«ATAMEKEN - AGRO» JSC
Consolidated financial statements
For the year ended December 31, 2012

and

Audit report

«ATAMEKEN - AGRO» Joint Stock Company (JSC):

Content

«ATAMEKEN - AGRO» JSC

CONFIRMATION OF HEAD PERSONS ABOUT THEIR RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2012

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, 2012 as well as results of activity, changes in capital and movement of funds for the period ended December 31, 2012, 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:

Dzhazin F.A.
General Director

May 8, 2013

Tsygankova Y.I.
General Accountant

May 8, 2013

ALMIR CONSULTING
Audit Company

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"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**

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

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, 2012 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.

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, 2012, 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 8, 2013 Almaty city

«Atameken - Agro» JSC

Consolidated financial statement about the financial position for the period as of December 31, 2012

(in thousand of KZT)

	Note	December 31, 2011	December 31, 2010
I. Short-term assets			
Monetary means and its equivalents	4	317 069	137 787
Short-term accounts receivable	5	2 714 704	1 808 199
Inventories	6	2 998 845	4 229 058
Current tax assets	7	413 258	432 150
Other short-term assets	8	11 137 380	10 322 746
Total short-term assets		**17 581 256**	**16 929 940**
II. Long-term assets			
Long-term accounts receivable	9	3 168 448	2 424 718
Investment property	10	4 652	33 816
Fixed assets	11	8 016 208	7 083 039
Intangible assets	12	4 965 541	5 090 877
Deferred tax assets	13	324 332	-
Other long-term assets	14	316 202	538 249
Total long-term assets	15	478 090	278 592
Total assets		**17 273 473**	**15 449 291**
III. Short-term liabilities		**34 854 729**	**32 379 231**
Short-term financial liabilities			
Liabilities on taxes	16	7 458 038	5 556 395
Liabilities on other obligations and voluntary payments	17	41 024	73 319
Short-term liabilities	18	5 872	16 409
Short-term estimated liabilities	19	1 095 420	1 401 285
Other short-term liabilities	20	33 836	32 547
Total Short-term liabilities	21	1 978 157	1 879 352
IV. Long-term liabilities		**10 612 347**	**8 959 307**
Long-term financial liabilities			
Long-term loans payable	22	4 395 844	4 353 013
Deferred tax liabilities	23	1 965 808	1 829 845
Liabilities on dividends on priveleged shares	24	8 703 175	8 703 175
Total long-term liabilities		**15 064 827**	**14 886 033**
V. Capital			
Stock capital	25	6 560 823	6 560 823
Redeemed share instruments		(87)	(87)
Emission gain (loss)		(3 205)	(3 205)
Inventory devaluation of fixed assets and intangible asset		3 276 772	2 321 090
Other inventories		68 405	68 180
Retained earnings (uncovered loss)		(1 188 027)	(872 897)
Total capital of shareholders of "Atameken - Agro" JSC		**8 714 681**	**8 073 904**
Share of non-controlling shareholders		462 874	459 987
Total capital		**9 177 555**	**8 533 891**
Total liabilities and capital		**34 854 729**	**32 379 231**
Carrying amount of common share (KZT)	26	**(174,39)**	**(259,84)**
Carrying amount of priveleged stock of group 1 (KZT)	27	**10 700,00**	**10 000,00**

Dzhazin F.A.
General Director
May 8, 2013

Tsygankova Y.I.
Accountant-general
May 8, 2013

Consolidated financial statements about the financial position shall be read in conjunction with the explanatory notes to the financial statements presented on pages 10-43.

Consolidated financial statement about the aggregated income for the year ended December 31, 2012

(in thousand of KZT)

	Примечание	2012 г.	2011 г.
Revenue from realization of production and services	28	14 434 085	9 060 883
Revenue from the state subsidies	29	499 908	265 512
Change of fair value of ready production	30	217 034	1 483 902
Initial cost of goods sold and services rendered услуг	31	(11 071 718)	(6 045 872)
Gross profit		4 079 309	4 764 425
Income from financing	32	414 365	61 658*
Other income	33	1 562 605	75 268*
Expenses on realization of ready production and services rendered	34	(2 156 417)	(1 006 238)
Administrative expenses	35	(725 353)	(668 180)
Expenses on financing	36	(2 463 413)	(2 701 868)
Other expenses	37	(404 258)	(41 270)
Gain (loss) before tax		**306 838**	**483 795**
Savings in corporate income tax (CIT)	38	(154 721)	163 720
Net income (loss) for the period		**152 117**	**647 515**
It is due:			
Акционерам АО Атамекен-Агро		**163 312**	**529 346**
Share of shareholders of "Atameken - Agro " JSC		**(11 195)**	**118 169**
Share of non-controlling shareholders			
Revaluation of fixed assets		1 260 995	-
Deferred tax associated with revaluation of fixed assets and intangible assets		(240 662)	27 745
Other total aggregated revenue		**1 020 333**	**27 745**
Total aggregated revenue for the period		**1 172 450**	**675 260**
Shareholders of "Atameken - Agro " JSC		1 120 172	555 614
Owed to share of non-controlling shareholders		52 278	119 646
Profit per share (KZT):			
Basic	39	**(26,82)**	**13,85**
Reduced		**(23,10)**	**11,93**

Dzhazin F.A.
General Director
May 8, 2013

Tsygankova Y.I.
Accountant-general
May 8, 2013

Reclassify (Note 32,33)

Consolidated financial statement about the aggregated income shall be read in conjunction with the explanatory notes to the financial statements presented on pages 10-43.

«Atameken - Agro» JSC

Consolidated financial statement about the changes in capital for the year ended December 31, 2012

	Share capital	Redeemed own share instruments	Emissionary income	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, 2011	6 560 823	(87)	(3 205)	2 321 090	68 180	(872 897)	8 073 904	459 987	8 533 891
Aggregated gain (loss) for the period	-	-	-	956 860	-	163 312	1 120 172	52 278	1 172 450
Transfer to undistributed profit	-	-	-	(1178)		1178	-	-	-
Redeemed own share instruments	-	-	-	-	-	-	-	-	-
Dividends on privileged shares	-	-	-	-	-	(404 655)	(404 655)	-	(404 655)
Dividends on ordinary shares	-	-	-	-	-	(74 965)	(74 965)	(48 494)	(123 459)
Purchase / increase of the share of branch companies	-	-	-	-	225	-	225	(897)	(672)
The balance as of March 31, 2012	6 560 823	(87)	(3 205)	3 276 772	68 405	(1 188 027)	8 714 681	462 874	9 177 555
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 year	-	-	-	26 268	-	529 346	555 614	119 646	675 260
Transfer to undistributed profit	-	-	-	(14 631)	-	14 631	-	-	-
Redeemed own share instruments	-	(53)	(1 960)	-	-	-	(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 December 31, 2011	6 560 823	(87)	(3 205)	2 321 090	68 180	(872 897)	8 073 904	459 987	8 533 891

Dzhazin R.A.
General Director
May 8, 2013

Tsygankova Y.I.
Accountant-general
May 8, 2013

Consolidated financial statement about the changes in capital shall be read in conjunction with the explanatory notes to the financial statements presented on pages 10-43.

«Atameken - Agro» JSC

Consolidated financial statement about the movement of cash flows for the year ended December 31, 2012 (direct method)

(in thousand of KZT)

	2012	2011
I. The movement of cash flows from operating activity		
1.Cash inflows, including:	**21 004 675**	**18 730 049**
realization of goods, works and services	14 712 945	12 107 224
advances received	1 272 309	6 064 925
subsidies received	499 908	265 512
The gratification of receipt from the finance leases, loans	53 235	-
Returning of issued advance	4 177 955	-
other incomes	288 323	292 388
2. Cash outflows, including:	**(20 882 349)**	**(14 970 716)**
payments to providers for goods and services	(6 208 506)	(3 368 605)
advances received	(12 587 537)	(10 270 228)
the payments of salary	(538 382)	(418 691)
the payment of remuneration on loans	(605 442)	(615 465)
corporate income tax	(21 878)	(18 645)
other payments in budget	(327 825)	(188 369)
Returning of issued advance	(455 806)	-
other payments	(136 973)	(90 713)
The net sum of cash flows from operating activity	**122 326**	**3 759 333**
The movement of cash flows from operating activity		
1.Cash inflows, including:	**35 382**	**23 215**
realization of fixed assets	35 382	-
cancelation of loans granted to others organizations	-	22 490
others inflows	-	725
2. Cash outflows, including:	**(375 396)**	**(162 224)**
obtaining of fixed assets	(375 396)	(116 967)
obtaining of other long-term assets	-	(43 305)
granting of loans to other organizations	-	(1 952)
The net sum of monetary funds from investment activity	**(340 014)**	**(139 009)**
The movement of funds from financial activity		
1. Cash inflows, including:	**8 981 807**	**9 153 364**
equity offering and other securities	-	-
borrowings	8 836 889	9 067 490
Income of principal debt through t financial lease	144 918	-
other incomes	-	85 874
2. Cash inflows, including:	**(8 584 837)**	**(13 197 330)**
repayment of loans	(8 043 294)	(8 537 565)
own share acquisition	-	(2 013)
payment of dividends	(76 706)	(1 040 248)
redemption of own bonds	(464 837)	(3 617 504)
The net sum of monetary funds from investment activity	**396 970**	**(4 043 966)**
Total: Increase +/- decrease of cash	**179 282**	**(423 642)**
The monetary means and its equivalents at the beginning of reporting period	**137 787**	**561 429**
The monetary means and its equivalents at the end of reporting period	**317 069**	**137 787**

Dzhazin F.A.
General Director
May 8, 2013

Tsygankova Y.I.
Accountant-general
May 8, 2013

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 10-43.

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.

The principal activities of the Company and its subsidiaries (hereinafter - the Group) are:
- Production and sales of agricultural products;
- The provision of freight forwarding services;
- Wholesale of spare parts and pesticide;
- Design and survey ;
-Building and construction;
-production (output) of building materials, wares and structures;
-The expert work and engineering services in the field of architecture, urban planning and construction;
- Other activities not prohibited by the legislation of the Republic of Kazakhstan.

The Group has a General State license No ЭЗ 0101399 issued by the Committee of the state inspection in the agro industrial complex of Ministry of Agriculture, on October 23, 2008, to the right on realization of the grain for export.

Group for the implementation trading activities of pesticides get the General State License Akm series. УСХ number 04030 to the right of the pesticides realization in the territory of Kazakhstan, issued by the Department of Agriculture Akmola region January 27, 2009.

For execution of activities in the field of architecture, urban planning and construction activities, the Group has a state license for the No GSL 01121dated January 05, 2011 issued by the Office of the State Architectural and Construction Control Akmola region, by type of work:

• construction-assembly works, the application dated 05 January 05, 2011
• the construction, the application dated December 21,2011

On 31 December 2012 the Company owned by the following shareholders:

Name of the shareholder	Ordinary shares		Preferred share		Total shares	
	quantity	part	quantity		quantity	part
Ailemis Limited	800 000	7,6564	-	-	800 000	7,6564
JSC Investment Company "ALEM"	6 583	0,0630	-	-	6 583	0,0630
JSC Pension savings fund "Ular Umyt"	899 993	8,6134	1 420 000	13,5901	2 319 993	22,2035
LLP Management Community "ALEM"	11 576	0,1108	-	-	11 576	0,1108
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	-	-	132 148	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.	126 007	1,2059	-	-	126 007	1,2059
Gusev A.Ya	819 030	7,8385	-	-	819 030	7,8385
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.	600 000	5,7423			600 000	600 000
Moldagaziyeva G.F.	578 787	5,5393	-	-	578 787	5,5393
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
puchased	997	0,0095	-	-	997	0,0095
Total	**9 000 324**	**86**	**1 448 457**	**14**	**10 448 781**	**100**

On 31 December 2011 the Company owned by 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
purchased	997	0,0095	-	-	997	0,0095
			-	-		
Total	**9 000 324**	**86**	**1 448 457**	**14**	**10 448 781**	**100,00**

November 21, 2008 the Agency for Regulation and Supervisory of financial market organizations 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.

(in thousand of Kazakhstan's KZT

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 KZT for the share. Principal value of preferred share of Community is 10 000,00 KZT for the share.

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

By the Community disposed 9 000 324 ordinary shares, which appropriated the national identification number KZ1C57070019 and 1 448 457 preferred shares which appropriated the national identification number KZ1P57070115. The Community bought 997 of ordinary shares.

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

	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

Branch organization

This consolidated l financial statements include the following Branch organizations:

Branch organization	Share of participation, %		Physical location of organization
	December 31, 2012	December 31, 2011	
LLP "Atameken-Agro-Celinnyi"	90,35	90,27	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"	95,63	95,59	North-Kazakhstan region,
LLP "Atameken Agro Stroi"	100	100	Kokshetau city, New myasokombinat district, d/u 30

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 December 31, 2012 the average number of employees of the Group was 842 and in 2011 it consisted of 875 people.

The Group accounts in the currency of Kazakhstan's monetary unit (KZT) in accordance with the working laws of the Republic of Kazakhstan. The consolidated financial statements are presented in thousand of KZT, except gain per share and carrying amount of the shares represented in KZT.

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

During preparation of the separate financial statements of the Company applied the same accounting policies and methods of computation as in the preparation of the separate financial statements of the Company for the year ended December 31, 2011.

New and revised standards and interpretations

The following changes in standards, amendments and interpretations, which came into force in 2012, had no effect on accounting policies, financial position or results of financial activities of the Group:

- Amendment to IFRS (IAS) 12 "Income Taxes" introduces a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. This presumption may be rebutted if the company's business model involves the consumption of almost all the economic benefits of the investment property over time, rather than through its sale. The amendment also introduces a requirement that deferred tax on non-depreciable assets measured using the revaluation model in accordance with IFRS (IAS) 16 is always to be reflected on the basis of assumptions about the carrying amounts of their compensation through sale. As a result of the amendment was withdrawn Interpretation SIC-21. Effective for annual periods beginning on or after January 1, 2012.
- Amendment to IFRS (IFRS) 7 "Financial assets: Disclosures" introduces a requirement for mandatory disclosure of the transferred financial assets. If the recognition of the assets in the financial statements is not fully terminated, the company should disclose information that enables users of financial statements to understand the relationship between such assets that have not been terminated and the corresponding obligations. If the recognition of such assets terminated in full, but the company has a continuing involvement, it is necessary to disclose information that helps users of financial statements to evaluate the nature and risks associated with the continued participation of the company's assets. Effective for annual periods beginning on or after July 1, 2011, the presentation of comparative data is not provided.

The following new standards, amendments to standards and interpretations not yet entered into force in respect of the financial year beginning January 1, 2012, and have not been adopted early by the Copmany:

- 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 Interests in other legal entities' requires the submission of detailed information that enables users of financial statements to evaluate the nature and risks associated with interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Effective for annual periods beginning on or after January 1, 2013.
- IFRS (IFRS) 13 "Fair Value Measurement" replaces the guidance on fair value contained in individual IFRSs with a single guidance on fair value. It provides a revised definition of fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. Effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

• 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.

• Amendment to IFRS (IAS) 1 "Presentation of Financial Information" requires that an entity present separately items of other comprehensive income, which in the future may be reclassified to profit or loss. In addition, the companies will have to make only one statement of profit and loss and other comprehensive income. The use of other titles. Effective for annual periods beginning on or after July 1, 2012, with earlier application permitted.

• Amendment to IFRS (IAS) 32 "Financial assets: Presentation" introduces Guide to application of the standard to address inconsistencies identified in applying some of the offsetting criteria. It includes an explanation of the phrase "currently has a legally enforceable right of set-off 'and that some systems with gross settlement systems may be considered equivalent to the calculation on a net basis. Effective for annual periods beginning on or after January 1, 2014.

• Amendment to IFRS (IFRS) 7 "Financial assets: Disclosures" requires the disclosure of information that enables users of financial statements to evaluate the actual or potential effect of netting arrangements, including rights of set-off. This will have an impact on the disclosure of information, but will not affect the measurement and recognition of financial instruments. Effective for annual periods beginning on or after January 1, 2013.

• Improvements to International Financial Reporting Standards. These improvements include changes in the five standards.

- IAS (IFRS) 1 has been amended to clarify that the company, which resumes the preparation of its financial statements in accordance with IFRS, may either re-apply IFRS (IFRS) 1, or apply all IFRS retrospectively as if she never stopped their use and the inclusion of exemptions from the application of IFRS (IAS) 23, "Borrowing Costs", retrospectively for first-time releases its financial statements in accordance with IFRS;
- IFRS (IAS) 1 was amended to clarify that do not require explanatory notes to the third statement of financial position, it appears at the beginning of the previous period, if there were a retrospective review, changes in accounting policies or reclassification in order to improve financial reporting with explanatory notes are required, if the company makes a voluntary decision to provide additional comparative reports;
- IFRS (IAS) 16 was amended to clarify that major spare parts and accessories, used for more than one period are classified as fixed assets, rather than as inventory;
- IFRS (IAS) 32 was amended to clarify that certain tax consequences of distributions to owners should be included in the profit and loss account, which is always required in accordance with IFRS (IAS) 12;
- IFRS (IAS) 34 was amended to bring it into line with the requirements of IFRS (IFRS) 8, that is, required disclosure of total amounts of assets and liabilities by operating segment only if such information is regularly reported to the responsible person of the company operating decision maker, and also when there are significant changes in the final values of the operating segments presented in the previous annual financial statements.

The improvements are effective for annual periods beginning on or after January 1, 2014.

Currently, the Company's management assesses the impact of these new standards and amendments to existing standards on the financial statements and results of operations.

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 statement 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, income 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.

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 KZT

Monetary assets and liabilities expressed in foreign currency are re-count in KZT 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, 2012	**December 31, 2011**
KZT/1 U.S.dollar	**150,74**	**148,40**
KZT/ 1 Euro	199,22	191,72
KZT/ 1 pound	243,72	228,8

KZT/ 1 rouble	4,96	4,61

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.

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.

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

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
(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.

With the financial lease in which the Group is the lessor, the group in its statement of financial position recognizes the assets transferred under a finance lease, and presents them as a receivable at an amount equal to the net investment in the lease.
Initial direct costs are included in the initial measurement of receivables under finance leases and reduce the amount of income recognized over the lease term.
The recognition of finance income is based on the chart, reflecting a constant periodic rate of return on the lessor's net investment in the finance lease. Lease payments relating to the accounting period shall be deducted from the gross investment in the lease, resulting in a decrease in both the principal amount of the debt and the unearned finance income.

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.

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 income 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 income 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 income are recognized (reflected) when they were obtained, and expenses when incurred.

By the income of the Group understood:

- Income 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);
- Income received from non-main activity (remunerations, income from retirement of assets etc.);
- Other income.

A government grant that becomes receivable as compensation for expenses already incurred or loss or to provide immediate financial support to the Group with no future related costs are recognized as income in the period in which it becomes receivable.

Unencumbered by any conditions a government grant related to a biological asset measured at its fair value less costs to sell shall be recognized as income when, and only when the government grant received by the Company.

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 income and expenses

To composition of financial income include the percentage income 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 income 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 income 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
- 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 KZT)

	December 31, 2012 year	December 31, 2011 year
Branch Bank of "SBERBANK" JSC in Astana city	204799	87 703
"BTA Bank" JSC	24 877	6 341
HSBC Bank Kazakhstan, Astana city	-	9
"Narodnii Bank" JSC	21	215
"Asia Credit Bank" JSC	4	11

North-Kazakhstan Branch of "Cesna Bank" JSC	5 578	5 682
Nurbank JSC	17	-
Monetary means in cash	81 773	37 826
	317 069	137 787

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

5. Short-term accounts receivable

(in thousand of KZT)

	December 31, 2012 year	December 31, 2011 year
Trade accounts receivable	2 801 279	1 507 334
Liability to workers	12 924	21 185
Short-term remuneration receivable	15 965	-
Other accounts receivable	18 115	350 683
Reserve on doubtful requirements	(133 579)	(71 003)
	2 714 704	**1 808 199**

6. Inventories

(in thousand of KZT)

	December 31, 2012 year	**December 31, 2011 year**
Raw materials and materials	842 924	715 694
Ready production	1 404 821	2 644 292
Products	446 452	641 089
Work in process	304 648	227 983
	2 998 845	**4 229 058**

7. Current tax assets

	December 31, 2011	**December 31, 2010**
Corporate income tax	2 995	10 006
Value added tax	400 068	403 166
Other	10 195	18 978
	413 258	**432 150**

8. Other short-term assets

(thousands KZT)

	December 31, 2012	**December 31, 2011**
Prepayments by commodity stocks supply, works and services	11 136 502	10 321 807
Reserve by indeterminate demands	(138)	-
Other short-term assets	1 016	939
	11 137 380	**10 322 746**

9. Long-term creditor indebtedness

(thousands KZT)

	December 31, 2012	**December 31, 2011**
Prepayments by commodity stocks supply, works and services	3 625 393	2 706 929
Reserve by indeterminate demands	24 233	46 477
Other short-term assets	(480 235)	(328 688)
	(943)	-

10. Investment property

(thousands KZT)

	December 31, 2012	**December 31, 2011**
Investment property	4 652	33 816

11. Property assets

(thousands KZT)

	Land	**Building and installations**	**Machineries and equipments, transmission devices**	**Vehicles**	**Other propert y assets**	**Total**
Initial cost						
The balance as of December 31, 2011	**31 950**	**4 152 030**	**2 012 034**	**4 265 283**	**176 514**	**10 637 811**

Inflow	17 721	207 355	451 870	225 130	(40 551)	861 525
Disposal	95 297	387 330	180 028	598 340	-	1 260 995
Devaluation	-	(265 196)	(77 173)	-	(3 267)	(345 636)
Write-off of accumulated depreciation on revaluation, impairment and disposals	-	(1 580 184)	(775 635)	(1 697 864)	(15 557)	(4 069 240)
Retirement, replacement	(3 187)	(5 149)	(29 617)	(66 749)	(3 275)	(107 977)
The balance as of December 31, 2012	141 781	2 896 186	1 761 507	3 324 140	113 864	8 237 478
Accumulated depreciation						
The balance as of December 31, 2011	-	1 458 784	593 524	1 441247	61 217	3 554 772
Amortization accrued during the reporting period	-	177 330	211 044	332 099	15 251	735 724
Write-off of accumulated depreciation on revaluation, impairment and	-	(1 580 184)	(775 621)	(1 697 864)	(15 557)	(4 069 226)
Retirement, replacement	-	1 401	16 082	(56)	(17 427)	-
The balance as of December 31, 2012	-	57 331	45 027	75 426	43 486	221 270
Carrying amount as of December 31, 2012	141 781	2 838 855	1 716 480	3 248 714	70 378	8 016 208
Inflow	28 899	3 963 563	1 875 877	4 086 848	165 059	10 120 246
Disposal	3 051	198 616	270 507	409277	17 732	899 183
The balance as of December 31, 2011	-	(10 149)	(134 350)	(230 842)	(6 277)	(381 618)
Inflow	31 950	4 152 030	2 012 034	4 265 283	176 514	10 637 811
Disposal						
The balance as of December 31, 2011	-	1 142 332	431 206	127 958	30 497	2 731 993
Accumulated depreciation	-	321 019	186 332	345 209	35 570	888 130
The balance as of December 31, 2010	-	(4 567)	(24 014)	(31 920)	(4 850)	(65 351)
Amortization accrued during the reporting period	-	1 458 784	593 524	1 441 247	61 217	3 554 772
Amortization of fixed withdrawn	31 950	2 693 246	1 418 510	2 824	115	7 083 039
Carrying amount as of of December						
The balance as of December 31, 2011						

Revaluation of fixed assets of the Group (land plots, buildings, constructions, vehicles and equipment) as of September 30, 2012 was made by "Property estimation" LLP (License KRS MJ RK No. ЮЛ 00607 (5565-1926-ТОО) №0048627 dated August 26,2006) on the basis of Contracts No. 1227-1233 dated November 29,2012.

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 KZT)

	The right to use land	Other property assets	Total
Initial cost			
The balance as of December 31, 2011	5 498 445	512	5 498 957
Inflow	50	544	594
Outflow	-	(63)	(63)
Devaluation	-	(77)	(77)
Write-off of accumulated depreciation	-	(77)	(77)
The balance as of December 31, 2012	5 498 495	839	5 499 334
Accumulated depreciation			
The balance as of December 31, 2011	407 829	251	408 080
Amortization accrued during the reporting period	125 725	128	125 853

Write-off of accumulated depreciation	-	(140)	(140)
The balance as of December 31, 2012	533 554	239	533 793
Carrying amount as of December 31, 2011	4 964 941	600	4 965 541
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	5 498 957
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
Carrying amount as of December 31, 2011	407 829	251	408 080
The balance as of December 31, 2011	5 090 616	261	5 090 877

Group as collateral for bank loans is the right long-term paid land use on land TOO "Atameken-Agro-Timiryazevo" LLP, "Atameken-Agro-Tselinny" LLP, "Atameken-Agro-Korneevka" LLP, "Sagat-SK", TOO "Atameken-Agro-Shukyrkol" (Note 16).

13. Biological assets

(thousand KZT)

	December31,2012	**December31,2011**
Animals for fattening (of cattle),	324 332	-
including the initial cost	*319 251*	-
of gain	*5 081*	-

For the purposes of breeding cattle, the Company in October-December 2012 has gained large-Angus cattle in the amount of 460 heifers and 22 bulls. Of cattle purchased from «Hunland Trade Kft.» Mr. Budi Republic of Hungary in the lease. Lizinogodatelem is "KazAgroFinance" finance lease № SKO-0267-12 dated 04.09.2012 year, № SKO-0271-12 dated 06.09.2012 year, № SKO-0274-12 dated 13.09.2012 year lease term is 9 years, the effective interest rate is 3.8%. On the date of the financial statements, the Company believes that changes in the fair value of biological assets was not.

14. Deferred tax assets

(thousands KZT)

General	**On December 31, 2012**			
	Balance cost	**The tax base**	**temporary difference**	**tax effect**
	1	2	3	4
ASSETS				
fixed assets	329 324	150 628	(178 696)	(35 739)
fixed assets without revaluation	*224 094*	*150 628*	*(73 466)*	*(14 693)*
переоценка основных средств	*105 230*	-	*(105 230)*	*(21 046)*
intangible assets	511	536	25	5
Provision for doubtful claims	(600 666)	-	600 682	120 137
obligations	-	-	-	-
Provision for vacation pay to employees	8 597	-	8 597	1 719
Accounts. tax debts	3 064	-	3 064	613
Total temporary difference:	-	-	-	-
deductible temporary difference	-	-	612 388	122 478

taxable temporary difference	-	-	(178 716)	(35 743)
carried losses	-	1 147 339	1 147 339	229 467
Total deferred assets				**316 202**

(thousands KZT)

		On December 31, 2012		
	1	2	3	4
ASSETS				
fixed assets	214 559	119 724	(94 835)	(18 967)
fixed assets without revaluation	*178 025*	*119 724*	*(58 301)*	*(11 660)*
переоценка основных средств	*36 534*	-	*(36 534)*	*(7 307)*
intangible assets	135	105	(30)	(6)
Provision for doubtful claims	(390 675)	-	390 675	78 135
obligations	-	-	-	-
Provision for vacation pay to employees	11 602	-	11 602	2 321
Accounts. tax debts	3 903	-	3 903	781
Total temporary difference:	-	-	-	-
deductible temporary difference	-	-	406 181	81 237
taxable temporary difference	-	-	(94 865)	(18 973)
carried losses	-	2 379 925	2 379 925	475 985
Total deferred assets	-	-	-	**538 249**

(thousands KZT)

	December 31,2012	**December31,2011**
Deferred tax liability at the beginning of the period	**538 249**	**299 384**
The deferred tax liability is recognized in other comprehensive income	(13 739)	910
Change in deferred income taxes	(208 308)	237 955
Deferred tax liability at the end of the period	**316 202**	**538 249**

15. Other long-term assets

(thousands KZT)

	December 31, 2012	December 31, 2011
Carry-over construction	478 090	278 592

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 KZT)

	December 31, 2011	**December 31, 2010**
The current part of long-term financial obligations under finance leases and bank loans	420 624	314 440
Short-term bank loans	5 743 586	4 956 998
Short-term payable remuneration	204 382	227 964
Short-term payables for dividends	1 088 884	56 538
Other short-term financial liabilities	562	455
	7 458 038	**5 556 395**

As of 31.12.2012, the financial liabilities are - bank loans obtained in the framework of the Agreement on a credit line number 07/10 dated 02.04.2010, the CL and number 24/10 CR from 26.08.2010 to DB "JSC Sberbank of Russia, "the loan agreement № SKO -0128-09, SKO-0139-09, AST -0063-11, AST-0064-11, SKO-0271-12, SKO-0278-12" KazAgroFinance "Loan Agreement № 228/12/1-05 CB from 06.08.2012, with the "Nurbank", contract number 1291-ip / 1 of 24.06.11g with JSC "Agrarian Credit Corporation", a financial leasing contract with JSC "Leasing Company" Astana Finance ".

The main objective is to finance working capital financing for the purchase of raw materials, agricultural machinery and other assets, trading activity.

On 31 December 2012 the weighted average interest rate on bank loans is 14% per annum on the loan agreements with JSC "Agrarian Credit Corporation" and "KazAgroFinance" interest rate was 6% per annum, under capital lease interest rate is six month rate Libor, Euribor six month rate 6% and the twelve month EURIBOR 6.15%.

As security provided by long-term paid land use rights for land TOO "Atameken - Agro-Timiryazevo" LLP, "Atameken - Agro-Tselinny" LLP, "Atameken - Agro-Korneevka" LLP, "Sagat-SK", LLP "Atameken-Agro -Shukyrkol "in the amount of 253 194 ha., elevators with a capacity of 44,400 tons, owned by LLC" Atameken - Timiryazevo Agro "LLC and" Atameken - Agro Korneevka "provision of lease contracts is agricultural equipment, software contract with JSC" Agrarian Credit Corporation "is a grain cleaning machine equipment Gimbria.

17. Tax liability

(thousands KZT)

	December 31, 2012	December 31, 2011
Value added tax	13 879	-
VAT	13 735	55 549
Individual income tax	7 074	9 336
Social tax	693	2 064
Other taxes	5 643	6 370
	41024	**73319**

18. Obligations under other compulsory payments and voluntary payment

(thousands KZT)

	December 31, 2012	December 31, 2011
Social insurance	1 874	5 238
Liability pension contributions	3 998	11 171
	5 872	**16 409**

19. Long-term creditor indebtedness

(thousands KZT)

	December 31, 2012	December 31, 2011
Commercial creditor debt	1 049 221	1 033 881
Payroll liabilities of creditor	24 687	53 750
Other creditor indebtedness	21 512	313 654
	1 095 420	**1 401 285**

20. Short-term estimated liabilities

(thousands KZT)

	December 31, 2012	December 31, 2011
Carry-over vacation of employers liabilities	33 836	32 547

21. Other short-term liabilities

(thousands KZT)

	December 31, 2012	December 31, 2011
Prepayments, obtained through the delivery of commodity stocks, performance of work and services	1 977 063	1 877 304
Other short-term liabilities	1 094	2 048
	1 978 157	**1 879 352**

22. Long-term financial liabilities

(thousands KZT)

	December 31, 2012	December 31, 2011
Placed its own bonds	4 024 571	4 024 571
Discount	(108 443)	(127 337)
Long-term bank loan facilities	48 197	57 837
Long-term indebtedness of finance lease	431 373	385 346
Other long-term indebtedness	146	12 596
	4 395 844	**4 353 013**

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

Society August 4, 2008 registered the first issue of coupon, unsecured, bonds in the amount of 11,000,000 shares with a nominal value of 1,000 tenge, the total amount of the issue is 11 billion tenge, which at the balance sheet date are placed completely. The issue was registered by the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations, National Identification Number (NIN) KZP01Y10D329. The bonds mature in 10 years, since the beginning of treatment.
Registrar deals on bonds is JSC "Stock Center", state license number 0406200386 dated 15 June 2005.
The structure of the program provides for the payment of the bond coupon interest rate of 17% per annum, twice a year for three periods, without the right of early repayment, then the size of the coupon interest is calculated at a floating rate, which depends on the inflation rate determined every 6 months according to the formula:
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 KZT with fixed rate	17 %	2018
Debenture stock expressed in KZT with floating rate	10 % to 16% depending of the level of inflation	2018

23. Deferred tax assets

General	On December 31, 2012

	Balance cost	The tax base	temporary difference	tax effect
	1	2	3	4
ASSETS				
Investment property	4 568	146	4 422	884
fixed assets	7 686 884	2 801 688	4 885 196	977 039
fixed assets without revaluation	*3 637 574*	*2 801 688*	*835 886*	*167 177*
revaluation of capital assets	*4 049 310*	-	*4 049 310*	*809 862*
intangible assets	324 331	276 211	48 120	9 624
Provision for doubtful claims	4 965 031	-	4 965 031	993 005
obligations	(2 147)	-	(2 147)	(429)
Provision for vacation pay to employees	21 367	-	21 367	4 273
Accounts. tax debts	6 941	-	6 941	1 389
Total temporary difference:				
deductible temporary difference	-	-	(30 455)	(6 091)
taxable temporary difference	-	-	9 902 769	1 980 552
carried losses	-	43 265	(43 265)	(8 653)
Total deferred assets				**1 965 808**

(thousands KZT)

On December 31, 2011

General	Balance cost	The tax base	temporary difference	tax effect
	1	2	3	4
ASSETS				
Investment property	4 938	163	4 775	955
fixed assets	6 868 480	2 175 050	4 693 430	938 686
fixed assets without revaluation	*3 953 785*	*2 175 050*	*1 778 735*	*355 747*
revaluation of capital assets	*2 914 695*	-	*2 914 695*	*582 939*
intangible assets	*32*	-	*32*	*6*
Provision for doubtful claims	4 569 105	-	4 569 105	913 821
obligations	(2 823)	-	(2 823)	(564)
Provision for vacation pay to employees	20 944	-	20 944	4 189
Accounts. tax debts	4 054	-	4 054	812
Total temporary difference:	-	-	-	-
deductible temporary difference	-	-	(27 821)	(5 565)
taxable temporary difference	-	-	9 267 342	1 853 468
carried losses	-	90 290	(90 290)	(18 058)
Total deferred assets				**1 829 845**

(thousands KZT)

	December 31,2012	December31,2011
Deferred tax liability at the beginning of the period	1 829 845	1 810 996
The deferred tax liability is recognized in other comprehensive income	226 923	(26 835)
Change in deferred income taxes	(90 960)	45 684
Deferred tax liability at the end of the period	1 965 808	1 829 845

24. Obligations on dividends on preferred shares

(thousands KZT)

	December 31, 2012	December 31, 2011
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 21,2012.

25. Capital

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

KZ1C57070019 and 1 448457 preferred shares to which national identification number is issued KZ1P57070115. As of December 31,2012 the Company purchased 997 ordinary shares.

Movement of ordinary shares of the Partnership within report period 2011-2012 and represented on the following:

	Remaining shares as of December 31, 2010	Buy out in 2011		Remaining shares as of December 31, 2011	Remaining shares as of December 31, 2012
		29.11.2011	29.11.2011		
Quantity of ordinary shares, units	8 999 937	5	605	8 999 327	8 999 327
Price of placement, KZT	86,60	86,60	86,60	86,60	86,60
Liabilities total	1 448 457	-	-	1 448 457	1 448 457
Price of placement, KZT	10 000	-	-	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 24).

26. Carrying value of ordinary shares

(thousands KZT)

	December 31, 2012	December 31, 2011
Assets total	34 854 729	32 379 231
Intangible assets	(4 965 541)	(5 090 877)
Liabilities total	(25 677 174)	(23 845 340)
Charter capital, preferred shares	(5 781 395)	(5 781 395)
Net assets	**(1 569 381)**	**(2 338 381)**
Quantity of placement ordinary shares (units)	**8 999 327**	**8 999 327**
Carrying amount of ordinary share (KZT)	**(174,39)**	**(259,84)**

27. Carrying value of preferred shares of first group

(thousands KZT)

	December 31, 2012	December 31, 2011
Amount of accrued but unpaid dividends on the preferred shares of first group	1 013 920	-
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)	1 448 457	1 448 457
Carrying amount of preferred shares (KZT)	**10 700,00**	**10 000,00**

28. Income from realization of production and services

(thousands KZT)

	2012	2011
Realization of agricultural production	12 848 209	8 363 946
Realization of spare	303 038	235 924
Realization of pesticide	604 051	360 824
Other realization	678 787	100 189
	14 434 085	9 060 883

29. Income from state subsidies

(thousands KZT)

	2012	2011
Subsidies for livestock	85 172	-
Subsidies for crop	271 895	180 038
including spring sowing and harvesting	*181 161*	*147 539*
on herbicides and fertilizers	*3 690*	-
to seeds	*87 044*	*32 499*
Subsidies to cover the cost of bank loans	142 841	85 474
	499 908	265 512

Subsidy for livestock provided in accordance with the laws of the Republic of Kazakhstan from July 9, 1998 "On the livestock breeding" and on November 24, 2011 "On republican budget for 2012-2014", in order to support domestic agricultural producers in providing breeding products. The grant aims to reduce the cost of purchased pedigree cattle producers of cattle and was used to repay the down payment "KazAgroFinance" finance lease.

The subsidy on crop provided in accordance with the laws of the Republic of Kazakhstan from July 8, 2005 "On state regulation of agriculture and rural areas", in order to support domestic agricultural producers. The grant aims to reduce the cost of purchased fuels and lubricants and elite seeds.

In 2011, the Group's management signed the contract subsidy JSC "Entrepreneurship Development Fund" Damu ". Group receives subsidies from the state to cover its expenses on bank remuneration paid by the Group under bank loans granted to it under the Agreement on open credit line number 07/10KL from 02.04.2010. JSC "Sberbank of Russia". Rate of interest on bank borrowings is fixed at 14% per annum. Government subsidies for compensation is 8%. The grant is part of the National Programme "Business Road Map 2020", approved by the Government of the Republic of Kazakhstan from 13.04.2010g. for number 301. Subsidization is made at the expense of the national budget in accordance with the Rules of subsidies approved by the Government of the Republic of Kazakhstan from 10.06.2010g. for number 556.

30. Change in final goods fair market value.

(thousands KZT)

	2012	2011
Change in final goods fair market value	217034	1 483 902

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

ware and

- chick-pea
- other agricultural goods

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

(KZT)

	2012	2011
soft wheat per ton	35 715	15 717
flint wheat per ton	41 900	21 000
colza per ton	62 500	39 509
combed flax per ton	58 050	35 558
barley per ton	31 000	13 073
pea per ton	40 200	13 170
saffron milk cap per ton	-	26 339
oat per ton	26 800	-
sunflower per ton	66 900	26 339
chick-pea per ton	66 070	26 339
Lentil per ton	66 070	26 339

In accounting The Group uses the actual loss allowance (according to documents) to earn some money on the volume of production, and for not earn the amount of products to avoid overstatement of income from the recognition of produce at fair value, the Group adjusted for the fair value of the average percentage of actual loss allowance for each crop.
Determining the fair price of grain and leguminous crops is based on data of JSC "KazAgroMarketing" less costs to sell is by oilseeds based on recent transactions for implementation.

31. Cost of goods sold and services rendered.

(thousand KZT)

	2012	2011
Goods purchased for sale	6 989 792	3 565 906
Expenses of materials	2 299 760	1 264 865
Payroll expenses	522 665	307 065
Earnings contribution	55 712	3 089
Amortization	280 400	204 720
Overhead charges	923 389	700 227
	11 071 718	6 045 872

32. Financing income

(thousands KZT)

	2012	2011
Exchange difference	3 862	606
Amount of indexation of the finance leases	53	955
Reversal of provision for doubtful debt	336 703	57 323
The discount of premium on obligation	11 382	-
Compensation on deposit	60 134	-
Income from write-off of doubtful accounts receivable	2 231	2 774*
	414 365	61 658*

33. Other incomes

(thousands KZT)

	2012	2011
Rental	4 238	1 760
Bonus allowance of grain on elevator	18 142	9 772
Income from write-off of doubtful creditor indebtedness	1 990	6 704

Income from realization of assets	1 276 831	2 765
Penalty sanctions on economic contract	18 810	-
Income from cheapening of cost fertilizer	225 279	50 540
Benefit of Value Added Tax	17 315	3 727
Other	**1 562 605**	**75 268 ***

* In the section "Other income" income from write-off of doubtful accounts receivable reclassified in the section "Finance income".

34. Expense from realization of finished products and services

(thousands KZT)

	2012	2011
Delivery cost	1 817 355	757 963
Services of elevator	229 921	188 513
Inspection of shipment	47 494	24 147
Insurance of shipment	4 298	13 335
Brokerage service	4 425	1 683
Certification, customs clearing of exports of goods	41 456	5 716
Other	11 468	14 881
	2 156 417	**1 006 238**

35. Administrative expenses

(thousands KZT)

	2012	2011
Amortization	67 759	65 590
Remuneration reward and withholdings	287 232	199 700
Business trip expenses	22 090	13 345
Public service	5 101	4 212
Taxes, except income tax	57 017	45 615
Penalty fee, fines on economic contract	48 780	80 437
Maintenance of administrative use vehicle	22 549	31 142
Communication services	14 054	16 645
Bank services	24 099	27 930
Sponsorship	51 793	59 150
Nondeductible expenses	2 898	28 666
Legal, brokerage, market maker services	13 445	9 366
Auditing and consultancy services	9 324	8 000
Material expenses	38 178	22 422
Notarial services	4 700	1 345
Other expenses	56 334	54 615
	725 353	**668 180**

36. Expenses on the financing

(thousand KZT)

	2012	2011
Interest on obligation	435 459	552 924
Interest on loans and leasing	670 414	720 369
Amortization of discount on obligation	30 277	30 277
Expenses on placement and redemption of obligation	-	307 298
Indexing on under a lease agreement	5 330	1 558
Difference in rate of exchange	63 794	43 645
Commission of bank when issuing a loan	18 952	27 333
Dividends on the preferred shares	609 264	609 264
Discounting of long-term accounts receivables	472 799	337 096
Reserve on indeterminate demands	83 954	62 615
Other	73 170	9 489
	2 463 413	**2 701 868**

37. Other expenses

(thousands KZT)

	2012	2011
Expenses of operating leases	10 669	15 020
Depreciation of investment property	345 650	6 994

Expenses on retirement of assets	46 681	15 502
Other	1 258	3 754
	404 258	41 270

38. 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.

(thousands KZT)

	2012	2011
Income before tax	306 838	483 795
Tax at statutory rate	(4 473)	(28 819)
Withholding tax (15%)	(32 900)	-
Tax effect of temporal difference	(117 348)	192 539
Economy (expenses) on income tax	**(154 721)**	**163 720**

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:

(thousands KZT)

	2012	2011
Income (loss) before tax	306 838	483 795
Statutory rate of income tax	20%	20%
Estimated tax liability at the established rate	(61 368)	(96 759)
Withholding tax (15%)	(32 900)	-
Tax effect of nondeductible expenses and nontaxable income	56 895	67 940
Deferred tax	(117 348)	192 539
Economy (expenses) on income tax	**(154 721)**	**163 720**

39. 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.

	2012	2011
Net income (loss) (thousand KZT)	163 312	529 346
Dividend on preferred shares (thousand KZT)	(404 655)	(404 655)
Ordinary shares weighted mean number (items)	8 999 327	8 999 884
Basic earnings per share ratio (KZT)	(26,82)	13,85
Shares weighted mean number taking into account generally tradable shares (items)	10 447 784	10 448 341
Decreased earnings per share ratio (KZT)	(23,10)	11,93

40. 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 situation - In recent years, capital markets and credit markets are the largest economies of the world have experienced volatile. A number of major global financial institutions into bankruptcy, taken over by other financial institutions and / or received financial assistance from the state. Despite the measures taken or to be taken by the Government of the Republic of Kazakhstan to stabilize the situation, due to the instability of the world and Kazakhstan capital and credit markets, there is economic uncertainty as to the availability and cost of credit.

In addition, the real estate market in Kazakhstan fully felt the heavy impact of the global financial crisis. The result is a downward trend in the construction of new facilities and to reduce the cost of real estate.

Economic uncertainties to continue in the foreseeable future. In this connection it is possible to reduce the demand for products, services and groups that can reduce cost and reduce their profits. However, at the date of these consolidated financial information, the impact of these factors can not be estimated by management.

The economic activity of the Group is carried out in the Republic of Kazakhstan in the context of high inflation and general financial instability. The Group is exposed to economic, political and social risks inherent in doing business in the Republic of Kazakhstan. As a result, there are significant uncertainties that could affect the future operations, the recoverability of assets and the Group's ability to service its debt. These consolidated financial statements do not include any adjustments that take into account this effect.

41. Events after the reporting date.

At the time of approval of the consolidated financial statements of the Group does not hold any events after the balance sheet date that require adjustment or disclosure in the notes to the financial statements.

42. Information about the related parties.

Final supervising party is represented by JSC "Pension Saving Fund "УлapУміт" (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 31.12.2012 are shown in the table below:

(thousand KZT)

		Sale to related parties	Sales from related parties	Debt of related parties	Debt to related parties	Managing staff reward
Parent company	2012	873 718	3 482 070	4 965 886	-	33 192
	2011	707 252	1 430 348	5 884 994	-	36 130
Enterprises controlled	2012	3 777 685	1 169 333	6 285	6 285	15 468
	2011	1759877	1026304		627869	14208

by parent company	627869

43. 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 2012 there were sowed 115 156 ha of cereals, oil-bearing, legumes crops; collected 84 221 tones including 57 500 tones of cereals, 23 290 tones of oil-bearing crops and 2 598 tones of legumes. Average harvest comprised 7,3 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 2012 Group rendered construction and repair services for the value of 115 447 thousand KZT.

The segment reporting by the main operating segments of the Group for the periods ended December 31, 2012 and 2011 are presented below:

(thousands KZT)

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	14 358 050	76 035	-	14 434 085
Return on sales between segments	4 562 616	39 412	(4 602 028)	-
Income from financing	463 740	-	(49 375)	414 365
Total segment income	**19 384 406**	**115 447**	**(4 651 403)**	**14 848 450**
Financing Expenses	2 492 048	20 740	(49 375)	2 463 413
Gain (loss) before income tax expense	357 157	(50 319)	-	306 838
Economy (expenses	(164 016)	9 295	-	(154 721)
Gain (loss) for the period	**193 141**	**(41 024)**	-	**152 117**
Assets of segment	40 745 617	148 847	(6 039 735)	34 854 729
Total assets	**40 745 617**	**148 847**	**(6 039 735)**	**34 854 729**
Liabilities of segment	3 570 745	191 574	(5 085 145)	25 677 174
Total liabilities	**30 570 745**	**191 574**	**(5 085 145)**	**25 677 174**
Amortization	855 662	5 915	-	861 577
Total amortization	**855 662**	**5 915**	-	**861 577**
Unallocated capital	767 178	94 347	-	861 525

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	(2 456 652)	-
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	(12 121)	-	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**
	30 138 975	219 228	(6 512 863)	23 845 340

Liabilities of segment	30 138 975	219 228	(6 512 863)	23 845 340
Total liabilities	1 013 466	4 744	-	1 018 210
Depreciation	1 013 466	4 744	-	1 018 210
Total amortization	116 967	-	-	116 967
Unallocated capital			-	

44. 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 KZT)

	Remark	Total amount of maximum risk, December 31.12.2012	Total amount of maximum risk, December 31,2011
Monetary funds	4	317 069	137 787
Short-term accounts receivable	5	2 714 704	1 808 199
Long-term accounts receivable	9	3 168 448	2 424 718
Total amount of credit risk		6 200 221	4 370 704

Money funds classification according to credit score by the date of 31.12.2012

(thousand KZT)

Article	AAA+ to AAA-	BBB+ to BBB-	lower than BBB-	Without score	Total
Money funds	-	317 069	-	-	**317 069**
Short-term accounts receivable	-	-	-	2 714 704	**2 714 704**
Long-term accounts receivable	-	-	-	3 168 448	**3 168 448**
	-	317 069	-	5 883 152	**6 200 221**

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.

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, 2012				
	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	317 069	-	-	-	-	-	317 069
Short-term accounts receivable	-	8 862	157 933	2 547 909	-	-	2 714 704
Long-term accounts receivable	-	-	-	-	3 162 841	5 607	3 168 448
	317 069	**8 862**	**157 933**	**2 547 909**	**3 162 841**	**5 607**	**6 200 221**
Financial liabilities:							
Short-term financial liabilities	-	-	12 539	7 445 499	-	-	7 458 038
Short-term accounts receivable	-	43 636	32 033	995 064	-	-	1 070 733
Long-term financial liabilities	-	-	-	-	379 059	4 016 785	4 395 844
Liability for dividends on preferred shares	-	-	-	-	8 703 175	-	8 703 175
	-	**43 636**	**44 572**	**8 440 563**	**9 082 234**	**4 016 785**	**21 627 790**
Net position	**317 069**	**(34 774)**	**113 361**	**(5 892 654)**	**(5 919 393)**	**(4 011 178)**	**(15 427 569)**

			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	936 912	-	-	1 808 199
Long-term debit indebtedness	-	-	-	-	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	4 004 255	4 353 013
Long-term creditor indebtedness	-	-	-	-	8 703 175	-	8 703 175
Liability for dividends on preferred shares	-	**43 244**	**533 489**	**6 327 197**	**9 051 933**	**4 004 255**	**19 960 118**
	137 787	**93 536**	**201 018**	**(5 390 285)**	**(6 627 215)**	**(4 004 255)**	**(15 589 414)**
Net position	-	-	215 617	5 340 778	-	-	5 556 395

Market risk - the probability of losses due to adverse movements of the financial markets (due to changes in the market value of financial instruments, interest rates, foreign currencies, precious metals). Market risks include currency, interest rate and other price risks:

Currency risk

Currency risk - the risk associated with the fact that financial assets are subject to fluctuations due to changes in exchange rates.

The amount of short-term and long-term debt of the Group denominated in USD and EUR are recorded in tenge. The depreciation of the tenge against foreign currencies may cause the growth of the Group's expenses in connection with the growth of the exchange rate. The Group limits its foreign currency risk by monitoring changes in foreign exchange rates, which are expressed in money, accounts receivable and accounts payable and loans.

Assets and liabilities denominated in foreign currencies and the expected cash flows from purchases and sales of a high probability of causing exposure to currency risk.

Due to changes in economic conditions, currency basket may also change during the fiscal year.

The carrying value of monetary assets and monetary liabilities denominated in foreign currencies at the balance sheet date are as follows:

December 31, 2012

	KZT	**USD**	**Euro**	**British pound sterling**	**Russian ruble**	**Total**
Financial assets:						
Monetary funds	317 069	-	-	-	-	317 069
Short-term accounts receivable	2 714 704	-	-	-	-	2 714 704
Long-term accounts receivable	3 168 448	-	-	-	-	3 168 448
	6 200 221		-	-	-	**6 200 221**
Financial liabilities:						
Short-term financial liabilities	6 415 014	1 043 024	-	-	-	7 458 038
Short-term accounts receivable	953 401	71 045	46 287	-	-	1 070 733
Long-term financial liabilities	4 395 844	-	-	-	-	4 395 844
Liability for dividends on preferred shares	8 703 175	-	-	-	-	8 703 175
	20 467 434	**1 114 069**	**46 287**	-	-	**21 627 790**
Net position	**(14 267 213)**	**(1 114 069)**	**(46 287)**	-	-	**(15 427 569)**

December 31, 2011

	KZT	**USD**	**Euro**	**British pound sterling**	**Russian ruble**	**Total**
Financial assets:						
Monetary funds	127 065		10 722	-	-	137 787

Short-term accounts receivable	1 808 199	-	-	-	-	1 808 199
Long-term accounts receivable	2 424 718	-	-	-	-	2 424 718
	4 359 982	-	10 722	-	-	4 370 704

Financial liabilities

Short-term financial liabilities	4 675 395	881 000	-	-	-	5 556 395
Short-term credit debt	1 331 959	3 997	5 472	3	6 104	1 347 535
Long-term financial liabilities	4 353 013	-	-	-	-	4 353 013
Long- term financial liabilities	8 703 175	-	-	-	-	8 703 175
Preferred shares dividends liabilities						
	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)	**(15 589 414)**

Principal cash flows are generated in KZT, USD and EURO. As a result, future movements in the exchange rate of the tenge against the U.S. dollar and the EURO may affect the carrying value of monetary assets and liabilities denominated in U.S. dollars and EURO.
The table shows the change in financial result and equity due to possible changes in exchange rates used as at the balance sheet date, despite the fact that all other variables held constant:

Currency	**Exchange rate**					
	Parallel shift			**Parallel shift**		
	As of 31.12.2012	**10% rise**	**10% decrease**	**As of 31.12.2011**	**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

USD	150,74	165,81	135,67	148,40	163,24	133,56
EURO	199,22	219,14	179,30	191,72	210,89	172,55
Pound	243,72	268,09	219,35	228,80	251,68	205,92
Rouble	4,96	5,46	4,46	4,61	5,07	4,15

(thousand KZT)

	31.12.2012 **Income or loss influence**	**31.12.2011** **Income or loss influence**
Strengthening of USD by 10%	(111 407)	(88 500)
Weakening of USD by 10%	111 407	88 500
Strengthening of EURO by 10%	(4 629)	525
Weakening of EURO by 10%	4 629	(525)
Strengthening of Rouble by10%	-	(610)
Weakening of Rouble by10%	-	610

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 risk
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.

45. 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.

46. 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.