



## Press-release: RG Brands Full Year 2012

	2012	2011	Change, %
<i>tousands KZT</i>			
Revenue	34,951,468	30,950,358	13%
Gross Profit	14,519,182	11,138,560	30%
Gross Profit margin, %	42%	36%	
EBITDA	5,619,899	4,253,766	32%
EBITDA margin, %	16.1%	13.7%	
Currency translation gain/loss	-193,941	91,465	
Net profit/loss	2,169,712	1,120,483	94%
Net Operating Cash	4,070,597	2,692,218	51%
Net financial debt	10,709,723	13,049,487	-18%

- **RG Brands 2012 12 mths revenue climb by 13% to TENGE 34.9bn**
- **Total 12 month Gross Profit increased by 30% to TENGE 14.5bn**
- **Gross profit margin increased from 36% to 42%**
- **Total 12 month EBITDA increased by 32% to TENGE 5.6bn**
- **12 month Net Operating Cash increased by 51% to TENGE 4.1 bn**

RG Brands continues to demonstrate sustainable profitable growth in pursuance of achieving its midterm plan, showing good operational and financial results during 12 months of 2012.

The company actively reinvests accumulated funds into development of its key brands and reinforcement of its sales and distribution system. This strategy together with an ongoing cost reduction program and increase in productivity continue to provide sales growth and margin improvement of the business.

The company's comprehensive initiatives in juice category implemented in 2012 reinforced the positions of leading brands in the market - Gracio, DaDa and Nectar Solnechniy. Piala Gold Tea maintained its leading share in the market, including good sales growth in the teabag segment (Piala Gold and Piala Assortea). Milk MOE showed consistently strong results in light of its renewed marketing strategy. Aggressive sales growth of snacks brand GRIZZLY is connected with continuous focus and investments into its representation in the market.

Focus of RG Brands on developing strong brands in new product categories with high growth potential has been reinforced. New trade mark portfolio – water A'SU, energy drinks YETI, as well as Aport (the first beverage in Shorle category in CIS) demonstrated aggressive sales dynamic in 2012, in line with the company's expectations, thus forming good expectations in the midterm horizon.





Consistently good results were achieved in the CSD and Iced Tea categories, with its International Brands Pepsi, 7UP, Mirinda CSD's and Lipton Iced Tea demonstrating solid results, on the back of the successful launch of Lipton 1 litre pack and effective Pepsi football promotion during the summer season of the year.

Business development program in Central Asia and Russia (Western Siberia, Ural and Volga region) has started to bring its first results, on the back of active support of our own brands and local partners.

Gross profit growth of 30% indicates a strong business concept and effective economic model, because RG Brands receives the improvement of profitability not only through implementation of scale effect, but also through improving operational efficiency.

The EBITDA result for the 12 months was 32% growth and EBITDA margin continued to increase by 2.4 points as a result of implementation of cost reduction program, improved operating efficiency and the results of previous period's aggressive investment in Marketing and New Product Development delivering growth in higher margin products.

RG Brands continues to implement initiatives aimed at strengthening the balance sheet. In 2012 RGBrands refinanced the amount of KZT1.5 bln of its financial obligations with 5-year long-term facilities at substantially lower interest rates, which resulted in substantial improvement of the company's liquidity position. The company also puts very focused emphasis on further strengthening of its financial capability and policy to support execution of its "3 Pillars of growth" by 1) establishing multi-year available committed facilities, 2) diversifying financing sources between European, Asian and regional banks, as well as by using different types and instruments of financing sources and 3) limiting foreign currency denominated debt as well as hedging majority of its foreign currency payments to mitigate foreign exchange risks. Net operating cash for 2012 reached 4.1 bln. tenge which is 51% more than the result of 2011, enabling the company to decrease its financial obligations by approx. 2.3 billion tenge during 2012.

All these factors resulted in the upgrade of the company's rating by Moody's rating agency to "B2" from "B3" in September of 2012.

The momentum of sales and profitability growth combined with strengthening key balance items allows RG Brands to confirm its optimistic growth plans for 2013 and expects all key measures to improve over the next 12 months.

#### 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 – «Moë». Tea – «Piala». Energy drinks – «YETI». Snacks – «Grizzly». Rating, given by Moody's international rating agency, B2/stable.

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



