

Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at 30 September 2016

**Consolidated Statement of Profit and Loss and Other
 Comprehensive Income for the Period Ended
 30 September 2016**

(KZT'000)

	Note	9 months of 2016	9 months of 2015
REVENUE	4	36 499 103	30 508 596
COST OF SALES	5	(22 687 778)	(17 552 854)
GROSS PROFIT		13 811 325	12 955 742
Selling expenses	6	(7 708 478)	(6 633 832)
General and administrative expenses	7	(2 579 455)	(2 349 477)
OPERATING INCOME		3 523 392	3 972 433
Finance costs	8	(1 359 993)	(854 236)
Exchange loss		(79 301)	(276 029)
Investment income, net		163 093	11 376
Other (costs)/gains	9	278 247	(54 703)
PROFIT BEFORE TAX		2 525 438	2 798 841
Income tax payable		(201 391)	(173 889)
PROFIT/LOSS FOR THE PERIOD		2 324 047	2 624 952
Property, plant and equipment revaluation surplus less income tax		3 659 366	
Exchange difference from foreign entity translation into the reporting currency during the period		(89 759)	(78 630)
Other comprehensive income		3 569 607	(78 630)
TOTAL COMPREHENSIVE INCOME		5 893 654	2 546 323
Earnings per common share, KZT	10	738	833

For the Group Management:



Dewaele Hans Alexander
 Chairman of the Management Board




Askat Agybayev
 Chief Financial Officer



Daulet Uvaliyev
 Chief Accountant

**Consolidated Statement of Financial Position
as at 30 September 2016**

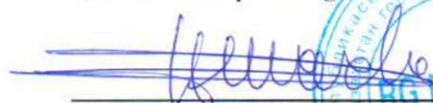
(KZT'000)

	Note	At 30 September 2016	At 30 September 2015
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	11	20 624 241	17 504 469
Advances paid		29 279	53 307
Goodwill		68 026	68 026
Intangible assets		80 153	50 955
Total non-current assets		<u>20 801 699</u>	<u>17 676 757</u>
CURRENT ASSETS			
Inventory	13	7 060 530	4 731 612
Trade accounts receivable	12	1 878 143	1 453 046
Short-term advances paid	12	617 006	316 802
Other financial assets	14	6 709 266	2 683 160
Other current assets	15	752 220	492 979
Bank deposits		3 453 933	804
Cash and cash equivalents		8 057 224	10 541 082
Assets classified as held for sale		1 585 284	1 585 284
Total current assets		<u>30 113 608</u>	<u>21 804 769</u>
TOTAL ASSETS		<u><u>50 915 307</u></u>	<u><u>39 481 526</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		2 787 696	2 787 696
Repurchased common shares		(146 011)	(152 436)
Preferred shares held within the Group		(947 400)	(947 400)
Provisions		3 777 853	910 632
Retained earnings		7 789 244	5 979 437
Total equity		<u>13 261 382</u>	<u>8 577 929</u>
NON-CURRENT LIABILITIES			
Loans	16	12 422 829	13 620 698
Bonds payable		56 700	-
Deferred corporate income tax liability		2 398 913	1 484 072
Accounts payable	17	43 343	84 520
Total non-current liabilities		<u>14 921 785</u>	<u>15 189 290</u>
CURRENT LIABILITIES			
Short-term accounts payable	17	8 409 315	6 827 349

Short-term loans and current portion of long-term loans	16	12 925 632	7 330 074
Current portion of bonds payable		16 853	-
Corporate income tax payable		-	91 388
Taxes payable	18	904 571	1 055 075
Other accounts payable and accrued liabilities	19	475 769	410 421
Total current liabilities		<u>22 732 140</u>	<u>15 714 307</u>
TOTAL EQUITY AND LIABILITIES		<u><u>50 915 307</u></u>	<u><u>39 481 526</u></u>

Carrying amount per common share (KZT)	4 187	2 706
Carrying amount per preferred share (KZT)	1 200	1 200

For the Group Management:



Dewaele Hans Alexander

Chairman of the Management Board




Askat Agymbayev

Chief Financial Officer



Daulet Uvaliyev

Chief Accountant

**Consolidated Statement of Cash Flows
 for the period ended 30 September 2016 (indirect method)**

(KZT'000)

	01.01.2016-30.09.2016	01.01.2015-30.09.2015
1. OPERATING ACTIVITY:		
Profit before tax	2 525 438	2 798 842
Adjustment for:		
Amortisation and depreciation	1 793 830	1 303 377
Finance costs	1 359 993	854 236
Exchange loss, net	79 301	276 029
Non-operating loss	(20 525)	54 703
Recovery of selling expenses through set-off	(658 598)	-
Investment (gain)/loss, net	(163 093)	(11 376)
Loss from inventory write-off	-	-
Cash flow from operating activity before changes in working capital	4 916 346	5 275 810
Change in inventory	(2 338 962)	1 469 111
Change in trade receivables	(266 039)	205 576
Change in advances paid	(179 229)	(225 018)
Change in other current assets	(396 182)	1 549 732
Change in accounts payable	2 089 662	(2 221 783)
Change in taxes payable	(142 840)	76 517
Change in other payables and accrued liabilities	59 375	45 801
Cash from operating activity	3 742 131	6 175 745
Interest paid	(1 237 188)	(1 243 178)
Income tax paid	(300 443)	(173 889)
Net cash from operating activity	2 204 500	4 758 679
2. INVESTING ACTIVITY:		
Net acquisition of investments held for trading	(3 949 203)	(5 415 697)
Proceeds from disposal of property, plant and equipment and intangible assets	165 850	250
Receipts from sale of related party bonds	-	9 544

Return of advances paid for acquisition of investment property	-	796 861
Other receipts	-	163 871
Other receipts from related party	-	47 381
Other payments to related party	-	-
Deposit top up	(3 474 400)	1 433 000
Deposit withdrawal	-	(1 433 988)
Return on deposits	-	512
Acquisition of property, plant and equipment and intangible assets	(483 534)	(1 349 840)
Net cash from investing activity	(7 741 287)	(5 748 106)
3. FINANCING ACTIVITY:		
Repayment of borrowings	(6 706 125)	(6 112 187)
Finance lease paid	-	(124 722)
Repurchase of own stock	(10 202)	(21 872)
Dividends paid	(1 199 999)	(2 044 557)
Borrowings received	11 044 468	8 373 747
Net cash from financing activities	3 128 142	70 410
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2 408 646)	(919 017)
CASH AND CASH EQUIVALENTS, beginning of the period	10 541 082	1 909 753
Effect of changes in foreign currency exchange rates on cash and cash equivalents	(75 212)	-
CASH AND CASH EQUIVALENTS, end of the period	8 057 224	990 736

For the Group Management:


 Dewaele Hans Alexander

Chairman of the Management Board


 Askat Agybayev

Chief Financial Officer


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Chief Accountant

