



*Consolidated Interim Financial Statements*

**RG Brands JSC & Subsidiaries**

*as at 30 June 2016*

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


(KZT'000)

	Note	6 months of 2016	6 months of 2015
<b>REVENUE</b>	4	<b>22 565 150</b>	<b>18 882 739</b>
<b>COST OF SALES</b>	5	<b>(13 978 018)</b>	<b>(11 098 367)</b>
<b>GROSS PROFIT</b>		<b>8 587 132</b>	<b>7 784 371</b>
Selling expenses	6	(4 327 740)	(4 059 357)
General and administrative expenses	7	(1 672 183)	(1 486 154)
<b>OPERATING INCOME</b>		<b>2 587 209</b>	<b>2 238 859</b>
Finance costs	8	(835 330)	(529 352)
Exchange (loss)/gain from operating activity		87 430	(119 952)
Investment income, net		181 247	17 993
Other (costs)/gains	9	(23 444)	(42 919)
(Loss)/profit before income tax benefit		1 997 112	1 564 628
Income tax payable		(100 345)	(140 957)
(Loss)/profit for the period		1 896 767	1 423 671
Exchange difference from foreign entity translation		4 571 311	
Total comprehensive (loss)/income		80 118	(1 983)
Profit/(loss) attributable to:		6 548 197	1 421 688
Shareholders of the parent company		1 896 767	1 423 671
Minority interest			
(Loss)/profit for the period		1 896 767	1 423 671
Earnings per common share, KZT	10	602	452

For the Group Management :

  
Askat Agybayev  
Acting Chairman of the  
Management Board

  
Askat Agybayev  
Chief Financial Officer

  
Nataliya Ivanova  
Chief Accountant

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

(KZT'000)

	Note	At 30 June 2016	At 31 December 2015
<b>ASSETS</b>			
NON-CURRENT ASSETS:			
Property, plant and equipment	11	21 248 236	17 504 469
Advances paid	12	54 794	53 307
Intangible assets		68 672	50 955
Goodwill		68 026	68 026
Non-current financial assets		5 371	
<b>TOTAL NON-CURRENT ASSETS</b>		<u>21 445 098</u>	<u>17 676 756</u>
CURRENT ASSETS:			
Inventory	13	7 520 905	4 731 612
Trade accounts receivable	12	2 303 620	1 453 046
Advances paid	12	662 159	316 802
Other financial assets	14	2 520 061	2 683 160
Other current assets	15	707 085	492 979
Bank deposits		90 612	804
Cash and cash equivalents		8 088 827	10 541 082
Assets classified as held for sale		1 585 284	1 585 284
<b>TOTAL CURRENT ASSETS</b>		<u>23 478 552</u>	<u>21 804 769</u>
<b>TOTAL ASSETS</b>		<u>44 923 650</u>	<u>39 481 525</u>
<b>EQUITY AND LIABILITIES</b>			
EQUITY:			
Share capital		2 787 696	2 787 696
Preferred shares held within the Group		(947 400)	(947 400)
Withdrawn capital		(146 011)	(152 436)
Provisions		5 058 329	910 632
Retained earnings		7 163 312	5 979 437
Equity attributable to shareholders of parent company		13 915 925	8 577 929
Minority interest			
<b>TOTAL EQUITY</b>		<u>13 915 925</u>	<u>8 577 929</u>



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

(KZT'000)

	01.01.2016-30.06.2016	01.01.2015-30.06.2015
<b>I. OPERATING ACTIVITY:</b>		
Profit before tax	1 997 112	1 564 628
Amortisation and depreciation	1 103 061	911 222
Finance costs	835 330	519 510
Exchange loss, net	(87 430)	119 747
Non-operating loss	23 444	92 119
Recovery of selling expenses through set-off	(614 609)	(475 961)
Investment (gain)/loss, net	(181 247)	13 561
Loss from inventory write-off	-	-
Cash flow from operating activity before changes in working capital	3 075 662	2 744 826
Change in inventory	(2 789 293)	872 983
Change in trade receivables	(850 574)	17 969
Change in advances paid	(346 843)	26 647
Change in other current assets	(51 006)	831 431
Change in accounts payable	3 065 778	(1 848 101)
Change in taxes payable	(815 397)	(8 103)
Change in other payables and accrued liabilities	450 909	55 055
Cash from operating activity	1 739 234	2 692 707
Interest paid	(781 876)	(953 071)
Income tax paid	(199 396)	(155 178)
<b>Net cash from operating activity</b>	<b>757 962</b>	<b>1 584 458</b>
<b>2. INVESTING ACTIVITY:</b>		
Net acquisition of investments held for trading	(12 054 69)	
Proceeds from disposal of property, plant and equipment and intangible assets	7 764	250
Receipts from sale of related party bonds		9 544
Return of advances paid for acquisition of investment property		796 861
Net cash inflow from acquisition and sale of other investments	12 134 270	
Other receipts from related party	59 711	59 781
Other payments to related party		(29 74)
Deposit top up		260 000
Deposit withdrawal		(110 88)
Return on deposits		234
Acquisition of property, plant and equipment and intangible assets	(395 726)	(1 187 92)
<b>Net cash from investing activity</b>	<b>(248 750)</b>	<b>(200 484)</b>

<b>3. FINANCING ACTIVITY:</b>		
Repayment of borrowings	(4 690 352)	(3 333 52)
Finance lease paid		(124 722)
Repayment of bonds	-	(21 872)
Dividends paid	(1 199 999)	-
Borrowings received	2 820 774	4 391 997
	-	-
<b>Net cash from financing activities</b>	<b>(3 069 577)</b>	<b>911 751</b>
Effect of changes in foreign currency exchange rates on cash and cash equivalents	108 109	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2 452 255)</b>	<b>2 295 725</b>
CASH AND CASH EQUIVALENTS, beginning of the period	10 541 082	1 909 753
CASH AND CASH EQUIVALENTS, end of the period	8 088 827	4 205 478

For the Group Management:

  
 Askat Agybayev

Acting Chairman of the Management Board



  
 Askat Agybayev

Chief Financial Officer

  
 Nataliya Ivanova

Chief Accountant





Consolidated Statement of Changes in Equity for the period ended 30 June 2016

(KZT'000)

	Share capital	Treasury shares	Preferred shares held within the Group	Debt component of preferred shares	Real estate revaluation provision	Provision for share-based benefits	Exchange difference provision	Retained earnings	Total equity
Balance at 01 January 2015	2 787 696	(152 427)		(947 400)	1 419 392	944 599	(6 941)	5 238 219	9 283 138
Net profit	-	-	-	-	-	-	-	1 696 602	1 696 602
Dividends paid	-	-	-	-	-	-	-	(2 073 626)	(2 073 626)
Repurchase of own stock	-	(9)	-	-	-	-	-	(21 863)	(21 872)
Fair value adjustment of loan to shareholder	-	-	-	-	-	-	-	(17 979)	(17 979)
Exchange difference resulting from foreign exchange translation	-	-	-	-	-	-	(288 334)	-	(288 334)
Reclassification to retained earnings	-	-	-	-	(213 485)	(944 599)	-	1 158 084	-
Balance at 31 December 2015	2 787 696	(152 436)		(947 400)	1 205 907	-	(295 275)	5 979 437	8 577 929
Net profit	-	-	-	-	-	-	-	1 896 767	1 896 767
Dividends paid	-	-	-	-	-	-	-	(1 199 999)	(1 199 999)
Expansion of capital stock	-	6 425	-	-	-	-	-	(16 627)	(10 202)
Restatement of buildings and constructions	-	-	-	-	4 571 311	-	-	-	4 571 311
Exchange difference resulting from foreign exchange translation	-	-	-	-	-	-	80 119	-	80 118
Reclassification to retained earnings	-	-	-	-	(503 734)	-	-	503 734	-
Balance at 30 June 2016	2 787 696	(146 011)		(947 400)	5 273 485	-	(215 157)	7 163 312	13 915 925

For the Group Management:

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Acting Chairman of the  
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