



RG BRANDS
НА ВСЮ ЖИЗНЬ

RG BRANDS JSC & SUBSIDIARIES

NOTES

to the Interim Consolidated Financial Statements
as at 30 September 2014
(in KZT thousands unless stated otherwise)

I. GENERAL

The core business of RG Brands JSC and its subsidiaries (hereinafter jointly referred to as "the Group") is production, sale and distribution of juices, carbonated beverages, milk, chips, packing, sale and distribution of tea and other commercial products. The Group mainly operates in the Republic of Kazakhstan (hereinafter "Kazakhstan").

Ownership structure of the Company – RG Brands JSC was initially registered on 22 June 1998 as a limited liability partnership and transformed into an open joint stock company on 27 March 2001. The Company was re-registered as a joint stock company on 17 February 2004.

As at 30 September 2014 and 31 December 2013 the registered share capital of RG Brands JSC was KZT 2,787,696 thousand. As at 30 September 2014 and 31 December 2013 the share capital comprised 3,452,730 common shares amounting to KZT 1,840,296 thousand and 789,500 preferred shares amounting to KZT 947,400 thousand. The share capital was paid in full.

As at 30 September 2014 and 31 December 2013 shareholders of the Company were as follows:

Shareholders	Interest		Common Shares		Amount	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Mr. T.S. Kaltayev.	1.42%	1.42%	45 024	45 024	34 384	34 384
Mr. K.K. Mazhibayev	61.55%	56.75%	1 944 771	1 793 103	944 726	944 574
Mr. A. Agybayev	0.72%	0.72%	22 655	22 655	24 780	24 780
Mr. R. Bayazeroov	0.78%	0.78%	24 653	24 653	26 779	26 779
Mr. A.V. Khalyapin	0.01%	0.01%	138	138	501	501
SUCCESSFUL INVESTMENT TRUST LLP						
Mr. Y.Zh.	8.86%	8.86%	279 968	279 968	258 948	258 948
Koshkimbayev	26.66%	31.46%	842 384	994 052	397 751	397 903
Total	100.0%	100.0%	3 159 593	3 159 593	1 687 869	1 687 869

As at 30 September 2014 and 31 December 2013 repurchased common shares of the Group made KZT 152,427 thousand or 293,137 common shares.

Group structure and transactions – The Group consists of RG Brands JSC and subsidiaries as follows:

	Ownership interest		Voting right	
	2014	2013	2014	2013
RG Brands Kazakhstan LLP	100%	100%	100%	100%
Uni Commerce Ltd.	100%	100%	100%	100%
RG Brands Kyrgyzstan LLC	100%	100%	100%	100%
RG Brands Tashkent LLC	100%	100%	100%	100%

RG Brands began production and packing of juice and juice-containing drinks in November 1999. Today the Group has the following trade marks in its portfolio: Gracio, Da-Da and Nectar Solnechnyi, Da-Da Day, Aport, and ASU.

The Group started up the first line for production of carbonated beverages under the trademarks of Pepsi, Seven Up, Mirinda and Aquafina in November 1999.

On 27 January 2004 RG Brands JSC acquired 99.9933% interest in the charter capital of Uni Commerce Ltd. Uni Commerce Ltd. was registered in 2003 to transfer the sale and distribution business of actual shareholders to the Group. On 28 November 2005 and 17 June 2008 RG Brands JSC acquired additional 0.0022% and 0.0045% interests in the charter capital of Uni Commerce Ltd. from the minority shareholder. Accordingly, as at 31 December 2009 RG Brands held 100% interest in the charter capital of Uni Commerce Ltd.

As at 30 September 2014 RG Brands owned 100% authorised capital of RG Brands Kyrgyzstan LLC registered on 11 March 2004. The interest of the minority shareholder was purchased on 7 October 2008.

RG Brands Kazakhstan LLP (hereinafter "RG Brands Kazakhstan") was established on 4 April 2006 and comprised production facilities engaged in manufacture of juice, beverages, packaged milk under Moye trade mark, tea under Piala trade mark, bottled water under Asu trade mark, and Grizzly chips. This Company is also engaged in distribution of the Group products in the Republic of Kazakhstan.

In accordance with the decision of RG Brands, a 100% subsidiary – RG Brands Tashkent LLC was registered on 29 August 2009 in the Republic of Uzbekistan.

RG Brands Tashkent LLC and RG Brands Kyrgyzstan LLC are engaged in sale and distribution of the Group products in the Republic of Uzbekistan and Kyrgyz Republic accordingly.

The Head Office of the Company is located in Almaty; its production capacities are located in Almaty, Almaty Oblast, and Kostanai, Republic of Kazakhstan. As specified above, the Company is also present in Kyrgyz Republic and Republic of Uzbekistan to implement its sale and distribution strategies.

Legal address: 212b, Raimbek ave., Almaty, Republic of Kazakhstan

Form of ownership: Private

Bottling Agreements with PepsiCo and Seven-Up International – the Group produced and distributed carbonated alcohol-free beverages in accordance with the exclusive bottling agreements entered into and between PRG Bottlers and PepsiCo Inc. and PRG Bottlers and Seven-Up International on 22 July 2000.

On 1 April 2008 the Group signed new exclusive bottling agreements under which the rights to bottle, sell and distribute PepsiCo and Seven-Up products in Kazakhstan passed to RG Brands Kazakhstan till 21 July 2010 with automatic prolongation for 5 years and subsequently for another 5-year period upon the end of each 5-year period.

On 12 January 2009 PepsiCo Inc., Seven-Up and the Group entered into the agreement providing the right to export PepsiCo Inc. products to Kyrgyzstan. Besides, the Group entered into distribution agreements covering Tajikistan and Turkmenistan. These agreements were extended to and including 31 December 2013.

2. BASIS OF PREPARATION

These consolidated interim financial statements of RG Brands JSC and its subsidiaries (hereinafter “the Group”) have been prepared in accordance with International Financial Reporting Standard (IAS) 34 *Interim Financial Reporting*.

The reporting period is from 01 January to 30 September 2014.

The Group keeps accounts in Kazakhstan monetary units (KZT) in accordance with the effective laws of the Republic of Kazakhstan. These consolidated interim financial statements are presented in KZT thousands.

These consolidated interim financial statements have been prepared on the historical cost basis except for certain assets and liabilities measured at fair value.

These consolidated interim financial statements have been prepared based on two fundamental assumptions – accrual basis of accounting and going concern.

To calculate the carrying amount of shares, the Group uses the following method: the carrying amount per common share equals the difference between the Company equity and the value of preferred shares divided by the number of common shares placed.

The carrying amount per preferred share equals the value of preferred shares placed divided by the number thereof.

3. MAIN PRINCIPLES OF ACCOUNTING POLICY

Since 1 January 2010 the Group has made changes to the accounting policies for depreciation of production-related property, plant and equipment. Such equipment is depreciated using the units of production method instead of the straight-line method. As for other recognition and measurement policies, when preparing these interim financial statements the Group used accounting policies applied in the latest annual financial statements.

4. REVENUE

Revenue was as follows:

	9 months of 2014	9 months of 2013	(KZT'000)
Revenue from sale of juices, juice-containing drinks	6 256 493	6 245 185	
Revenue from sale of packaged tea	7 680 811	6 520 053	5.
Revenue from sale of alcohol-free beverages	11 230 240	9 935 196	6.
Revenue from sale of packaged milk	4 070 815	3 535 098	7.
Revenue from sale of chips	377 656	365 078	8.
	<u>29 616 015</u>	<u>26 600 609</u>	9.
			10.

5. COST OF SALES

Cost of sales was as follows:

	9 months of 2014	9 months of 2013	(KZT'000)
Materials	16 134 836	14 710 544	
Depreciation and amortisation	679 071	608 425	
Salaries and related taxes	609 844	599 906	
Utilities	291 327	268 205	
Repair	299 803	211 685	
Other costs	27 788	91 121	
	<u>18 042 669</u>	<u>16 489 886</u>	

6. SELLING EXPENSES

Selling expenses were as follows:

	9 months of 2014	9 months of 2013	(KZT'000)
Transportation expenses	2 049 250	1 853 037	
Salaries and related taxes	490 841	534 535	
Advertising campaigns and marketing research	1 808 438	1 473 008	
Expenses for sales reps	890 086	630 148	
Other selling costs	256 828	177 767	
Amortisation	433 593	368 059	
Lease of vehicles, warehouses and office premises	202 135	229 196	
Travel expenses	4 737	10 989	
	<u>6 135 908</u>	<u>5 276 739</u>	

7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	9 months of 2014	9 months of 2013	(KZT'000)
Salaries and related payments	1 113 031	1 173 675	
Write-off of defected goods, losses of raw materials and supplies	53 412	106 016	
Consulting services	252 571	248 268	
Penalties and fines	9 790	58 234	
Depreciation and amortisation	37 016	51 115	
Taxes other than income tax	119 025	164 730	
Bank services	118 058	156 980	
Transportation charges	71 356	79 255	
Utilities	45 953	55 786	
Travel expenses	33 027	35 596	
Communication services	23 533	22 925	
Insurance	17 876	9 834	
Provision for unused employee leaves	13 841	11 373	
(Reversal of)/provision for hard-to-sell and obsolete inventory	-	(45 697)	
Accrual/(reversal) of provision for doubtful debts	6 961	(11 735)	
Other costs	268 093	268 682	
	<u>2 183 544</u>	<u>2 403 037</u>	

Interest on bank and other loans	656 981	428 470
Interest accrued on bonds	132 684	129 229
Interest accrued on finance lease payable	28 339	57 551
Dividends on preferred shares	-	135 000
Amortization of discount on loan from the parent		
	<u>818 005</u>	<u>750 250</u>

9. OTHER COSTS

(KZT'000)

Other costs were as follows:

	9 months of 2014	9 months of 2013
(Loss)/income from disposal of property, plant and equipment	(34 114)	(14 595)
Other operating expenses, net	10 026	74 043
Other	24 191	(84 979)
	<u>103</u>	<u>(25 532)</u>

10. EARNINGS PER SHARE

Earnings/(loss) per share is calculated by dividing net profit/(loss) for the year attributable to equity holders by the weighted average number of common shares outstanding during the year determined as follows.

(KZT'000)

	9 months of 2014	9 months of 2013
Net profit (loss) for the year attributable to equity holders	667 852	1 645 205
Weighted average number of common shares	3 159 593	3 159 593
Basic loss/earnings per share, KZT	<u>211</u>	<u>521</u>

The Company uses the following calculation method to determine the carrying amount of shares:

Carrying amount per common share is a quotient of the net assets for common shares by the number of common shares.

$$3108 = 9,819,002 / 3,159.59$$

Net assets for common shares are calculated using the following formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

- TA – issuer's assets recognised in the issuer's statement of financial position as at the calculation date;
- IA – intangible assets in the issuer's statement of financial position as at the calculation date;
- TL – liabilities in the issuer's statement of financial position as at the calculation date;
- PS – balance of Authorised Capital, Preferred Shares item in the issuer's statement of financial position as at the calculation date.

$$9,819,002 = (34,220,436 - 63,644) - 24,337,790$$

Carrying amount per preferred share is calculated using the following formula:

$$BVPS2 = LPS / NOPS2, \text{ where}$$

- BVPS2 – (book value per preferred share of the second group) carrying amount per preferred share of the second group as at the calculation date;
- NOPS2 – number of outstanding preferred shares of the second group as at the calculation date;
- LPS – balance of preferred shares recorded as liabilities in the issuer's statement of financial position as at the calculation date.

$$1,200 = 947,400 / 789,500$$

11. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2014 property, plant and equipment less accumulated depreciation were as follows:

(KZT'000)

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construc- tion in progress	Total
Historical cost							

11. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2014 property, plant and equipment less accumulated depreciation were as follows:

	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Historical cost							
At 1 January 2014	1 122 088	5 365 763	17 796 629	280 827	705 018	664 623	25 934 948
Additions		1 786	874 219	65 166	92 654	4 190	1 038 015
Reclassification	6 000	190 190					196 190
Revaluation surplus	110 431	645 205					755 636
Disposal		(834 612)	(115 682)	(6 039)	(19 342)		(975 674)
At 30 September 2014	1 238 519	5 368 332	18 559 356	339 954	778 330	664 623	26 949 114
Accumulated depreciation							
At 1 January 2014	-	(795 027)	(7 469 501)	(160 405)	(510 403)	-	(8 935 336)
Accrued for the period		(410 500)	(651 440)	(29 957)	(72 838)		(1 164 735)
Reclassifications							-
Disposal		834 612	111 572	16 981	4 913		968 078
At 30 September 2014	-	(370 914)	(8 009 370)	(173 382)	(578 328)	-	(9 131 993)
Carrying amount at 30 September 2014	1 238 519	4 997 417	10 549 986	166 573	200 003	664 623	17 817 121

12. ACCOUNTS RECEIVABLE

As at 30 September 2014 accounts receivable were as follows:

Counterparty	Opening balance	Total debits	Total credits	Closing balance
Long-term accounts receivable	77 992	15 283	4 307	88 968
INNOVA INVESTMENT LLP	76 000		4,195	71 805
Svetlana Valeriyevna Rusyayeva	192		112	80
Zhasulan Turarovich Saginov		1,083		1 083
Alibek Kaldybayevich Ungarbayev	1 800	14,200		16 000
Short-term accounts receivable	6,471,965	737,683	1,121,894	6,087,754
CARAT LLP	18,304		9,716	8,588
Cinema Property Management LLP	1,654		877	777
DSF Trading Co LLP	6,919		6,230	689
Magnum Cash&Carry LLP	14,518		4,134	10,384
OSTEN LLP	874	2,470		3,344
Parade Retail LLP	1,546		1,197	349
Region Logistic Sole Proprietor	9,359		4,359	5,000
Silk Way City LLP	1,170	61		1,231
Sinooil LLP, Shymkent Branch	2,489		1,726	763
Sinooil LLP, Astana Branch	2,157		1,597	560
TANDEM EXCLUSIVE LLP	70,756		4,282	66,474
The Caspian International Restaurants Company LLP	29,956		895	29,061
Kairat Seitzhanovich Abiltayev Sole Proprietor	6,233		4,984	1,249
Alma Retail Systems LLP	4,641		2,217	2,424
Alma RS LLP	0	440		440
Alma Store LLP (ADK Mall)	11,841		6,014	5,827
Alma Store LLP	2,545		416	2,129
Sinooil LLP, Almaty Branch		2,518		2,518
Alyp-2008 LLP	2,207		1,073	1,134
Al-Asad LLP		2,136		2,136
Anvar LLP, Astana Branch	1,712		586	1,126
S.T. Anitskaya	1,799	226		2,025
Anaur Consumers LLP, Atyrau	230,471		55,919	174,552
B.A. Atayev, Sole Proprietor	21,063		20,475	588
Almaty Branch No.1, Magnum Cash&Carry LLP	20,284		986	19,298
Almaty Branch No.2, Magnum Cash&Carry LLP	18,168		304	17,864
Almaty Branch No.3, Magnum Cash&Carry LLP	7,183		2,389	4,794
Branch No.4, Magnum Cash&Carry LLP	11,424		3,032	8,392

Almaty Branch No.6, Magnum Cash&Carry LLP	4,225		1,450	2,775
Almaty Branch No.7, Magnum Cash&Carry LLP	13,457	1,092		14,549
Astana Branch, Magnum Cash&Carry LLP	18,386		6,020	12,366
G.K. Akhmetbekov Sole Proprietor	14,978	4,875		19,853
Basis-Trade LLP, Aktobe	52,287	17,942		70,229
Bahus-Center LLP	7,754		4,774	2,980
O.P.Beliyanskiy Sole Proprietor		6,156		6,156
Bolashak LLP (Canteen)		1,583		1,583
Hermes-Trade LLP	1,488		1,488	0
Firkan City Hypermarket	2,656		1,873	783
Dastarkhan-TRADE LLP	2,359	759		3,118
Dastarkhan LLP*	1,777		1,036	741
Dostyk Cinema LLP (DOSTYK MULTIPLEX)		2,036		2,036
Gulbanum Khamitovna Dulyatova Sole Proprietor	276			276
ZHETI ASPAN LLP	1,822		410	1,412
Balsheker Zhunusova Sole Proprietor (Distributor)	5,347	2,200		7,547
Ideal-2008 LLP	2,366			2,366
INTERFOOD KGJC LLP	3,056		2,204	852
Zh. Kenzhabayev (Atbasar)	0	2,059		2,059
Zh.N. Kabiyeu (Ucharal)	710	57		767
Kazakhstan LLP	288		38	250
Ye.M. Kerimbekov	5,049		360	4,689
L.V. Kishchuk	1,342	361		1,703
SOBLTD LLP	166,842		32,190	134,652
Leko LLP	4,974	8		4,982
Magnolia LLP, Taraz	88,554	485		89,039
Edik Fanilovich Konbekov	528	1,129		1,657
Kazbek Kussainov, Turkestan	24,723	9,133		33,856
O. Litvinova, Sole Proprietor	1,277		1,277	0
Lyudmila - KZ , LLP	6,387		3,518	2,869
A.K. Mazur, Sole Proprietor	11,497		1,584	9,913
G.E. Mambetomurova Sole Proprietor non-cash		1,886		1,886
Gulzhakhan Konyzbekovna Meirmankulova	1,200			1,200
Mercury 2030 LLP		1,431		1,431
METRO Cash & Carry LLP	55,626	21,847		77,473
Nesipkul Omirzakhova Sole Proprietor	8,642			8,642
Wholesale Club LLP	21,091		5,785	15,306
Sigma-Import LLP, Petropavlovsk	5,693	1,126		6,819
Pischetorg LLP	19,102		2,427	16,675
Atrium LLP	4,648		1,528	3,120
Premium-Siberia LLC	10,305		5,724	4,581
Ya.T.Razyev Sole Proprietor	8,774			8,774
Ramstore Kazakhstan LLP, Astana Branch	9,432		2,987	6,445
Ramstore Kazakhstan LLP	23,491	5,030		28,521
Ye. Rakhimzhanov, Semei (FS)	64,526	7,603		72,129
Aidos Redzhepbaiuly Sole Proprietor (Altyn-Orda Market)	2,486	1,013		3,499
RTS Distribution LLP	3,574		1,282	2,292
SABYRZHAN COMPANY LLP	30,837	13,031		43,868
M.A. Saidov Sole Proprietor		1,325		1,325
Tair Imirovich Saitov (Panfilov)	8,213			8,213
Svit Trade 2009 LLP		8,459		8,459
Skif Sauda LLP	6,245		4,135	2,110
Skif Trade LLP	10,787		10,787	
Skif Trade LLP, Almaty Branch	6,216		2,512	3,704
Skif Trade LLP, Branch	2,542	432		2,974
Skif Trade LLP, Karaganda Branch	9,362		5,323	4,039
Sultan Torg LLP	6,059	941		7,000
Bayan Sulu Supermarket LLP	1,072		193	879
Solnechnyi Supermarket LLP	1,079		189	890
Tandem LLP	1,915	309		2,224
Tamasha Market LLP	2,312		383	1,929
GREEN MART Retail Chain	16,678	751		17,429
ASV Trade LLP	4,897		4,132	765
TOT LLP	1,666		164	1,502
M.A. Turekulova Sole Proprietor		4,313		4,313
A.A. Trishnevskiy, Sole Proprietor	1,474		492	982
Ust-Kamenogorsk Club, Whalesale Market LLP	4,498		3,206	1,292

Ramstore Kazakhstan LLP, Shymkent Branch	1,445		747	698
Ramstore Kazakhstan LLP, Karaganda Branch	1,984		1,086	898
Firkan LLP (Chernyshevskiy Str.)	3,560		1,895	1,665
Branch No.5, Magnum Cash&Carry LLP	4,380		955	3,425
Best Service LTD LLP	2,061	72		2,133
Astykhzan Trade Center LLP	4,990		1,661	3,329
Uma Zapad LLP	1,730		829	901
Other	102,921	54,477		157,398
Trade accounts receivable	1,421,191	181,772	250,052	1,352,911
Alans Invest Company JV LLP	750		750	0
Arcon Industries Kazakhstan LLP	604		604	0
Ark Stone Group LLP	157		82	75
BC Industry LLP	27	451		478
DG CONSULTING LTD	1,632		359	1,273
DISTRILAB LLP	605	574		1,179
ED&F MAN SUGAR LTD	1,058			1,058
European Bank for Reconstruction and Development	841			841
FIRST FACTORING COMPANY LLP	9,061		9,061	
Forklift Trans LLP	1,125		248	877
G-FORCE LLP		10,581		10,581
Goodmorning KZ LLP	2,250	472		2,722
Guide and Support Logistics Group LLP		8,870		8,870
Happyton Corporation LLP	5,000		5,000	
HEADHUNTER.KZ LLP	187	1,556		1,743
IZ-Plast LLP		3,139		3,139
KUIPERS FOOD PROCESSING MACHINERY B.V.	1,177		1,177	0
L.A.B. INTERNATIONAL KENYA LIMITED	64,859		48,496	16,363
MAS Agro (Ivanhoe Invest b.v.)	2,209			2,209
Machinery Spec Service LTD	7,006		7,006	
MTK Complete Service Branch LLP	1,800		1,800	
NAIMAN GROUP LLP	2,011		1,422	589
Oni Process	396			396
Peter Binder GMBH		14,870		14,870
RED TECHNOLOGY LLP		1,942		1,942
RGL SERVICE LLP	3,935	1,353		5,288
RVAgency LLP	3,048		3,048	
Sinooil LLP, Almaty Branch	1,571		750	821
SINOOIL LLP, Shymkent Branch	3,418	355		3,773
Sinooil LLP, Astana Branch	3,017	328		3,345
SS Electric Industry LLP	1,000		1,000	0
The Walt Disney Company CIS Limited LLC	735		735	0
TNO Triskelion B.V.	1,402		876	526
UNCO JET LLP	446	364		810
Ventara-Service Sole Proprietor	432		151	281
Agro Tom Plus LLP	22,786			22,786
Azat Agricultural Production Cooperative	8,116		5,832	2,284
AkOrda Capital LLP	1,429	143		1,572
Almaty Gasservice Holding JSC	3,127	17,432		20,559
Almatyenergosbyt	6,514	3,901		10,415
Amanat Insurance JSC	588	2,232		2,820
S.G. ARAKELYAN Sole Proprietor	2,500		2,500	0
ASEM LLP	1,000			1,000
Bekas AGRO LLP	11,845		1,358	10,487
Borusan Makina Kazakhstan LLP	8,411		4,414	3,997
Gelios LLP, Almaty Branch	9,291		109	9,182
Globopak LLP	5,476		5,476	0
Davletov Sole Proprietor	1,013		1,013	0
DASTARKHAN LLP	545		283	262
Bank Subsidiary HSBC Bank Kazakhstan JSC	2,845		1,707	1,138
Iliya Aleksandrovich Iliyina	602			602
Image Power LLP	1,355		409	946
Inter-Kholod LLP	536	490		1,026
Aslan Saparovich Moldakashev Sole Proprietor	1,842		1,842	0
Kar-Tel LLP	1,241		63	1,178
Kazakhstan Temir Zholy JSC	5,793	1,265		7,058
Kazakhstan Temir Zholy Technology Center for Carriage Document Processing, Almaty 4552911	6,484		6,280	204
Kazakhstan Stock Exchange JSC	3,001		124	2,877

KazTransGas Aimak JSC	12,234		11,472	762
KAZTRANSSERVICE, South Branch	55	51		106
Komel LTD	2,176		2,176	0
KUN LLP Commercial Company	3,500		3,500	0
Aigerim Corporation LLP	6,616		5,129	1,487
ASSORTI LLP	250			250
Abdukadyr Kubenov Sole Proprietor	1,183		925	258
Nikolai Peasant Farm	1,935			1,935
Morgan Lewis LLP	3,391		3,391	0
Moody's Investors Service Limited, Russia Branch	11,131			11,131
Oil Insurance Company OJSC	6,389		3,731	2,658
PricewaterhouseCoopers Tax & Advisory LLP	4,235		1,453	2,782
National Institute of Intellectual Property, Republican State-Run Enterprise, of the Committee for Intellectual Property Rights	1,649	28		1,677
Remenergo LLP	4,342	3,858		8,200
RTS LTD		29,910		29,910
EURASIA Insurance Company	30		30	0
Nikolai Andreyevich Ten	53		53	0
National Institute of Intellectual Property, Republican State-Run Enterprise, of the Committee for Intellectual Property Rights	1,740			1,740
Technology Center for Carriage Document Processing, Branch of Kazakhstan Temir Zholy National Company CJSC	2,717	1,162		3,879
TMA-SpetsService LLP	4,448			4,448
ULBA IRON & STEEL PLANT OJSC	311		311	0
Halyk-Life JSC	1,407		653	754
Other	29,390		7,817	21,573
Advances paid	327,281	105,327	154,616	277,992
Almaty Cotton Plant LLP	882			882
Resmi Direct Investments LLP	2,214,819	2,025		2,216,844
Retail Management	1,500,316	445,552		1,945,868
RESMI Group	28,671		1,464	27,207
Resmi Finance & Investment House JSC	83,785		1,112	82,673
Kazneftechim, Issuer	2,250			2,250
Almaly District Tax Administration	15,130	2,080		17,210
Talgar District Tax Administration	3,479			3,479
Customs Station – Alatau Customs Clearance Center	8,001	66		8,067
Zhetysu Customs 50207/54701/55301 (airport)	0	861		861
Tukym LLP	1,032			1,032
Other	865,128		714,650	150,478
Other accounts receivable	4,723,493	450,584	717,226	4,456,851
Total	6,549,957	752,966	1,126,201	6,176,722

13. INVENTORY

	(KZT'000)	
	at 30.09.2014	at 31.12.2013
Finished goods	3 913 804	2 018 118
Raw material	2 367 392	1 513 691
Packing material	1 001 512	776 768
Other	318 917	218 537
Spare parts	200 598	177 327
Less provision for hard-to-sell and obsolete inventories	(15 810)	(8 906)
	<u>7 786 412</u>	<u>4 695 535</u>

14. OTHER FINANCIAL ASSETS

	(KZT'000)	
	at 30.09.2014	at 31.12.2013
Investments available for sale	79 723	66 136
Investments held for trading	37 127	38 508
	<u>116 850</u>	<u>104 644</u>
Current portion	116 850	104 644
Non-current portion of related party receivables	-	-
	<u>116 850</u>	<u>104 644</u>

15. OTHER CURRENT ASSETS

	at 30.09.2014	at 31.12.2013
Other receivables	4 470 117	3 170 117
Employee debts	70 163	10 756
Other recoverable tax	48 463	61 564
Recoverable VAT	631	-
Prepaid expenses	29 042	33 621
Less provision for doubtful debts	(161 566)	(161 006)
	4 456 850	3 115 052

16. LOANS, BONDS AND FINANCE LEASE

Below is the information of loans, finance lease and other financial liabilities as at 30 September 2014:

Creditor	Loan currency	Average rate, % per annum	Opening balance	Total		Closing balance	Maturity date
				Debits	Credits		
Bonds	KZT'000	8.00%	1 553 534		52 223	1 605 757	2014
Tetra Laval	EUR'000		148	67		82	2014
	KZT'000	4.01%	31 482	12 745		18 736	
Tetra Laval	EUR'000		105	105		-	2013
	KZT'000	3.26%	22 247	22 247		-	
Tetra Laval	EUR'000		1 310	778		532	2014
	KZT'000	3.26%	277 682	155 432		122 250	
Caterpillar Financial Service	EUR'000		220	220		-	2014
	KZT'000	7.70%	46 696	46 696		-	
Caterpillar Financial Service	EUR'000		278	278		-	2014
	KZT'000	7.70%	58 973	58 973		-	
Caterpillar Financial Service	EUR'000		29	29		-	2014
	KZT'000	7.70%	6 232	6 232		-	
Asian Development Bank Administrative Expense Acco	USD'000		16 667		4 167	20 833	2020
	KZT'000	2.84%	2 567 667		1 221 917	3 789 583	
Discount Asian Development Bank Administrative Expense Acco	USD'000		(212)		(31)	(243)	2020
	KZT'000		(32 605)		(11 606)	(44 212)	
Kazinvest Bank JSC	KZT'000	8.50%	444 000			444 000	2015
Development Bank of Kazakhstan	KZT'000	8.00%	492 355	492 355		-	-
Europe Development Bank	USD'000		13 636	4 545		9 091	2015
	KZT'000	3.82%	2 100 818	447 182		1 653 636	
Europe Development Bank	KZT'000	8.6%	3 856 000			3 856 000	2016
Discount Europe Development Bank	KZT'000		(38 133)		10 970	(27 163)	2019
Al Hilal Bank JSC	KZT'000	7.50%	1 222 464		698 484	1 920 949	2019
Discount Al Hilal Bank JSC	KZT'000				(1 254)	(1 254)	
ALFA BANK JSC	KZT'000	8.00%			560 000	560 000	2016
Nurbank JSC	KZT'000	8.00%			1 004 333	1 004 333	2016
SHINHAN BANK KAZAKHSTAN	KZT'000	7.00%			340 000	340 000	2015
Sberbank of Russia	EUR'000		222		547	769	2017
	KZT'000	7.51%	47 005		129 640	176 645	
Creditor	Loan amount, total	Maturity date					
		2014	2015	2016	2017	2018	2019
Bonds	1 605 757	1 605 757					
Tetra Laval, EUR'000	82	82					
Tetra Laval, EUR'000	532	532					
Asian Development Bank Administrative Expense Acco, USD'000	20 833	833	4 167	4 167	4 167	4 167	3 332
Kazinvest Bank JSC, KZT'000	444 000		444 000				
Europe Development Bank, USD'000	9 091	4 545	4 545				
Europe Development Bank, KZT'000	3 856 000			3 856 000			
Al Hilal Bank JSC, KZT'000	1 920 949	147 603	590 408	590 408	320 795	217 389	54 347
Nurbank JSC	1 004 333		1 004 333				
SHINHAN BANK KAZAKHSTAN	340 000		340 000				
Sberbank of Russia, EUR'000	769	44	258	213	254		

17. ACCOUNTS PAYABLE

As at 30 September 2014 accounts payable were as follows:

(KZT'000)

Counterparty	Opening balance	Total debits	Total credits	Closing balance
Long-term accounts payable	843,141	717,734	0	125,407
TETRA LAVAL CREDIT AB	128,142	2,735		125,407
Resmi Direct Investments	714,999	714,999		0
Short-term accounts payable	7,398,870	1,821,453	1,243,484	6,820,901
AB-MC Distribution Company LLP	4,333	3,742		591
Adnet Network Advertising Agency LLP	24,738	18,028		6,710
AF Compressors Middle East FZE	9,652	9,099		553
Ahlers Kazakhstan LLP			2,041	2,041
AIE Logistics LLP	12,030	1,174		10,856
Alatau Invest Construction LLP	7,263	7,263		0
ALBE LOGISTIC UND TRADE GMBH	6,810		8,289	15,099
ANIX Inc.			10,484	10,484
ARBAT Advertising LLP	104,070		106,368	210,438
Arena-S LLP	65,263		77,543	142,806
AMRAZ LTD	6,187		8,836	15,023
Asian Tea Company Private Limited	793,106	34,544		758,562
BIG IDEA GROUP LLP	2,960	1,110		1,850
CLASSIC TEAS (PVT) LIMITED	0		9,871	9,871
CLICK ADVERTISING AGENCY LLP	10,269	4,791		5,478
COFCO Tunhe Co, Ltd	0		57,636	57,636
Cool Trade LLP			1,904	1,904
Crea LLP	19,778		309	20,087
Czarnikow Group Limited	453,892		20,766	474,658
Das Marketing.kz LLP	7,630	1,526		6,104
DASM/MS LLP			8,519	8,519
DOHLER HOLLAND	50,751	25,164		25,587
Dohler Food & Beverage Ingredients (Rizhao) Co., l	9,011	9,011		0
Duet Print LLP	2,432	2,432		0
E-way.kz LLP	2,714	2,714		0
Elke Company LLP	4,213	3,983		230
Favourite Media Group LLP	237			237
FIRMENICH SA	1,698		402	2,100
Flavourland LTD	1,970		1,531	3,501
Food Island LLP	16,879		13,447	30,326
Fruit Tech Natural S.A.	13,525	119		13,406
G-Line LLP	6,003	3,319		2,684
Gan-Shmuel Foods LTD	50,664	38,417		12,247
Givat Haim Cooperative Society For P. of A.P ltd	21,647		14,154	35,801
Gemini Packaging Pty.LTD Company			2,975	2,975
Global Trans Service EURASIA LLP	6,047	4,714		1,333
Golden Country LLP	3,191	1,432		1,759
Gulser Computers LLP	36,568	34,762		1,806
High Tech Logistic JV LLP	22,760	22,760		0
High Tech Logistics LLP			45,453	45,453
Hoogwert International B.V	22,253		85,380	107,633
HRC LLP	6,018		2,349	8,367
Huhtamaki S.N.G. LLC	3,459		1,861	5,320
HUNAN EAST LAND TEA CO., LTD	15,489		15,360	30,849
HYUNDAI CORPORATION	70,707	48,002		22,705
Hyundai Ontustik LLP	10,946	10,946		0
IFL LTD GRETTON HOUSE	22,410		8,449	30,859
INNOVA INVESTMENT	251,308	191,571		59,737
IZ-Plast LLP	446	446		0
K CREATION AND PRODUCTION	3,399	2,148		1,251
Kagazy Recycling LLP	65,335		52,691	118,026
KASKAT SP . Z O.O.	235,627	165,441		70,186
Kazmelt TRADE LLP			8,671	8,671
Klimasan klima sanayi ve ticaret A.S.			14,246	14,246
LG International Corp.	213	2		211
Lactalis Ingredients			131,917	131,917

MAGIC BOX				
Magnum Cach&Carry LLP	15,055	15,055		0
Morgan David Robin Idris	7,984		55,890	63,874
Mosaic Media LLP	1,368		349	1,717
Optimum Media Eurasia LLP	580			580
P.E LABELLERS S.P.A	10,440	9,445		995
Peak Akzhal LLP	19,113	1,591		17,522
PEPSI LIPTON INTERNATIONAL	1,522	1,522		0
PEPSI-COLA INTERNATIONAL CORK	161,523		47,625	209,148
Peter Binder GMBH	138,252	138,252		0
Property Retail	42,479	42,479		0
PURICO GMBH	2,534		39	2,573
Ramok Gida Dis Ticaret LTD.STI.,	30,765	15,833		14,932
RED TECHNOLOGY LLP	12,637		438	13,075
Rim Company LLP	4,801	4,801		0
ROTOPACK LLP	6,308	6,308		0
Santrade Company LLP	8,905	3,055		5,850
SDA Team	5,355		492	5,847
Sidel Conveying SAS (GEBU PACKAGING SOLUTIONS FRANCE SAS)	4,320		615	4,935
Sinooil LLP	283,024	124,231		158,793
Spedilta Central Asia LLP	9,032		2,280	11,312
ST-ALTERNATIVA LLC	6,439	1,340		5,099
Technodom Operator JSC	6,848	6,848		0
TETRA PAK Export Ltd	22,735	22,468		267
Tetra Pak Kazakhstan Ltd	22,086	1,838		20,248
TETRA PAK SERVICE	825,184		227,261	1,052,445
Tetra Pak Service S.A.	370,656	36,495		334,161
TSPS Company LLP	21,135	18,008		3,127
TURKUAZ HORECA LLP	3,527	3,527		0
UBC Cool Astana LLP	6,360	560		5,800
UNIVERSAL LOGISTICS LLP	145,210	145,210		0
UPAK-Areal LLC	382	382		0
VAN DER MOLEN GMBA	7,262	4,273		2,989
VAN REES B. V.	54,576	14,139		40,437
Veles Freya LLP	925,218	228,540		696,678
Xinjiang lonran intl engineerin & technology Co.,L	4,680		5,984	10,664
Ybbstaler Fruit Austria Gmbh	15,052		25,482	40,534
Asia International Company LLP	805	805		0
ASIA PLAST SERVICE LLP	6,527		107	6,634
Alaska-Poligraphoformleniye LLC	7,840	207		7,633
Arman-1, Peasant Farm	43,014		2,548	45,562
Astron LLP	1,898	1,898		0
Atasu Trans LLP	694	319		375
Bazis-2010 LLP	10,642		9,213	19,855
Batalinskoye LLP	2,557		1,525	4,082
Bek+ LLP	7,320		12,235	19,555
Bialowieza Fair LLC	16,801		3,766	20,567
BERICAP KAZAKHSTAN LLP	6,571	6,571		0
Birlesu Insurance Company LLP	52,773	24,127		28,646
VAIT CJSC	8,180	1,502		6,678
Viktorovskoye LLP	15,832		10,407	26,239
A.U. Borobkalo Sole Proprietor	19,212	6,142		13,070
Karasai Su Kubryy	21,221		25,774	46,995
Globus LLP	2,651		722	3,373
Doehler Kazakhstan LLP	567			567
DONCHENKO Sole Proprietor	51,429	20,172		31,257
Unified Trade System Kazakhstan LLP	23,777		37,106	60,883
Zholashar Railway Service LLP	12,041	10,345		1,696
Intellservice LLP	2,473	216		2,257
KazRefTransService	51,806		12,624	64,430
Raikhan Dzhientayevna Kasenova Sole Proprietor	13,242		16,136	29,378
Kombi Trans BM LLP	234			234
KustanaiTransService LLP	549		6,265	6,814
Megachimproject LLP	1,630	1,630		0
MONTAZHLEGMACH LLP	811	14		797
A.S. Murzabayeva Sole Proprietor	6,923		2,873	9,796
Nadezhdinka LLP	2,054		12	2,066
	2,101	2,101		0

PEPSI INC., CORK, IRELAND, Concern	519,071	169,683		349,388
Sarsenbekova Sole Proprietor	2,380	2,121		259
Simtrans Logistics LLP			18,588	18,588
SynteZ Firm LLP	5,919		1,098	7,017
Cleanness Technology LLP	1,184			1,184
Turar LLP	18,693	1,384		17,309
Ulba Complex LLP, Ust-Kamenogorsk	1,783		1,759	3,542
Ural-Paper LLC	1,349	1,349		0
Center No.1 LTD LLP	22,660		2,819	25,479
Eco Product LLC	18,121	18,121		0
Other	724,287	57,886		666,401
Total	8,242,011	2,539,187	1,243,484	6,946,308

18. TAXES PAYABLE

	at 30.09.2014	at 31.12.2013
Value added tax		
Personal income tax	250 483	332 871
Other taxes	32 611	28 738
Corporate income tax	784	3 922
Social tax	-	-
	10 463	14 555
	294 341	380 085

19.

ACCRUED LIABILITIES

Employment expenses accrued	147 045	115 867
Employee leave allowances and bonuses accrued	209 961	193 201
Advances received	84 289	60 258
Other accrued liabilities	27 044	23 872

OTHER ACCOUNTS PAYABLE AND

	at 30.09.2014	at 31.12.2013
	468 339	393 198

20. OPERATING AND GEOGRAPHICAL SEGMENTS

In view of the management's assessment of the business on a single geographic base, i.e. Kazakhstan where 93% (2008: 95%) of the business is done, the management determined that the Group segmentation base is best reflected by the following business lines:

- Production, distribution and sale of products including juices (Gracio, Da-Da, Nectar Solnechnyi), juice-containing drink (DaDa-Day), Aport, Asu bottled water;
- Production, distribution and sale of milk under the home brand of the Group (Moye);
- Production, distribution and sale of other products under the home brands of the Group including Piala Tea and Grizzly Chips;
- Production, distribution and sale of franchised products including carbonated nonalcoholic beverages (Pepsi, Pepsi Light, Mirinda, Seven-Up, AquaFina);
- Trade transactions including sale and distribution of imported goods of other manufacturers.

	Production of juice and juice-containing beverages	Milk	Food stuff	Franchise	Trading	(KZT'000) Consolidated
Period ended 30 September 2014						
Revenue	7 922 760	4 070 815	8 058 467	9 563 972	-	29 616 015
Operating profit (loss) before tax	208 681	40 131	459 279	88 420	-	796 512
Income tax expense						
Net profit/(loss)	208 681	40 131	459 279	88 420	-	796 512
Depreciation and amortization	345 152	167 491	304 398	332 638	-	1 149 680
Acquisition of property, plant and equipment and	243 969	72 924	77 022	93 009	551 091	1 038 015

intangible assets

	Production of juice and juice- containing beverages	Milk	Food stuff	Franchise	Trading	Consolidated
	Period ended 30 September	2014				
Segment assets	15 455 440	2 919 490	4 834 008	11 011 498	-	34 220 436
Deferred income tax assets	-	-	-	-	-	-
Total assets	15 455 440	2 919 490	4 834 008	11 011 498	-	34 220 436
Segment liabilities	9 788 644	1 217 893	5 443 173	6 825 339	-	23 275 049
Deferred income tax liabilities	319 052	154 825	281 379	307 484	-	1 062 740
Total liabilities	10 107 696	1 372 718	5 724 552	7 132 823	-	24 337 790

The Group's revenue from sales to external buyers by countries was as follows:

	9 months of 2014	9 months of 2013
Kazakhstan	25 648 506	23 495 271
Kyrgyz Republic	2 347 963	2 023 930
Russia	1 191 424	561 553
Turkmenistan	294 989	365 000
Tajikistan	105 359	134 459
Mongolia	24 825	18 075
France	2 948	2 321
	29 616 015	26 600 609

21. RETIREMENT BENEFITS

In accordance with the requirements of the laws of the Republic of Kazakhstan, the Group makes 10% pension contributions from the employee salaries. However, subject to the Republic of Kazakhstan laws, this amount per employee shall not exceed KZT 149,745 a month since 1 January 2014; previously monthly contributions per employee amounted to KZT 139,950. These amounts are expensed as incurred. Contributions to the pension funds are deducted from the employee salary and recognised in the total salaries paid in the consolidated statement of comprehensive income.

As of 30 September 2014 the Group had no liabilities to its current or former employees on additional pension contributions, postretirement medical benefits, insurance payments or other retirement benefits.

22. RELATED PARTIES

Related parties of the Group are companies controlled by and related to the Company shareholders – Mr. K.K. Mazhibayev and Ye.Zh. Koshkinbayev (see Note 1).

Transactions between the Company and its subsidiaries are eliminated at consolidation and not disclosed in this note. Transactions entered by the Group with the related parties are disclosed below.

Trading transactions – as at 30 September 2014 and 31 December 2013

Related party transactions include:

- sale of carbonated alcohol-free beverages, natural juice, tea;
- sale/purchase of other materials, property, plant and equipment, securities and rendering of various services;
- loans and borrowings.

	Sale		Acquisitions	
	Year ended 30 September 2014	Year ended 31 December 2013	Year ended 30 September 2014	Year ended 31 December 2013
Parent company	801	8 278	149 558	167 332
Jointly controlled companies	1 191	249 418	30 526	153 077
	Accounts receivable		Accounts payable	
	At 30 September 2014	At 31 December 2013	At 30 September 2014	At 31 December 2013
Parent company	-	-	288	118 980
Trading transactions	-	-	-	-
Loans from the parent	-	-	-	-
Transactions in securities	-	-	-	-

Jointly controlled companies

Trading transactions	882	409 787	64 520	65 382
Transactions in securities	-	-	-	-
Broker's debt	82 673	24 461	-	-
Temporary financial aid	2 959 338	2 735 869	714 999	714 999

Key management benefits – Key management benefits are determined by the shareholders' meeting and senior management of the companies in accordance with the staff policy, staff list, personal employment contracts, decisions of the shareholders, orders on accrual of bonuses, etc.

29. EVENTS AFTER THE REPORTING DATE

During the period after the reporting date and prior to the date of the financial statements approval, no events have happened to the Group which would require adjustments or disclosures in the notes to the consolidated interim financial statements.

Chairman of the Management Board

David Paul Westall

Chief Financial Officer

Askat Agybayev

Chief Accountant



Yelena Chumichyova