



RG BRANDS JSC & SUBSIDIARIES

NOTES

to the Interim Consolidated Financial Statements
as at 30 September 2012
(in KZT thousands unless stated otherwise)

1. GENERAL

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

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

As at 30 September 2012 and 31 December 2011 the registered share capital of RG Brands JSC was KZR 1,840,296. As at 30 September 2012 and 31 December 2011 the registered share capital was paid in full.

In December 2011 RG Brands JSC repurchased 22,702 own common shares from the shareholders. For 9 months of 2012 the Group repurchased 266,135 own common shares from the shareholders.

So as at 30 September 2012 and 31 December 2011 the Company shareholders were as follows:

Shareholder	Holding		Quantity of shares		Amount	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011	30.09.2012	31.12.2011
RESMI Group JSC	21.99%	86.55%	759 334	2 988 455	759 334	1 516 931
Innova Investment LLP	22.53%	0.00%	777 771	-	161 130	-
Resmi Direct Investments LLP Successful Investment Trust	23.33%	0.00%	805 641	-	65 414	-
LLP	7.85%	0.00%	271 198	-	250 178	-
Mr. A.S.Zhanalinov	0.00%	4.13%	-	142 709	-	81 372
Mr. M.Y. Kiyambekov	0.00%	1.70%	-	58 672	-	29 708
Mr. T.S.Kaltayev	1.30%	1.30%	45 024	45 024	34 384	34 384
Mr. K.K.Mazhibayev	11.82%	0.98%	408 251	33 740	382 976	37 493
Mr. A.Y.Agibayev	0.66%	0.66%	22 655	22 655	24 780	24 780
Mr. R.D.Bayazerov	0.84%	0.84%	28 953	28 953	27 345	27 345
Mr. A.A.Kanafin	0.70%	0.70%	24 046	24 046	26 119	26 119
Mr. Y.M.Ibrayev	0.00%	1.84%	-	63 438	-	34 900
SMART WAY LTD	0.60%	0.60%	20 882	20 882	20 882	20 882
Mr. A.V.Khalyapin	0.00%	0.01%	138	138	501	501
Mr. A. Mujtaba	0.00%	0.03%	-	1 316	-	1 316
Withdrawn capital	8.37%	0.66%	288 837	22 702	151 861	4 564
	<u>100.0%</u>	<u>100.0%</u>	<u>3 452 730</u>	<u>3 452 730</u>	<u>1 904 904</u>	<u>1 840 296</u>

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

	Ownership Interest		Voting Right	
	2012	2011	2012	2011
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%

RG Brands began production and filling 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 trade marks 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. Uni Commerce LLP 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 acquired additional 0.0022% and 0.0045% interests in the charter capital of Uni Commerce 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 September 2012 RG Brands JSC owned 100% authorised capital of RG Brands Kyrgyzstan LLC registered on 11 March 2004. The interest of the minority shareholder was purchased on 7 October 2008.

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

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

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

The Head Office of the Company is located in Almaty. Production capacities are located in Almaty, Almaty Oblast, and Kostanai, Republic of Kazakhstan. As specified above, the Company is also present in the Kyrgyz Republic and Republic of Uzbekistan to implement 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 on 22 July 2000. On 1 April 2008 the Group signed the new exclusive bottling agreements under which 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.

On 12 January 2009 PepsiCo Inc., Seven-Up and the Group entered into the agreement providing the right to export PepsiCo Inc. products to Kyrgyzstan, which was extended to 31 December 2012 included through signing of the additional agreement on 01 February 2012.

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 Accounting Standard (hereinafter “IAS”) 34 *Interim Financial Statements*.

The reporting period is from 01 January through to 30 September 2012.

Persons in charge for the preparation of the consolidated financial statements are as follows:

Chief Financial Officer – Mr. AsylbekAbdukhalykovichAidarkulov;
Chief Accountant – Ms. Yelena VladimirovnaChumichyova.

The Group keeps accounts in Kazakhstan minetary 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.

