



Press-release
On the results of JSC «RG Brands» in 2011 year

<i>tousands KZT</i>	2011 200	2010 200	2009 200	2010 к 2011	2010 к 2009
Revenue	30 950 358	25 894 393	22 929 861	20%	13%
Gross Profit	11 138 560	9 081 462	7 053 644	23%	29%
Gross Profit, %	36%	35%	31%		
EBITDA	4 253 769	3 804 951	3 284 044	12%	16%
EBITDA margin, %	13,7%	14,7%	14,3%		
Currency translation gain/loss	91 465	693 646	-3 770 560		
Net profit/loss	1 114 746	1 988 353	-3 154 382		
Net financial debt	10 287 343	15 351 305	16 078 292		

- RG Brands 2011 sales climb by 20% to TENGE 30.9bn
- Total 12 month Gross Profit increased by 23% to TENGE 11.1bn
- Total 12 month EBITDA increased by 12% to TENGE 4.2bn
- RG Brands achieves the full year sales growth target

RG Brands continues to successfully execute its 3 Pillars of Growth Strategy in 2011 – New Product Development – Home Market Dominance – Territory Growth achieving revenue growth in 12 months of 2011 of 20%. In 2010 RG Brands achieved growth over 2009 Revenue of 13%. The second half of 2011 was very successful as a result of improved sales and marketing initiatives and a focus on higher margin single serve product growth offsetting commodity price increase for raw materials. The company continues to improve the efficiency of operations and actively reinvests funds, obtained through decrease in operational expenses, into the development of key company brands. Continuous innovation and development in sales and marketing programs continues to deliver consistent revenue growth and margin improvement across all categories.

The Juice category continued to grow on the strength of the company’s leading brands Gracio, DaDa, NS and DaDaDay. Piala Gold Tea kept its leading share of the market, Milk MOE showed excellent growth as did snacks brand GRIZZLY. All 3 food brands outpacing the growth rate of the market. Bottled water market is one of the biggest segments of the beverage market in Kazakhstan and Central Asia. Focus of RG Brands on developing strong regional brands and being present on the most attractive markets resulted in the launch of the companies own brand water A’SU in 2010 and full year 2011 ASU results in sales and market share are in line with expectations. Further A’SU product extensions are planned in early 2012. Strong results were achieved in the CSD and Iced Tea categories, with its International Brands Pepsi, 7UP, Mirinda CSD’s and Lipton Iced Tea.

Further development of the product expansion program resulted in the launch of the first carbonated Apple fruit drink in CIS - Aport, using the legend of the famous Almaty apple Aport as a brand platform. Launch results of APORT are strong and expectations are that the brand will deliver additional growth and margin to the RG Brands product portfolio with further plans for extension of the brand in 2012.

The company is already enjoying the results of its International business development program across Central Asia and Southern Russia, based on effective support of brands and local partners. Share of growth from international sales increased to 17% this year versus prior year 9%.





Gross profit growth of 23% indicates a good structure and strength of financial model, because RG Brands receives the improvement of profitability not only through implementation of scale effect, but also through improving operational efficiency and increasing the share of its higher margin products, including new product launches (A'Su and Aport).

The EBITDA result for the 12 months was 12% growth and EBITDA margin declined by 1% point as a result of aggressive investments in New Product Development and Marketing expense ensuring efficient market penetration, combined with accelerated growth in our franchised brands and International markets at lower EBITDA margin in light of an improving economic and retail environment. These investments will deliver profitable growth in 2012.

RG Brands consistently implements its “three key sources of growth” according to the mid-term development plan: strengthening leadership on local consumer market, introducing innovative products in new product categories and territory expansion in nearby markets. In 2011 RG Brands has created the best possible platform for growth in 2012-2016.

Company continues its course of rapid cash generation due to the significant revenue growth as well as better management of working capital. Thus, operational activity of 2011 allowed the company to accumulate net operating cash amounted to 2.7 billion tenge, which is 7 times higher than the same indicator in 2010. Moreover in 2011 RG Brands repaid its financial obligations of 3,9 billion tenge. The momentum of sales and profitability growth combined with strengthening key balance items allows RG Brands to confirm its optimistic growth plans for 2012 and expects all key measures to improve over the next 12 months. All this resulted in reconsideration of the company's outlook by Moody's rating agency, which was changed to “stable” in October of 2011.

Note

JSC «RG Brands» (KASE: RGBR), leading producer of juices and nectars, milk, tea, carbonated drinks and snacks in Kazakhstan. Company has portfolio of brands, including own, and international: juices – «Gracio», «DaDa» и DaDaDay, «Nectar Solnechniy». Drinks – Aport, A'SU, Lipton Ice Tea, AquaFina, Pepsi, 7up, Mirinda. Milk – «Moe». Tea – «Piala». Snacks – «Grizzly». Rating, given by Moody's international rating agency, B3/stable.

JSC "RG Brands" tools, included in trade lists of KASE, RGBRb4, RGBRb5, RGBRb6 (without rating evaluation of first subcategory)

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