

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at 31 March 2017

**Consolidated Statement of Profit and Loss and Other Comprehensive
Income for the Period Ended
31 March 2017**

(KZT'000)

	Note	3 months of 2017	3 months of 2016
REVENUE	4	10 197 714	9 411 789
COST OF SALES	5	(6 201 139)	(5 890 458)
GROSS PROFIT		3 996 575	3 521 332
Selling expenses	6	(1 808 106)	(1 176 543)
General and administrative expenses	7	(911 034)	(756 962)
OPERATING INCOME		1 277 435	1 587 827
Finance costs	8	(503 647)	(249 257)
Exchange loss		(450 316)	92 073
Investment income		3 034	62 724
Other (costs)/gains	9	(7 371)	(32 516)
PROFIT BEFORE TAX		319 135	1 460 850
Income tax payable		(112 542)	(86 657)
PROFIT/LOSS FOR THE PERIOD		206 593	1 374 193
Property, plant and equipment revaluation surplus less income tax		-	4 737 804
Exchange difference from foreign entity translation into the reporting currency during the period		4 822	(20 566)
Other comprehensive income		4 822	4 717 238
TOTAL COMPREHENSIVE INCOME		211 415	6 091 430
Earnings per common share, KZT	10	66	437

For the Group Management:

Devael Hans Alexander

Chairman of the Management
Board

Askat Agybayev

Chief Financial Officer

Daulet Uvaliyev

Chief Accountant

**Consolidated Statement of Financial Position
as at 31 March 2017**

(KZT'000)

	Note	At 31 March 2017	At 31 December 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	21 286 701	21 525 727
Investment property		527 842	507 889
Advances paid		22 815	20 500
Goodwill		68 026	68 026
Intangible assets		64 681	66 107
Total non-current assets		<u>21 970 065</u>	<u>22 188 249</u>
CURRENT ASSETS			
Inventory	13	8 516 986	7 115 482
Trade accounts receivable	12	1 706 516	2 082 152
Short-term advances paid	12	516 937	425 539
Other financial assets	14	-	-
Other current assets	15	1 022 304	609 201
Bank deposits		92 878	99 077
Cash and cash equivalents		12 338 234	15 552 359
Assets classified as held for sale		1 929	1 929
Total current assets		<u>24 195 784</u>	<u>25 885 739</u>
TOTAL ASSETS		<u><u>46 165 849</u></u>	<u><u>48 073 988</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		2 787 696	2 787 696
Repurchased common shares		(149 709)	(149 709)
Preferred shares held within the Group		(947 400)	(947 400)
Provisions		3 403 847	3 628 260
Retained earnings		7 075 312	6 639 484
Total equity		<u>12 169 746</u>	<u>11 958 331</u>
NON-CURRENT LIABILITIES			
Loans	16	10 566 960	10 519 930
Bonds payable		56 700	56 700
Deferred corporate income tax liability		2 790 082	2 790 082
Accounts payable	17	-	-
Total non-current liabilities		<u>13 413 742</u>	<u>13 366 712</u>

CURRENT LIABILITIES			
Short-term accounts payable	17	7 768 225	9 027 879
Short-term loans and current portion of long-term loans	16	11 731 341	12 203 420
Current portion of bonds payable		1 063	2 126
Corporate income tax payable		71 679	115 340
Taxes payable	18	562 302	1 003 411
Other accounts payable and accrued liabilities	19	447 751	396 769
Total current liabilities		<u>20 582 361</u>	<u>22 748 945</u>
TOTAL EQUITY AND LIABILITIES		<u><u>46 165 849</u></u>	<u><u>48 073 988</u></u>

<i>Carrying amount per common share (KZT)</i>		3 845	3 777
<i>Carrying amount per preferred share (KZT)</i>		1 200	1 200

For the Group Management:


 Devael Hans Alexander
 Chairman of the Management Board




 Askat Agybayev
 Chief Financial Officer


 Daulet Uvaliyev
 Chief Accountant

**Consolidated Statement of Cash Flows
 for the period ended 31 March 2017 (indirect method)**

(KZT'000)

	3 months of 2017	3 months of 2016
1. OPERATING ACTIVITY:		
Profit before tax	319 135	1 460 850
Adjustment for:		
Amortisation and depreciation	556 448	385 398
Finance costs	503 647	249 257
Exchange loss, net	450 316	(92 073)
Non-operating loss	34 890	32 516
Recovery of selling expenses through set-off	(430 986)	590 821
Investment (gain)/loss, net	(3 034)	(62 724)
Loss from inventory write-off	28 464	-
Cash flow from operating activity before changes in working capital	1 458 880	2 564 045
Change in inventory	(1 429 968)	(1 509 716)
Change in trade receivables	273 529	111 370
Change in advances paid	(99 375)	(360 068)
Change in other current assets	(410 160)	(238 930)
Change in accounts payable	(535 523)	320 646
Change in taxes payable	(436 450)	(723 741)
Change in other payables and accrued liabilities	37 876	42 440
Cash from operating activity	(1 141 191)	206 046
Interest paid	(580 711)	(374 924)
Income tax paid	(160 862)	(50 189)
Net cash from operating activity	(1 882 764)	(219 067)
2. INVESTING ACTIVITY:		
Net acquisition of investments held for trading	-	(4 353 735)
Proceeds from disposal of property, plant and equipment and intangible assets	712	6 684
Receipts from sale of related party bonds	-	-

Return of advances paid for acquisition of investment property	-	-
Other receipts	-	-
Other receipts from related party	90	-
Other payments to related party	-	-
Deposit top up	-	-
Deposit withdrawal	472	-
Net cash from purchase and sale of other investments	-	4 439 148
Acquisition of property, plant and equipment and intangible assets	(326 780)	(288 504)
Net cash from investing activity	(325 506)	(196 407)
3. FINANCING ACTIVITY:		
Repayment of borrowings	(3 456 036)	(2 539 768)
Finance lease paid	-	-
Repurchase of own stock	-	-
Dividends paid	-	(1 199 999)
Borrowings received	3 254 160	1 888 166
Net cash from financing activities	(201 876)	(1 851 601)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2 410 146)	(2 267 074)
CASH AND CASH EQUIVALENTS, beginning of the period	15 552 359	10 541 082
Effect of changes in foreign currency exchange rates on cash and cash equivalents	(803 979)	262 386
CASH AND CASH EQUIVALENTS, end of the period	12 338 234	8 536 394

For the Group Management:


Devael Hans Alexander

Chairman of the Management Board


Askat Agybayev

Chief Financial Officer


Daulet Uvaliyev

Chief Accountant



Consolidated Statement of Changes in Equity for the period ended 31 March 2017

	Share capital	Treasury shares	Preferred shares held within the Group	Real estate revaluation provision	Provision for share-based benefits	Exchange difference provision	Retained earnings	(KZT'000) Total equity
Balance at 1 January 2016	2 787 696	(152 436)	(947 400)	1 205 907	-	(295 275)	5 979 437	8 577 929
Net profit	-	-	-	-	-	-	1 374 193	1 374 193
Other comprehensive income	-	-	-	4 737 804	-	(20 566)	-	4 717 238
Total comprehensive income	-	-	-	4 737 804	-	(20 566)	1 374 193	6 091 430
Dividends paid	-	-	-	-	-	-	(1 199 999)	(1 199 999)
Repurchase of own stock	-	(975)	-	-	-	-	(16 627)	(17 602)
Fair value adjustment of loan to shareholder	-	-	-	-	-	-	-	-
Reclassification to retained earnings	-	-	-	(51 826)	-	-	-	-
Balance at 31 March 2016.	2 787 696	(153 411)	(947 400)	5 891 885	-	(315 841)	6 188 830	13 451 758
Balance at 31 December 2016	2 787 696	(149 709)	(947 400)	4 015 099	-	(386 839)	6 639 484	11 958 331
Net profit	-	-	-	-	-	-	206 593	206 593
Other comprehensive income	-	-	-	-	-	4 822	-	4 822
Total comprehensive income	-	-	-	-	-	4 822	206 593	211 415
Dividends paid	-	-	-	-	-	-	-	-
Expansion of capital stock	-	-	-	-	-	-	-	-
Reclassification to retained earnings	-	-	-	-	-	-	-	-
Balance at 31 March 2017	2 787 696	(149 709)	(947 400)	3 785 864	-	(382 017)	6 675 312	12 169 746

For the Group Management:

Devael Hans Alexander

Chairman of the Management Board

Askat Agybayev

Chief Financial Officer

Daulet Uraliyev

Chief Accountant

