010	5 498 445	459	5 498 904
Inflow	-	53	53
The balance as of December 31, 2011	5 498 445	512	5 498 904
Accumulated depreciation			-
The balance as of December 31, 2010	277 828	172	278 000
Amortization accrued during the reporting period	130 001	79	130 080
The balance as of December 31, 2011	407 829	251	408 080
Carrying amount as of of December 31, 2011	5 090 616	261	5 090 877
Initial cost			
The balance as of December 31, 2009	5 484 578	380	5 484 958
Inflow	13 867	79	13 946
The balance as of December 31, 2010	5 498 445	459	5 498 904
Accumulated depreciation			
The balance as of December 31, 2009	136 136	118	136 254
Amortization accrued during the reporting period	141 692	54	141 746
Carrying amount as of of December	277 828	172	278 000
The balance as of December 31, 2010	5 220 617	287	5 220 904

Revaluation of intangible assets (right on using of land plots) as of December 31, 2007 was made by the Group "Yerzhanov A.Zh." IE (License No. 0131756 ФЛ 01529 dated May 12,2009) on the basis of Contracts No. 21/10 dated August 03,2010, No. 22/10 dated August 03,2010 and No 23/10 dated August 06,2010.

Also in 2009 fair value of assets was evaluated when the Group purchased branch organizations "Sagat-SK" LLP and "Atameken Agro Shukyrkol" LLP. Evaluation was made by "American Appraisal" Company (License ЮЛ-(87533-1910-ТОО (ИУ) No.0131463 dated March 20, 2008) on the basis of the Contracts No. KZ 092353 dated November 17, 2009 and No. KZ 092487 dated January 25, 2010.

The right of long term requited land-use of land plots which belong to "Atameken –Agro Timiryazevo", "Atameken-Agro Tselinnyi" and "Atameken-Agro Korneyevka" are represented as security for a banking loans by the Group. (Notice 16).

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14. Deferred tax assets

(thousands tenge)

	December 31, 2011	December 31, 2010
Property assets	(18 973)	(15 952)
Debit indebtedness	78 135	-
Estimated liability	2 321	1 439
Tax loss	781	592
Deferred tax asset	**475 985**	**313 305**
	538 249	**299 384**
Deferred tax assets at the beginning of the year	**299 384**	**97 138**
Changes of deferred tax on gain	238 865	202 246
Deferred tax assets at the end of the year	**538 249**	**299 384**

15. Other long-term assets

(thousands tenge)

	December 31, 2011	December 31, 2010
Carry-over construction	278 592	362 479

To carry-over construction are the cost of building storage facilities, the hotel building and tank farm, industrial premises for their own use of the Group.

16. Short-term financial liabilities

(thousands tenge)

	December 31, 2011	December 31, 2010
The current part of long-term financial obligations under finance leases and bank loans	314 440	394 782
Short-term bank loans	4 956 998	4 477 731
Short-term	227 964	338 699
Compensation to be paid	56 538	56 538
Other short-term financial liabilities	455	-
	5 556 395	**5 267 750**

As of December 31,2011 financial obligations are represented by bank loans which were received within Agreement about credit line opening No.25/11 dated August 04,2011 with SB "Sberbank of Russia" JSC, loan agreement No. SKO-0128-09, SKO-0139-09,AST -0063-11, AST-0064-11 with "KazAgroFinance" JSC, loan agreement No.90-10 dated November 23,2010 with "Asia Credit Bank" JSC, agreement No. 1291-ип/1 dated June 24,2011 with "Agrarian-credit corporation" JSC and agreements of financial leasing with "Leasing company "Astana Finance" JSC.
The main purpose of financing is increasing of circulating assets for purchasing of raw, agricultural techniques and other assets and trade activity.
As of December 31, 2011 mean fee rate on bank loans was 14% per year, rate fee was 6% per year according to agreements of loan with "Agrarian-credit corporation" JSC and "KazAgroFinance" JSC, rate fees are six month LIBOR rate, six month EURIBOR rate +6% and twelve month EUROBOR rate +6,15% according to contracts of financing leasing.
The rights of long term requited land-use of land plots which belong to "Atameken –Agro Timiryazevo" LLP, "Atameken-Agro Tselinnyi" LLP and "Atameken-Agro Korneyevka" LLP in amount of 197 390 ha, elevators with capacity 44 000 tons which belong to "Atameken –Agro Timiryazevo" LLP and "Atameken-Agro Korneyevka" LLP are represented as security, agricultural technique is represented as security on leasing contracts, equipment of grain-cleaning machine Gimbria is security for the contract with "Agri-credit corporation" JSC.

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17. Tax liability

	December 31, 2011	(thousands tenge) December 31, 2010
Value added tax	55 549	8 288
Individual income tax	9 336	2 806
Social tax	2 064	64
Other taxes	6 370	4 052
	73 319	**15 210**

18. Obligations under other compulsory payments and voluntary payment

	December 31, 2011	(thousands tenge) December 31, 2010
Social insurance	5238	1 138
Liability pension contributions	11 171	1 951
	16 409	**3 089**

19. Long-term creditor indebtedness

	December 31, 2011	(thousands tenge) December 31, 2010
Commercial creditor debt	1 033 881	1 136 346
Payroll liabilities of creditor	53 750	10 704
Other creditor indebtedness	313 654	482 724
	1 401 285	**1 629 774**

20. Short-term estimated liabilities

	December 31, 2011	(thousands tenge) December 31, 2010
Carry-over vacation of employers liabilities	32 547	16 533

21. Other short-term liabilities

	December 31, 2011	(thousands tenge) December 31, 2010
Prepayments, obtained through the delivery of commodity stocks, performance of work and services	1 877 304	1 376
Other short-term liabilities	2 048	587
	1 879352	**1 963**

22. Long-term financial liabilities

	December 31, 2011	(thousands tenge) December 31, 2010
Placed its own bonds	4 024 571	6 909 901
Discount	(127 337)	(32 256)
Long-term bank loan facilities	57 837	11 330
Long-term indebtedness of finance lease	385 346	646 646
Other long-term indebtedness	12 596	-
	4 353 013	**7 535 621**

Partnership registered the first issue of coupon bonds without security in amount of 11 000 000 units with nominal value 1 000 KZT dated August 04,2008, total sum of emission is 11 000 000 000 KZT, which are completely made at report date. The issue is registered by the Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations; national identification number (NIN) is KZP01Y10D329.Term of circulation of bonds is 10 years from the beginning of circulation.

The register of deals on bond placement is "Fond center" JSC, the state license is No. 0406200386 dated June 15, 2005.

Repayment of coupon reward in amount of 17 % is provided for by the structure of obligation program, two times per year during three periods without the right of early repayment, then the amount of coupon reward shall be calculated according to variable rate depending on the level of

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Inflation, which shall be determined every 6 month with formula:

R=i+m, where
R-coupon rate
i- level of inflation
m-fixed margin 3,5 % yearly
The meaning of high limit of fee rate shall be stated on the level 16% and the meaning of low limit shall be on the level 10%.
Coupon rate and terms of settlement of these issued debt securities are represented on the following:

Issued debt securities	Rate of remuneration	Terms of settlement
Debenture stock expressed in tenge with fixed rate	17 %	2018
Debenture stock expressed in tenge with floating rate	10 % to 16% depending of the level of inflation	2018

23. Long-term creditor indebtedness

(thousands tenge)

	December 31, 2011	December 31, 2010
Long-term creditor indebtedness to provider and customer	-	18 781

24. Deferred tax liabilities

(thousands tenge)

	December 31, 2011	December 31, 2010
Tax effect of taxable temporary differences:	**1 270 528**	**1 237 179**
Property assets and intangible assets, accrued depreciation	562 939	609 774
Revaluation of fixed assets and intangible assets	(564)	(4 074)
Accounts receivable	(4 190)	(1881)
Provisions for contingent liabilities	(812)	(201)
Liabilities for taxes	(18 056)	(29 533)
Transfer of tax loss	**1 829 845**	**1 811 264**

	December 31, 2011	December 31, 2010
Deferred tax liabilities at beginning of year	**1 811 264**	**1 839 055**
Deferred tax liabilities recognized directly in equity	(27 745)	(30 696)
Changes of deferred income tax charge	46 326	2 905
Deferred tax liabilities at the end of year	**1 829 845**	**1 811 264**

25. Obligations on dividends on preferred shares

(thousands tenge)

	December 31, 2011	December 31, 2010
Obligations on dividends on preferred shares	8 703 175	8 703 175

According to prospectus for ordinary share and preferred share issue the guarantee amount of dividends on preferred shares is 700 KZT per share. Fair cost of obligation on guaranteed dividend on replaced preferred shares, discounted on mean rate of remuneration is 8 703 175 thousand KZT as of December 21,2011.

26. Capital

Partnership placed 9 000 324 ordinary shares to which national identification number is issued

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KZ1C57070019 and 1 448457 preferred shares to which national identification number is issued KZ1P57070115. As of December 31,2011 the Company purchased 997 ordinary shares.

Movement of ordinary shares of the Partnership within report period and represented on the following:

	Remaining shares as of December 31, 2010	Buy out in 2011	Remaining shares as of December 31, 2011
Quantity of ordinary shares, units	8 999 937	5	8 999 327
Price of placement, tenge	86.60	86.60	86.60
Liabilities total	1 448 457	-	1 448 457
Price of placement, tenge	10 000	-	10 000

In 2011 Partnership purchased own ordinary shares in amount of 610 units cost 3 300 KZT per share, in 2010 – 33 units with cost of 3 278,8 KZT per share, nominal cost of shares is 86,6 KZT. As a result partnership got emission loss in 2011 was 1 960 thousand KZT and in 2010 – 105 thousand KZT.

Joint stock is represented except obligations on dividends on preferred shares (Notice 25).

27. Carrying value of ordinary shares

(thousands tenge)

	December 31, 2011	December 31, 2010
Assets total	32 379 231	33 270 564
Intangible assets	(5 090 877)	(5 220 904)
Liabilities total	(23 845 340)	(25 003 160)
Charter capital, preferred shares	(5 781 395)	(5 781 395)
Net assets	(2 338 381)	(2 338 381)
Quantity of placement ordinary shares (units)	**8 999 327**	**8 999 327**
Carrying amount of ordinary share (tenge)	**(259.84)**	**(259.84)**

28. Carrying value of preferred shares of first group

(thousands tenge)

	December 31, 2011	December 31, 2010
Amount of accrued but unpaid dividends on the preferred shares of first group	-	-
Charter capital, preferred shares	5 781 395	5 781 395
Capital owned by shareholders of preferred shares of first group	**5 781 395**	**5 781 395**
Debt component of preferred shares of first group	8 703 175	8 703 175
Quantity of placement preferred shares of first group (units)	1 488 457	1 488 457
Carrying amount of preferred shares (tenge)	**10 000,00**	**10 000,00**

29. Income from realization of production and services

(thousands tenge)

	2011	2010
Realization of agricultural production	8 363 946	5 648 656
Realization of spare	235 924	232 323
Realization of pesticide	360 824	532 733
Other realization	100 189	115 090
Realization of agricultural production	**9 060 883**	**6 528 802**

30. Income from state subsidies

(thousands tenge)

	2011	2010
Income from state subsidies	265 512	149 856

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The Group headquarters and JSC "Damu" Entrepreneurial Development Fund" signed subsidy assistance contracts in 2011. The state provides the Group with the subsidy to cover its expenses due to bank allowances paid by the Group according to the bank loan contracts obtained within an Open Credit Line Agreement № 07/10КЛ d.d. 02.04.2010 from SB Sberbank of Russia JSC. The rate of interest paid by bank is fixed and equals to 14 per cent per annum. State compensation subsidy equals to 8%. The subsidy is provided within state-run program "Business Road Map 2020" affirmed by Kazakhstan Government resolution № 301 d.d. 13.04.2010. Subsidy assistance is provided on account of republic budget funds according to Rules of Subsidy Assistance affirmed by Kazakhstan Government resolution № 556 d.d. 10.06.2010.

31. Change in final goods fair market value.

(thousands tenge)

	2011	2010
Change in final goods fair market value	1 483 902	(578 191)

The Group cultivates, produces and sells following agricultural goods:

- ware and seed wheat
- seed rape, rape seeds
- ware and seed oath
- ware and seed bast fiber
- ware rye
- chick-pea
- other agricultural goods

ware and

Fair market value according to accounting period for the primary agricultural goods recognition is the following:

- soft wheat - 15 717 tenge per tone
- flint wheat - 21 000 tenge per tone

sunflower - 26 339 tenge per tone

dodder-seed - 26 339 tenge per tone

- pea - 13 170 tenge per tone
- oath - 13 073 tenge per tone-
- rape - 39 509 tenge per tone
- bast fiber - 35 558 tenge per tone
- chick-pea - 26 339 tenge per tone

To illustrate in accounts the Group uses de facto tret (according to the documents) of worked out volume of production, herewith to avoid income overstatement due to product fair value recognition for the non-worked out volume of production the Group applies adjusted fair value per average de facto tret per cent for every culture.

Cereals and legumes fair market values definition is based on the data issued by JSC "Kazagromarketing" minus sell expenses, oil-plants fair market values definition is based on the data of latest sell contracts.

32. Cost of goods sold and services rendered.

(thousand tenge)

	2011	2010
Goods purchased for sale	3 565 906	-
Expenses of materials	1 264 865	4 766 612
Payroll expenses	307 06	235 754
Earnings contribution	3 089	5 202

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Amortization	204 720	379 790
Overhead charges	700 227	289 494
	6 045 872	**5 676 852**

33. Financing income

		(thousands tenge)
	2011	**2010**
Exchange difference	606	11 589
Amount of indexation of the finance leases	955	15 103
Reversal of provision for doubtful debt	57 323	3 505
The discount of premium on obligation	-	5 582
Compensation on deposit	-	6 966
	58 884	**42 745**

34. Other incomes

		(thousands tenge)
	2011	**2010**
Rental	1 760	2 515
Bonus allowance of grain on elevator	9 772	-
Income from write-off of doubtful creditor indebtedness	2 774	-
Income from realization of assets	6 704	-
Penalty sanctions on economic contract	2 765	41 108
Income from cheapening of cost fertilizer	-	117 836
Benefit of Value Added Tax	50 540	28 475
Other	3 727	9 422
	78 042	**199 356**

35. Expense from realization of finished products and services

		(thousands tenge)
	2011	**2010**
Delivery cost	757 963	362 109
Services of elevator	188 513	149 203
Inspection of shipment	24 147	41 437
Insurance of shipment	13 335	4 129
Brokerage service	1 683	7 201
Certification, customs clearing of exports of goods	5 716	-
Other	14 881	45 756
	1 006 238	**609 835**

36. Administrative expenses

		(thousands tenge)
	2011	**2010**
Amortization	65 590	50 573
Remuneration reward and withholdings	199 700	185 795
Business trip expenses	13 345	16 171
Public service	4 212	4 150
Taxes, except income tax	45 615	45 394
Penalty fee, fines on economic contract	80 437	14 649
Maintenance of administrative use vehicle	31 142	29 475
Communication services	16 645	16 862
Bank services	27 930	13 605
Sponsorship	59 150	23 179
Nondeductible expenses	28 666	25 086
Legal, brokerage, market maker services	9 366	154 198
Auditing and consultancy services	8 000	-
Material expenses	22 422	8 950
Notarial services	1 345	4 050
Other expenses	54 615	49 561
	668 180	**641 698**

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37. Expenses on the financing

	2011	(thousand tenge) 2010
Interest on obligation	552 924	800 614
Interest on loans and leasing	720 369	436 099
Amortization of discount on obligation	30 277	102 374
Expenses on placement and redemption of obligation	307 298	-
Indexing on under a lease agreement	1 558	3 157
Difference in rate of exchange	43 645	26 559
Commission of bank when issuing a loan	27 333	13 108
Dividends on the preferred shares	609 264	532 480
Discounting of long-term accounts receivables	337 096	-
Reserve on indeterminate demands	62 615	-
Other	9 489	12 048
	2 701 868	**1 926 439**

38. Other expenses

	2011	(thousands tenge) 2010
Expenses of operating leases	15 020	16 581
Depreciation of investment property	6 994	8 093
Expenses on retirement of assets	15 502	49 230
Other	3 754	6 360
	41 270	**80 264**

39. Income tax

The Group prepares close the accounts for the tax on the basis tax records, carried out in accordance with the tax Laws of the Republic of Kazakhstan, which may differ from international standards ("IAS"). The rate of corporate income tax for legal entities of the Republic of Kazakhstan for 2011 and 2010 is set at 20%.

Due to the fact that certain expenses are not deductible for taxation purposes, as well as in view of the non-taxable by tax income, the Group having some tax differences.

	2011	(thousands tenge) 2010
Income before tax	**483 795**	**(2 592 520)**
Tax at statutory rate	(28 819)	_6642)
Withholding tax (15%)	-	(1 949)
Tax effect of temporal difference	192 539	199 341
Economy (expenses) on income tax	**163 720**	**190 750**

Verification of effective tax rate

Amount of cooperative income tax differs from that just a theoretical amount calculated by multiplying the income before tax on corporate income tax rate of as follows:

	2011	(thousands tenge) 2010
Income (loss) before tax	**483 795**	**(2 592 520)**
Statutory rate of income tax	20%	20%
Estimated tax liability at the established rate	(96 759)	-
Withholding tax (15%)	-	(1 949)
Tax effect of nondeductible expenses and nontaxable income	67 940	(6642)
Deferred tax	**192 539**	**199 341**
Economy (expenses) on income tax	**163 720**	**190 750**

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40. Earnings per share ratio

Basic earnings per share ratio is calculated through division of income (or loss) accrued to the ordinary shareholders by weighted mean number of ordinary shares in circulation during the period. Decreased earnings per share ratio is calculated through division of income (or loss) accrued to the ordinary shareholders by weighted mean number of ordinary and preferred generally tradable shares in circulation during the period.

	2011	**2010**
Net income (loss) (thousand tenge)	**529 346**	**(2 323 756)**
Dividend on preferred shares (thousand tenge)	(404 655)	(942 675)
Ordinary shares weighted mean number (items)	8 999 884	8 999 942
Basic earnings per share ratio (tenge)	**13.85**	**(362.94)**
Shares weighted mean number taking into account generally tradable shares (items)	**10 448 341**	**10 448 399**
Decreased earnings per share ratio (tenge)	**11.93**	**(312.63)**

41. Contingent liabilities

Legal claim. Now for then in the process of Group activity clients and contraparties advance claims towards the Group. The headquarters considers that these legal proceedings will not result in essential losses.

Taxation. State tax legislation may have more than one explanation. Also there is an exposure of tax authorities to take violent view concerning business. In the case of such tax authorities' contestation of the Group headquarters' estimation of business additional taxes, penalization and fines may occur.

Tax authorities are entitled to audit tax accounts for the period of last 5 years. But the fact that the inspection has already taken place does not mean that it cannot be carried out by the higher tax authority over again. Furthermore, according to the law courts clarifications the duration of tax accounts inspection can be prolonged providing that the court avowed interfering with the audition by the tax authorities.

The Group Headquarters considers that all necessary tax accruals are made and accordingly accruals of corresponding reserves in consolidated wage incentive are not required.

Economical conditions. Currently capital and credit markets of the largest world's economics have been characterized by significant volatility. The range of largest global financial institutions filed for bankruptcy, were sold and/or got state financial help. Despite the measures Kazakhstan Government could or can take to stabilize the situation as a consequence of global and Kazakhstan capital and credit markets instability there is economic uncertainty concerning the crediting availability and cost.

Moreover Kazakhstan real estate market experienced to the full extent the bad influence of global financial crisis. It caused the tendency to the decrease of housebuilding and real estate value reduction.

Economical uncertainty may preserve in the nearest future. In this respect there is a possibility of decrease for the Group's product and service demand which may cause their cost to fall and income to reduce. But by the date of this consolidated wage incentive performance the impact of these factors cannot be assessed by the headquarters.

The Group provides its economical activity in the Republic of Kazakhstan in conditions of high level of inflation and financial instability. Group's activity is exposed to economical, political and social risks peculiar to Kazakhstan business dealing. Thereby there are significant uncertainties which may influence Group's further activity, asset reducibility and its capability to service debts.

42. Events after the reporting date.

By the moment of the wage incentive confirmation there are no events in the Group occurred after reporting date requiring adjustment or explanation in the note to statements.

43. Information about the related parties.

Final supervising party is represented by JSC "Pension Saving Fund "УларҮміт" (Remark 1).

Operations with related parties were conducted due to conditions agreed between them and allowing optional market charge. Unamortized balance by the end of the month do not have surety, are considered short-term, and the accounts are made in money terms.

Main operations between related parties by 31.12.2011 are shown in the table below:

(thousand tenge)

		Sale to related parties	**Sales from related parties**	**Debt of related parties**	**Debt to related parties**	**Managing staff reward**
Parent company	2011	707 252	1 430 348	5 884 994	-	36130
	2010	685 926	993 865	5 322 617	-	43 050
Enterprises controlled by parent company	2011	1 759 877	1 026 304	627 869	627 869	14 208
	2010	1 110 989	803 050	447 926	447 626	13 230

44. Segmental reporting.

Group's activity comprises 2 business segments:

1. agricultural products manufacturing and sale;
2. construction and repair.

Segment 1 - agricultural products manufactured and sale.

In 2011 there were sowed 112 621 ha of cereals, oil-bearing, legumes crops; collected 278 660 tones including 229 427 tones of cereals, 48 613 tones of oil-bearing crops and 620 tones of legumes. Average harvest comprised 24.7 dt/ha. Goods are to be sold and that is the final level of the business segment.

Segment 2 - construction and repair of industrial and non-industrial buildings.

In 2011 Group rendered construction and repair services for the value of 157 841 thousand tenge.

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The segment reporting by the main operating segments of the Group for the periods ended December 31, 2011 and 2010 are presented below:

(thousands tenge)

For the period ended December 31, 2011	Production and realization of agriculture products	Construction and repair work	Eliminate amounts	Consolidated showing
Return on sales to external customers	8 981 718	79 165	-	9 060 883
Return on sales between segments	2 377 976	78 676	(2 467 129	-
Income from financing	69 361	-	(10 477)	58 884
Total segment income	11 429 055	**157 841**	(2 467 129	**9 119 767**
Financing Expenses	2 701 837	**10 508**	(10 477)	2 701 868
Gain (loss) before income tax expense	**495 916**	**(12 1210**	-	483 795
Economy (expenses	**163 316**	**404**	-	163 720
Gain (loss) for the period	**659 232**	**(11 717)**	-	647 515
Assets of segment	39 636 828	**209 185**	**(7 466 782)**	32 379 231
Total assets	39 636 828	**209 185**	**(7 466 782)**	**32 379 231**
Liabilities of segment	30 138 975	**219 228**	**(6 512 863)**	23 845 340
Total liabilities	30 138 975	**219 288**	**(6 512 863)**	**23 845 340**
Amortization	1 013 466	4 744	-	1 018 210
Total amortization	1013 466	4 744	-	**1 018 210**
	116 967	-	-	116 967

For the period ended December 31, 2010	Production and realization of agriculture products	Construction and repair work	Eliminate amounts	Consolidated showing
For the period ended December 31, 2011	6 516 590	12 212	-	6 528 802
Return on sales to external customers	1 796 918	-	(1 796 918)	-
Return on sales between segments	42 960	-	(215)	42 745
Income from financing	8 356 468	12 212	(1 797 133)	6 571 547
Total segment income	1 926 439	215	(215)	1 926 439
Financing Expenses	(2 593 962)	1 442	-	(2 592 520)
Gain (loss) before income tax expense	191 018	(268)	-	190 750
Economy (expenses	(2 402 944)	1 174	-	(2 401 770)
Gain (loss) for the period	39 960 550	32 238	(6 722 224)	33 270 564
Assets of segment	39 960 550	32 238	(6 722 224)	33 270 564
Total assets	30 742 739	309 964	(5 770 543)	25 003 160
Liabilities of segment	30 742 739	30 964	(5 770 543)	25 003 160
Total liabilities	935 051	993	-	936 044
Depreciation	935 051	993	-	936 044
Total amortization	118 490	-	-	118 490

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45. Policy of risk management

Group's financial and business activity is exposed to economical and social risks particular to business activity in Kazakhstan: these risks appear from such objective factors as Government political decisions, economical conditions, changes of tax legislation and other State regulations, but Group headquarters controls and monitors all risks fluctuations to minimize their impact on financial results of its activity.
The main risks the Group's activity is exposed to are credit risk, liquidity risk and market risk which appear in the accounting period of the Group. Description of Group policy related to these risks control is represented below.

Credit risk

The Group is exposed to credit risk, i.e. risk of one party's default on obligation to repay its accounts receivables which causes the other party to incur financial losses.
Direct credit risk consists in loss risk as a result of contra party default according to the issues of financial statement. The Group does not expect its contra party default taking into consideration their credit quality.
The calculation of credit risk due to owned assets by the dates of 31.12.2011 and 31.12.2010 is shown as follows:

(thousand tenge)

	Remark	Total amount of maximum risk, December 31.12.2011	Total amount of maximum risk, December 31,2010
Monetary funds	4	137 787	561 429
Short-term accounts receivable	5	1 808 199	3 988 767
Long-term accounts receivable	9	2 424 718	46 611
Total amount of credit risk		**4 370 704**	**4 596 807**

Money funds classification according to credit score by the date of 31.12.2011

(thousand tenge)

Article	AAA+ to AAA-	BBB+ to BBB-	lower than BBB-	Without score	Total
Money funds	-	137 787	-	-	137 787
Short-term accounts receivable	-	-	-	1 808 199	1 808 199
Long-term accounts receivable	-	-	-	2 424 718	2 424 718
	-	**137 787**	-	**4 232 917**	**4 370 704**

Liquidity risk

Liquidity risk is the risk due to which the Group will not be able to fulfill its liabilities in payments by the moment of the period of debts extinguishing in ordinary or extraordinary circumstances. To limit this risk the headquarters provided the availability of different sources of support in addition to the existing capital fund of bank deposits. The headquarters also provide assets control taking into account liquidity, and daily monitor for further money flows and liquidity. This process includes assessment of expected money flows and presence of high-quality provision which could be used to obtain additional finance in case of necessity.

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(in thousand of Kazakhstan's tenge)

The Group controls the risk of liquidity by means of policy of the Group on risk liquidity management, which determines what risk of liquidity for the Group is; it states minimum meaning of relation of means for satisfaction of extra requirements about repayment; it states plans of financing of unforeseen costs; it determines financing sources and events which will come the plan into force; concentration of financing sources; monitoring of policy adhering on liquidation risk and policy review on risk liquidity control for relevance and correspondence to changes in surrounding conditions.

In connection with using of loan means and great amounts of received prepayments by the Group the risk of liquidity is rather high. The result of this is increasing of current financial obligations over current financial assets as of December 31, 2011 in amount of 15 589 414 thousand KZT that can play negative role on financial position of the Group in future.

			December 31, 2011				
	Poste restante	**Less than 1 month**	**1 to 3 months**	**3 month to 1 year**	**1 year to 3 years**	**Over 3 years**	**Total**
Financial assets:							
Monetary funds	137 787	-	-	-	-	-	137 787
Short-term accounts receivable	-	136 780	734 507		-	-	1 808 199
Long-term accounts receivable	-	-	-		2 424 718	-	2 424 718
	137 787	**136 780**	**734 507**	**936 912**	**2 424 718**	**-**	**4 370 704**
Financial liabilities:							
Short-term financial liabilities	-	-	215 617	5 340 778	-	-	5 556 395
Short-term accounts receivable	-	43 244	317 872	986 419	-	-	1 347 535
Long-term financial liabilities	-	-	-	-	348 758	4 004 253	4 353 013
Liability for dividends on preferred shares	-	-	-	-	8 703 175	-	**8 703 175**
	-	**43 244**	**533 489**	6 327 197	9 051 933	4 004 255	19 960 118
Net position	**137 787**	**93 536**	**201 018**	**(5 390 285)**	**(6 627 215)**	(4 004 255)	**(15 589 414)**

			December 31, 2009				
	Poste restante	**Less than 1 month**	**1 to 3 months**	**3 month to 1 year**	**1 year to 3 years**	**Over 3 years**	**Total**
Financial assets:							
Monetary funds	561 429	-	-	-	-	-	561 429
Short-term accounts receivable	-	26 604	815 171	3 146 992	-	-	3 988 767
Long-term debit indebtedness	-	-	-	-	46 611	-	46 611
	561 429	**26 604**	**815 171**	**3 146 992**	**46 611**	**-**	**4 596 807**
Financial liabilities:							
Short-term financial liabilities	-	-	-	833	5 266 917	-	3 267 750
Short-term accounts receivable	-	-	10 544	100 810	1 507 716	-	1 619 070
Long-term financial liabilities	-	-	-	-	500 469	7 035 152	7 535 621
Long-term creditor indebtedness	-	-	-	-	18 781	-	18 781
Liability for dividends on preferred shares	-	-	-	-	-	8 703 175	8 703 175
	-	-	**10 544**	**101 643**	**7 293 883**	**15 738 327**	**23 144 397**
Net position	**561 429**	**26 604**	**804 627**	**3 045 349**	**(7 247 272)**	**(15 738 327)**	**(18 547 590)**

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(in thousand of Kazakhstan's tenge)

Market risk

Market risk is loss probability connected with injurious movements of financial markets (in consequence of changing of market cost of financial instruments, interest rates, foreign currency rate and precious metals). Market risks include currency risk, price risk and interest risks.

Currency risk

Currency risk is risk connected with financial the fact that financial assets is subject to oscillatory movements because of changes in currency rates.

Amounts of short term and long term debt of the Group shown in USD and EURO shall be counted in KZT. Decreasing of KZT rate related to foreign currencies can increase expenses of the Group in connection with the increase of exchange rate. The Group limits currency risk by means of monitoring of changing of exchange rates of foreign currencies in which money, debit and credit debt and loans are represented.

Assets and obligations which are represented in foreign currency and proposed monetary flows on purchases and selling with high level of probability cause amenability of currency risk.

Because of changes in economical conditions the currency basket can also be changed during financial year.

Balance cost of monetary assets and monetary obligations of the Group which are shown in foreign currency at report date is represented on the following:

	December 31, 2011					
	Tenge	**USD**	**Euro**	**British pound sterling**	**Russian ruble**	**Total**
Financial assets:	127 065	-	10 722	-	-	137 787
Monetary funds	1 808 199	-	-	-	-	1 808 199
Short-term accounts receivable	4 424 718	-	-	-	-	2 424 718
Long-term accounts receivable	**4 359 982**	-	**10 722**	-	-	**4 370**
Financial liabilities:						
Short-term financial liabilities	**4 675 395**	**881 000**	-	-	-	5 556 395
Short-term accounts receivable	**1 331 959**	**3 997**	5 472	3	6 104	1 347 535
Long-term financial liabilities	4 353 013	2-	-	-	-	4 353 013
Liability for dividends on preferred shares	8 703 175	-	-	-	-	**8 703 175**
	19 063 542	884 997	5 472	3	6 104	19 960 118
Net position	(14 703 560)	(884 997)	5 250	(3)	**(6 104 0**	**(15 589 414)**

	December 31, 2010					
	Tenge	**USD**	**Euro**	**British pound sterling**	**Russian ruble**	**Total**
Financial assets:	561 429	-	-	-	-	561 429
Monetary funds	3 988 767	-	-	-	-	3 988 767
Short-term accounts receivable	46 611	-	-	-	-	46 611
Long-term accounts receivable	4 596 807	-	-	-	-	4 596 807

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Financial liabilities						
Short-term financial liabilities	4 704 327	532 308	31 115	-	-	5 267 750
Short-term credit debt	1 619 070	-	-	-	-	1 619 070
Long-term financial liabilities	7 472 281	63 340	-	-	-	7 535 621
Long- term financial liabilities	18 781	-	-	-	-	8 703 175
Preferred shares dividends liabilities	22 517 634	595 648	31 115	-	-	23 144 397
Net position	**(17 920 827)**	**(595 648)**	**(31 115)**	-	-	**(18 547 590)**

Main Group money flows are formed on a large scale of tenge, USD and EURO. As a result further tenge to USD and tenge to EURO exchange rate fluctuations may influence cash assets balance value and Group obligations expressed in terms of USD and EURO.
Next table represents the change of financial result and internal funds as a result of exchange rare fluctuations used by the reporting date supposing that the rest of characteristics stay the same.

Currency	**Exchange rate**					
	Parallel shift By 31.12.2011	**10% rise**	**10% decrease**	**Parallel shift By 31.12.2010**	**10% rise**	**10% decrease**
USD	148.4	163.24	133.56	147.5	162.25	132.75
EURO	191.72	210.89	172.55	196.88	216.568	177.192

(thousand tenge)

	31.12.2011 Income or loss influence	**31.12.2010 Income or loss influence**
Strengthening of USD by 10%	(88 500)	(59 565)
Weakening of USD by 10%	88 500	59 565
Strengthening of EURO by 10%	525	(3 112)
Weakening of EURO by 10%	(525)	3 112

Interest-rate risk
The Group is slightly exposed to interest-rate risk as bank loans obtained at fixed rate of interest.

Any other price risk
The Group is slightly exposed to price risk as a consequence of absence of operation with financial instruments sensitive to the change of market prices.

Risk connected with monetary movement
Risk connected with the monetary movement involves risk of further monetary movement volume fluctuations related to the monetary financial instrument.
The Group controls this risk through regular budgeting and monetary movement analysis.

Risk of early repayment
Risk of early repayment involves the risk of Group sustaining financial losses caused by their clients and contra parties repaying or requiring repayments earlier or later than expected.

Risk connected with accidents and natural disasters
The Group endeavors to take necessary measures to minimize all financial, reputational and other losses of the Group itself and its clients through preventive methods of risks control or by means of policy of assurance.

Transaction exposure

Transaction exposure is a risk which arises as consequence of system failure, staff errors, fraudulent activities or external events. When the control system stops operating transaction exposures may threaten the reputation, result in legal effect or lead to financial losses. The Group cannot suppose that all transaction exposures are eliminated but with the help of control system, monitoring and proper respond to potential risks it is able to adjust them. The control system provides effective separations of duties, access rights, approval and verification procedure, staff training and estimation procedure.

Industry risk

High level of reduction in yields risk due to climate change which can influence financial result is particular for agriculture.

46. Fair market value of financial instruments

Balance fair value of monetary funds, short-term accounts receivable and accounts payable is close to their fair value as a consequence of short term operation of these financial instruments.

47. Funds control

The main goal of the Group in relation to funds control is implementation of creditworthiness and proper level of capital adequacy of Group activity and shareholders' profit maximization.

The Group controls capital structure and changes it corresponding to the economical circumstances changes.

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