



RG BRANDS JSC & SUBSIDIARIES

NOTES

to the Interim Consolidated Financial Statements
as at 30 June 2016
(in KZT thousands unless stated otherwise)

1. GENERAL

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

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

As at 30 June 2016 and 31 December 2015 the registered share capital of RG Brands JSC was KZT 2,787,696 thousand. As at 30 June 2016 and 31 December 2015 the share capital comprised 3,452,730 common shares amounting to KZT 1,840,296 thousand and 789,500 preferred shares amounting to KZT 947,400 thousand. The share capital was paid in full.

As at 30 June 2016 and 31 December 2015 shareholders of the Company were as follows:

Shareholders	Interest		Common Shares		Amount	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Mr. T.S. Kaltayev	0.95%	1.14%	30 000	36 024	33 400	34 375
Mr. K.K. Mazhibayev	61.77%	61.72%	1 944 771	1 944 771	944 726	944 726
Mr. A. Agybayev	0.72%	0.72%	22 655	22 655	24 780	24 780
Mr. R. Bayazero	0.90%	0.78%	28 355	24 653	34 178	26 779
Mr. A.V. Khalyapin	0.01%	0.01%	138	138	501	501
SUCCESSFUL INVESTMENT TRUST LLP	8.89%	8.89%	279 968	279 968	258 948	258 948
Mr. Y.Zh. Koshkimbayev	26.76%	26.74%	842 384	842 384	397 751	397 751
Total	100.0%	100.0%	3 148 271	3 150 593	1 694 285	1 687 860

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

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

	Ownership interest		Voting right	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
RG Brands Kazakhstan LLP	100%	100%	100%	100%
Uni Commerce Ltd.	100%	100%	100%	100%
RG Brands Kyrgyzstan LLC	100%	100%	100%	100%
RG Brands Tashkent LLC	100%	100%	100%	100%
PRG Bottlers Kazakhstan LLP	100%	100%	100%	100%
RG Brands North LLC	100%	-	100%	-

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

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

On 27 January 2004 RG Brands JSC acquired 99.9933% interest in the charter capital of Uni Commerce Ltd. Uni Commerce Ltd. was registered in 2003 to transfer the sale and distribution business of actual shareholders to the Group. On 28 November 2005 and 17 June 2008 RG Brands JSC acquired additional 0.0022% and 0.0045% interests in the charter capital of Uni Commerce Ltd. from the minority shareholder. Accordingly, as at 31 December 2009 RG Brands held 100% interest in the charter capital of Uni Commerce Ltd.

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

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

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

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

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

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

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

Bottling Agreements with PepsiCo and Seven-Up International

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

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

2. BASIS OF PREPARATION

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

The reporting period is from 01 January to 30 June 2016.

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

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

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

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

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

3. KEY ACCOUNTING POLICIES

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

4. REVENUE

Revenue was as follows:

	6 months of 2016	6 months of 2015	(KZT'000)
Revenue from sale of juices, juice-containing drinks	6 012 283	4 045 813	
Revenue from sale of packaged tea	6 764 557	5 092 015	

Revenue from sale of alcohol-free beverages	7 550 644	7 067 958
Revenue from sale of packaged milk	1 960 718	2 395 598
Revenue from sale of chips	249 584	255 675
Revenue from sale of goods for resale	27 364	25 679
	<u>22 565 150</u>	<u>18 882 738</u>

5. COST OF SALES

Cost of sales was as follows:

	6 months of 2016	6 months of 2015
Materials	12 475 811	9 754 854
Depreciation and amortisation	655 778	567 241
Salaries and related taxes	387 092	411 251
Utilities	182 111	156 930
Repair	210 643	189 667
Cost of goods acquired for sale	22 315	
Other costs	44 267	18 424
	<u>13 978 017</u>	<u>11 098 367</u>

(KZT'000)

6. SELLING EXPENSES

Selling expenses were as follows:

	6 months of 2016	6 months of 2015
Transportation expenses	1 248 398	1 280 619
Salaries and related taxes	365 866	350 346
Advertising campaigns and marketing research	1 571 070	1 290 464
Expenses for sales reps	979 480	639 465
Other selling costs	158 492	18 644
Amortisation	457 613	311 254
Lease of vehicles, warehouses and office premises	148 508	162 704
Travel expenses	4 541	5 861
Recovery of selling expenses	(606 228)	-
	<u>4 327 740</u>	<u>4 059 357</u>

(KZT'000)

7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	6 months of 2016	6 months of 2015
Salaries and related payments	811 692	806 414
Write-off of defected goods, losses of raw materials and supplies	43 394	38 839
Consulting services	164 928	140 904
Penalties and fines	269	4 283
Depreciation and amortisation	67 782	31 153
Taxes other than income tax	87 142	75 409
Bank services	62 096	67 447
Transportation charges	48 685	45 360
Utilities	15 858	26 216
Travel expenses	32 126	36 918
Communication services	13 363	18 454
Insurance	5 299	4 671
Provision for unused employee leaves	28 927	23 263
Accrual/(reversal) of provision for doubtful debts	-	820
Other costs	290 622	166 003
	<u>1 672 183</u>	<u>1 486 155</u>

(KZT'000)

8. FINANCE COSTS

Finance costs were as follows:

	6 months of 2016	6 months of 2015	(KZT'000)
Interest on bank and other loans	833 204	527 521	
Interest accrued on bonds	2 126	1 831	
	<u>835 330</u>	<u>529 352</u>	

9. OTHER COSTS/GAINS

Other costs were as follows:

(Loss)/income from disposal of property, plant and equipment
Other operating expenses, net
Other

	6 months of 2016	6 months of 2015	(KZT'000)
(Loss)/income from disposal of property, plant and equipment	4 783	1 725	
Other operating expenses, net	(16 231)	(27 403)	
Other	(11 995)	(17 241)	
	<u>(23 444)</u>	<u>(42 920)</u>	

10. EARNINGS PER SHARE

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

	6 months of 2016	6 months of 2015	(KZT'000)
Net profit (loss) for the year attributable to equity holders	1 896 767	1 423 670	
Weighted average number of common shares	<u>3 146 420</u>	<u>3 150 593</u>	
Basic loss/earnings per share, KZT	<u>602</u>	<u>452</u>	

Calculation of carrying amount per common share

Net assets of the Group excl. intangible assets

Number of outstanding common shares

Carrying amount per common share, KZT

	at 30.06.2016	at 31.12.2015
Net assets of the Group excl. intangible assets	13 847 253	8 526 974
Number of outstanding common shares	<u>3 148 271</u>	<u>3 150 593</u>
Carrying amount per common share, KZT	<u>4 398</u>	<u>2 706</u>

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

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

$$4,398 = 13,847,253 / 3,148.271$$

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

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

TA – issuer's assets recognised in the issuer's statement of financial position as at the calculation date;

IA – intangible assets in the issuer's statement of financial position as at the calculation date;

TL – liabilities in the issuer's statement of financial position as at the calculation date;

PS – balance of Authorised Capital, Preferred Shares item in the issuer's statement of financial position as at the calculation date.

$$13,847,253 = (44,923,650 - 68,672) - 31,007,725$$

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

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

BVPS2 – (book value per preferred share of the second group) carrying amount per preferred share of the second group as at the calculation date;

NOPS2 – number of outstanding preferred shares of the second group as at the calculation date;

LPS – balance of preferred shares recorded as liabilities in the issuer's statement of financial position as at the calculation date

1,200= 947,400/ 789,500

11. PROPERTY, PLANT AND EQUIPMENT

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

(KZT'000)

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Historical cost							
At 1 January 2016	1 234 389	5 479 879	19 682 010	343 944	810 382	653 834	28 204 438
Additions		2 822	246 083	1 251	37 557	105 006	392 719
Revaluation surplus			4 574 208				4 574 208
Internal relocation			(12 529)		(2 932)	15 461	-
Disposal			(7 648 486)	(42 894)	(15 369)		(7 706 749)
At 30 June 2016	<u>1 234 389</u>	<u>5 482 701</u>	<u>16 841 286</u>	<u>302 302</u>	<u>829 637</u>	<u>774 301</u>	<u>25 464 616</u>
Accumulated depreciation							
At 1 January 2016	-	(1 160 847)	(8 669 384)	(223 644)	(646 094)	-	(10 699 969)
Accrued for the period		(278 193)	(857 436)	(19 571)	(50 982)		(1 206 181)
Disposal			7 626 571	41 960	21 238		7 689 769
At 30 June 2016	<u>-</u>	<u>(1 439 040)</u>	<u>(1 900 249)</u>	<u>(201 254)</u>	<u>(675 837)</u>	<u>-</u>	<u>(4 216 381)</u>
Carrying amount at 30 June 2016	<u>1 234 389</u>	<u>4 043 662</u>	<u>14 941 036</u>	<u>101 048</u>	<u>153 800</u>	<u>774 301</u>	<u>21 248 236</u>

On 30 March 2016 Kazakhstan Business Service Company LLP performed evaluation of equipment based on Contract No.2016-01-44 dated 01 March 2016.

12. ACCOUNTS RECEIVABLE

As at 30 June 2016 accounts receivable were as follows:

(KZT'000)

Counterparty	at 31.12.2015	Total debits	Total credits	at 30.06.2016
Trade accounts receivable				
Tandem Trade Company LLP	49 746,02	117 856,33	123 668,54	43 933,82
SOBI.TD LLP Aktau	115 444,74	615 301,44	595 124,25	135 621,93
Basis-Trade LLP Aktobe	37 614,70	620 369,37	606 112,38	51 871,69
Pivnoye Podvoriye LLP Aktobe	15 734,13	540 709,11	533 334,98	23 108,26
G.K. Akhmetbekov Sole Proprietor	29 713,01	197 385,22	196 790,95	30 307,29
Valentina Alexandrovna Malinovskaya Sole Proprietor	0	127 845,00	102 485,15	25 359,85
CARAT LLP Petropavlovsk (DR)	2 176,12	138 585,45	120 344,98	20 416,59
Rakhat-Siberia LLC		24 762,85	46,81	24 716,04
Andrey Anatolievich Rusakov Sole Proprietor	16 701,91	165 852,62	141 667,00	40 887,53
V.V. Sagokon Sole Proprietor	25 660,63	209 944,52	188 858,99	46 746,16
Rakhimzhanov Sole Proprietor Semey	63 179,32	416 462,48	408 179,53	71 462,27
Magnolia LLP, Taraz (DR)	52 758,02	797 109,67	738 792,38	111 075,31
Mereke LLP Kokshetau	30 627,47	288 618,27	282 022,68	37 223,05
Trigon LLC	11 766,51	115 136,60	105 504,08	21 399,02
ProdInter LLP, Uralsk	2,00	490 599,58	456 202,02	34 399,56
FILBI LLC		322 690,50	168 664,26	154 026,24
Magnum Cash&Carry LLP	118 192	51 908	50 490	119 610
Ramstore Kazakhstan LLP	41 587	3 412	20 214	24 785
Other	842 142	909 319	464 791	1 286 670
TOTAL	1 453 046	6 153 868	5 303 294	2 303 620

Advances paid				
Empresas Carozzi S.A.		24 851,52		24 851,52
Hoogwert International B.V		340 739,42	107 005,53	233 733,89
Tetra Pak Kazakhstan Ltd		527 216,30	429 589,43	97 626,87
Asia International Company LTD	10 000,00	70 216,13	12 243,67	67 972,46
Zhashyleha LLC	0	40 841,73	18 732,16	22 109,56
AS-AN Firm LLP		104 992,00	60 044,00	44 948,00
G-FORCE LLP		11 832,47		11 832,47
Agro 2020 LLP		18 000,00		18 000,00
Globopack LLP	540,00	17 685,00	7 680,00	10 545,00
A.N. Dzhakenov Sole Proprietor		11 102,00		11 102,00
Issyk Fruit Canning Plant LLP	82 833,28		42 402,15	40 431,13
O.A.Nam Sole Proprietor	5 100,00	5 100,00		10 200,00
RTS Distribution LLP	13 980,00	0	975,00	13 005,00
Omnigift LLC		12 638,82		12 638,82
Mira Sezar LLC	8 914,46			8 914,46
Other	195 434	74 899	236 086	34 248
TOTAL	316 802	1 260 114	914 758	662 159

13. INVENTORY

	(KZT'000)	
	at 30.06.2016	at 31.12.2015
Finished goods	3 463 635	2 086 520
Raw material	2 151 639	1 400 926
Packing material	1 217 194	602 828
Other	511 154	474 430
Spare parts	214 533	200 535
Less provision for hard-to-sell and obsolete inventories	(37 250)	(33 627)
	<u>7 520 905</u>	<u>4 731 612</u>

14. OTHER FINANCIAL ASSETS

	(KZT'000)	
	at 30.06.2016	at 31.12.2015
Investments available for sale	-	4 197
Investments held for trading	2 520 061	2 678 963
	<u>2 520 061</u>	<u>2 683 160</u>

15. OTHER CURRENT ASSETS

	(KZT'000)	
	at 30.06.2016	at 31.12.2015
Other receivables	301 556	209 523
Employee debts	125 209	55 560
Other recoverable tax	106 714	75 643
Recoverable VAT	53 983	
Other receivables	223 056	265 821
Prepaid expenses	45 920	13 901
Less provision for doubtful debts	(149 353)	(127 469)
	<u>707 085</u>	<u>492 979</u>

16. LOANS AND BONDED DEBTS

Below is the information of loans and other financial liabilities as at 30 June 2016:

Creditor	Loan currency	Average rate, % per annum	at 31.12.2015	Total		at 30.06.2016	Maturity date
				Debits	Credits		
Asian Development Bank	USD'000	3.50%	11 250,00	2 500,00	1 250,00	10 000,00	
Administrative Expense Acco	KZT'000		3 825 112,50	1 271 625,00	833 112,50	3 386 600,00	2020
	USD'000		-116,62			-116,62	
ADB discount	KZT'000		-39 653,61	4 026,80	12 155,54	-31 524,94	
Kazinvest Bank JSC	KZT'000	6.00%	1 200 000,00	814 285,71	814 285,71	1 200 000,00	2020
Europe Development Bank (2015)	KZT'000	8.75%	5 443 409,00	1 088 681,81	544 340,90	4 899 068,18	2020
EBRD discount (2015)	KZT'000		-48 250,00		8 800,61	-39 449,33	
Al Hilal Bank JSC	KZT'000	7.50%	1 182 939,00	2 232 674,43	1 937 470,57	887 734,94	2019

Nurbank JSC	KZT'000	8.00%	990 000,00	990 000,00		0,00	2016
International Finance Corporation	KZT'000	9.50%	3 008 801,00	250 733,38	250 733,38	3 008 801,00	2022
International Finance Corporation discount	KZT'000		-72 546,00		9 137,20	-63 409,00	
Subsidiary Bank "ALFA BANK", OJSC	KZT'000	19%			519 860,00	519 860,00	2016
Subsidiary Bank "ALFA BANK", OJSC	RUB'000	12.00%	159 158,00			159 158,00	2016
	KZT'000		733 718,38	41 381,08	148 016,94	840 354,24	
Subsidiary Bank "ALFA BANK", OJSC	KZT'000	19.00%	300 000,00	300 000,00		0,00	2016
ATF Bank JSC	KZT'000	5.50%	666 667,00	249 999,90	166 666,66	583 333,33	2019
SHINHAN BANK KAZAKHSTAN	KZT'000	7.00%	553 000,00	553 000,00	553 000,00	553 000,00	2016
Development Bank of Kazakhstan	KZT'000	6.00%	3 000 000,00	2 239 000,00	2 239 000,00	3 000 000,00	2017

Creditor	Loan amount, total	Maturity date						
		2016	2017	2018	2019	2020	2021	2022
Subsidiary Bank "ALFA BANK", OJSC	519 860	519 860						
Subsidiary Bank "ALFA BANK", OJSC	840 354	840 354						
Kazinvest Bank JSC	1 200 000		878 571	128 571	128 571	64 286		
Europe Development Bank (2015)	4 899 068	544 341	1 088 682	1 088 682	1 088 682	1 088 682		
International Finance Corporation	3 008 801		501 467	501 467	501 467	501 467	501 467	501 467
Al Hilal Bank JSC	887 735	295 204	320 795	217 389	54 347			
Asian Development Bank Administrative Expense Acco	3 386 600	451 166	810 371	850 025	850 025	425 013		
SHINHAN BANK KAZAKHSTAN	553 000	553 000						
Development Bank of Kazakhstan	3 000 000	761 000	2 239 000					
ATF Bank JSC	583 333	83 333	166 667	166 667	166 667			
Total	18 878 752	4 048 258	6 005 553	2 952 801	2 789 759	2 079 447	501 467	501 467

	at 30.06.2016	at 31.12.2015
Loans	18 878 752	20 903 647
Discount	(134 383)	(160 450)
Loan %	167 152	142 868
Factoring		64 707
TOTAL	18 911 521	20 950 772

17. ACCOUNTS PAYABLE

As at 30 June 2016 accounts payable were as follows:

(KZT'000)

Counterparty	at 31.12.2015	Total debits	Total credits	at 30.06.2016
Long-term accounts payable for equipment	84 520	48 473	7 700	43 746
TETRA LAVAL CREDIT AB	84 520	48 473	7 700	43 746
Short-term accounts payable	6 827 349	14 152 770	16 644 712	9 319 291
Asian Tea Company Private Limited	2 253 621	3 847 129	3 883 131	2 289 622
CAMBERG TRADE LP		2 402	45 873	43 471
CHAI TRADING DMCC A DUBAI MULTI-COMMODITIES COMPAN		70 536	133 116	62 580
China Resources Packaging Materials Co.,Ltd			96 201	96 201
DOHLER HOLLAND	47 459	192 691	227 870	82 638
ED&F MAN SUGAR LTD	0	336 055	1 158 395	822 340
Gan-Shmuel Foods LTD	152 850	186 722	144 506	110 633
HYUNDAI CORPORATION	90 975	764 839	942 322	268 457
Kagazy Recycling TOO	53 777	244 642	279 164	88 299
KASKAT SP. Z O.O.	125 951	347 472	316 783	95 263

P.E.T. LLP	27 468	587 470	782 734	222 732
PEPSI LIPTON INTERNATIONAL	0	512 988	693 766	180 778
Pepsi-Cola International, Cork	901 278	1 426 740	1 440 009	914 547
Shaanxi Hengtong Fruit Juice	22 704	251 591	293 522	64 635
TEEPACK Spezialmaschinen GmbH AND Co.KG.	77 611	85 132	58 442	50 922
TETRA LAVAL CREDIT AB	99 130	59 902	52 719	91 947
TETRA PAK Global Distribution S.A.	136 561	48 829	193 042	280 774
Tetra Pak Kazakhstan Ltd	18 926	857 429	1 633 552	795 048
VAN REES B. V.	253 161	2 247 179	2 802 736	808 719
Xinjiang Ionran intl engineerin & technology Co.,L	146 012	364 769	304 537	85 780
Alaska-Poligraphoformleniye LLC	32 091	65 254	145 265	112 103
Borusan Makina Kazakhstan LLP	32 439	33 955	93 840	92 324
Dohler Kazakhstan LLP	29 117	190 021	250 412	89 508
Branch of Plasform ambalaj sanayi ve ticaret A.S	55 298	238 519	230 609	47 388
AC NIELSEN Kazakhstan LLP	34 301	58 633	64 459	40 127
DOMUS PRINT LLP		34 364	72 938	38 575
L.A.B. INTERNATIONAL KENYA LIMITED	268 230	299 837	83 512	51 904
ZAO WHITE	58 964	116 594	93 788	36 157
Other	1 909 425	681 073	127 467	1 355 819
TOTAL	6 827 349	14 152 770	16 644 712	9 319 291

18. TAXES PAYABLE

	(KZT'000)	
	at 30.06.2016	at 31.12.2015
Value added tax	138 035	1 002 281
Personal income tax	32 083	
Other taxes	136 956	52 794
Corporate income tax		91 388
Social tax	23 992	
	<u>331 066</u>	<u>1 146 463</u>

19. OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	(KZT'000)	
	at 30.06.2016	at 31.12.2015
Employment expenses accrued	165 695	121 651
Employee leave allowances and bonuses accrued	277 896	248 271
Advances received	384 230	10 199
Other accrued liabilities	33 509	30 300
	<u>861 330</u>	<u>410 421</u>

20. OPERATING AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where 82% of the business is done, the management determined that the Group segmentation base is best reflected by the following business lines:

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

	Production of juice and juice- containing beverages	Food stuff	Franchise	Trading	(KZT'000) Consolidated
Period ended 30 June 2016.					
Revenue	6 013 441	8 974 859	7 549 487	27 363	22 565 150
Operating profit (loss) before tax	998 556	858 758	139 798	-	1 997 112
Income tax expense	(50 172)	(43 148)	(7 024)	-	(100 345)
Net profit/(loss)	948 384	815 610	132 774	-	1 896 767
Depreciation and amortization	245 652	473 445	383 965	-	1 103 061
Acquisition of property, plant and equipment and intangible assets	39 272	106 034	247 413	-	392 719

	Production of juice and juice- containing beverages	Food stuff	Franchise	Trading	Consolidated
Period ended 30 June 2016					
Segment assets	18 177 809	10 589 116	16 156 725	-	44 923 650
Deferred income tax assets	-	-	-	-	-
Total assets	18 177 809	10 589 116	16 156 725	-	44 923 650
Segment liabilities	13 625 399	6 785 528	9 112 726	-	29 523 654
Deferred income tax liabilities	445 542	609 142	429 387	-	1 484 071
Total liabilities	14 070 941	7 394 671	9 542 112	-	31 007 725

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

	6 months of 2016	6 months of 2015
Kazakhstan	18 473 069	16 034 801
Kyrgyz Republic	2 157 963	1 340 375
Russia	1 885 874	1 322 744
Turkmenistan	0	140 165
Tajikistan	47 379	32 383
Mongolia	0	12 270
France	865	0
	22 565 150	18 882 738

21. RETIREMENT BENEFITS

In accordance with the requirements of the laws of the Republic of Kazakhstan, the Group makes 10% pension contributions from the employee salaries. However, subject to the Republic of Kazakhstan laws, this amount per employee shall not exceed KZT 171,442.5 a month since 1 January 2016; previously monthly contributions per employee amounted to KZT 160,230. These amounts are expensed as incurred. Contributions to the pension funds are deducted from the employee salary and recognised in the total salaries paid in the consolidated statement of comprehensive income.

As of 30 June 2016 the Group had no liabilities to its current or former employees on additional pension contributions, postretirement medical benefits, insurance payments or other retirement benefits.

22. RELATED PARTIES

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

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

Trading transactions – as at 30 June 2016 and 31 December 2015

Trading transactions with the related parties include:

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

(KZT'000)

	Sale		Acquisition	
	Period ended 30 June 2016	Period ended 31 December 2015	Period ended 30 June 2016	Period ended 31 December 2015
RESMI Group LLP	5 000	20 610	76 115	-
Jointly controlled companies	472	364 017	16 637	219 705
	Accounts receivable		Accounts payable	
	At 30 June 2016	At 31 December 2015	At 30 June 2016	At 31 December 2015
RESMI Group LLP				
Trade and other operations payable	-	-	-	-
Jointly controlled companies				
Trading transactions	190 724	102 610	-	27 518
Transactions in securities	-	-	-	-
Broker's debt	56 079	56 968	-	-
Managed money	4 809	4 809	-	-
Temporary financial aid	49 945	49 945	-	-

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

23. EVENTS AFTER THE REPORTING DATE

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

Acting Chairman of the Management Board

Chief Financial Officer

Chief Accountant



Askat Agybayev

Askat Agybayev

Nataliya Ivanova