

RG BRANDS JSC & Subsidiaries
Consolidated Financial Statements as at 30 June 2015



Consolidated Interim Financial Statements

RG Brands JSC & Subsidiaries

as at 30 June 2015



**Consolidated Statement of Profit and Loss and Other
Comprehensive Income for the Period Ended
30 June 2015**


(KZT'000)

	Note	6 months of 2015	6 months of 2014
REVENUE	4	18 882 738	17 994 901
COST OF SALES	5	(11 098 367)	(11 044 811)
GROSS PROFIT		7 784 371	6 950 091
Selling expenses	6	(4 059 357)	(3 625 365)
General and administrative expenses	7	(1 486 155)	(1 396 858)
OPERATING INCOME		2 238 859	1 927 868
Finance costs	8	(529 352)	(522 521)
Exchange (loss)/gain from operating activity		(119 952)	(1 590 567)
Investment income, net		17 993	(16 912)
Other (costs)/gains	9	(42 920)	(14 685)
(Loss)/profit before income tax benefit		1 564 628	(216 818)
Income tax payable		(140 957)	(91 117)
(Loss)/profit for the period		1 423 670	(307 934)
Exchange difference from foreign entity translation		(1 983)	(76 329)
Total comprehensive (loss)/income		1 421 687	(384 263)
Profit/(loss) attributable to:			
Shareholders of the parent company		1 423 670	(307 934)
Minority interest			
		1 423 670	(307 934)
Earnings per common share, KZT	10	452	(97)

For the Group Management :


Askat Agybayev
Acting Chairman of the
Management Board

Askat Agybayev
Chief Financial Officer


Olesya Andreyeva
Chief Accountant



**Consolidated Statement of Financial Position
as at 30 June 2015**

(KZT'000)

ASSETS	Note	At 30 June 2015	At 31 December 2014
NON-CURRENT ASSETS:			
Property, plant and equipment	11	17 667 040	17 685 705
Advances paid	12	54 458	220 098
Intangible assets		41 145	50 583
Goodwill		68 026	68 026
TOTAL NON-CURRENT ASSETS		<u>17 830 668</u>	<u>18 024 412</u>
CURRENT ASSETS :			
Inventory	13	5 907 196	6 780 179
Trade accounts receivable	12	1 573 979	1 591 948
Advances paid	12	361 474	222 481
Other financial assets	14	214 588	244 758
Other current assets	15	452 836	1 547 990
Bank deposits		151 406	2 394
Cash and cash equivalents		4 054 071	1 907 359
Assets classified as held for sale		1 585 284	1 585 284
TOTAL CURRENT ASSETS		<u>14 300 834</u>	<u>13 882 393</u>
TOTAL ASSETS		<u>32 131 502</u>	<u>31 906 805</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		2 787 696	2 787 696
Preferred shares held within the Group		(947 400)	(947 400)
Withdrawn capital		(152 436)	(152 427)
Provisions		2 247 722	2 357 050
Retained earnings		6 747 370	5 238 219
Equity attributable to shareholders of parent company		10 682 952	9 283 138
Minority interest			
TOTAL EQUITY		<u>10 682 952</u>	<u>9 283 138</u>



NON-CURRENT LIABILITIES :			
Long-term loans	16	9 452 668	9 179 015
Deferred corporate income tax liability		1 352 417	1 352 417
Accounts payable	17	76 849	116 811
TOTAL NON-CURRENT LIABILITIES		<u>10 881 934</u>	<u>10 648 243</u>
CURRENT LIABILITIES :			
Accounts payable	17	4 583 423	6 867 523
Short-term loans and current portion of long-term loans	16	5 009 623	4 045 755
Current portion of finance lease payable	16	0	136 703
Current portion of bonds payable	16	1 175	-
Taxes payable	18	482 897	491 000
Other accounts payable and accrued liabilities	19	489 498	434 443
TOTAL CURRENT LIABILITIES		<u>10 566 616</u>	<u>11 975 424</u>
TOTAL EQUITY AND LIABILITIES		<u>32 131 502</u>	<u>31 906 805</u>
<i>Carrying amount per common share (KZT)</i>		3 378	2 922
<i>Carrying amount per preferred share (KZT)</i>		1 200	1 200

For the Group Management :



Askat Agybayev
Acting Chairman of the
Management Board

Askat Agybayev
Chief Financial Officer

Olesya Andreyeva
Chief Accountant



**Consolidated Statement of Cash Flows
for the period ended 30 June 2015 (indirect method)**

(KZT'000)

	01.01.2015-30.06.2015	01.01.2014-30.06.2014
1. OPERATING ACTIVITY:		
Profit before tax	1 564 628	(216 818)
Adjustments for:		
Amortisation and depreciation	911 222	724 273
Finance costs	519 510	522 521
Exchange loss, net	119 747	1 590 567
Non-operating loss	92 119	14 685
Recovery of selling expenses through set-off	(475 961)	(16 971)
Investment (gain)/loss, net	13 561	16 912
Loss from inventory write-off	-	-
Cash flow from operating activity before changes in working capital	2 744 826	2 635 169
Change in inventory	872 983	(2 330 404)
Change in trade receivables	17 969	63 379
Change in advances paid	26 647	(118 711)
Change in other current assets	831 431	(720 247)
Change in payables	(1 848 101)	1 247 787
Change in taxes payable	(8 103)	(77 405)
Change in other payables and accrued liabilities	55 055	4 926
Cash from operating activity	2 692 706	704 495
Interest paid	(953 071)	(470 790)
Income tax paid	(155 178)	-
Net cash from operating activity	1 584 456	233 705
2. INVESTING ACTIVITY:		
Proceeds from disposal of property, plant and equipment and intangible assets	250	1 040
Receipts from sale of related party bonds	9 544	-
Return of advances paid for acquisition of investment property	796 861	-
Loan repaid by related party	-	1 305 668
Loan extended to related party	-	(1 305 668)
Other receipts from related party	59 781	-
Other payments to related party	(29 074)	-
Deposit top up	260 000	-
Deposit withdrawal	(110 988)	-
Return on deposits	234	-
Acquisition of property, plant and equipment and	(1 187 092)	(2 214 128)



intangible assets

Net cash from investing activity (200 484) (2 213 088)

3. FINANCING ACTIVITY:

Repayment of borrowings	(3 333 652)	(7 932 340)
Finance lease paid	(124 722)	(108 140)
Repayment of bonds	-	-
Repurchase of own stock	(21 872)	-
Dividends paid	-	-
Borrowings received	4 391 997	9 003 567

Net cash from financing activities: 911 751 963 087

NET INCREASE IN CASH AND CASH EQUIVALENTS 2 295 724 (1 016 296)

CASH AND CASH EQUIVALENTS, beginning of the period 1 909 753 1 933 318

CASH AND CASH EQUIVALENTS, end of the period 4 205 477 917 022

For the Group Management :



Askat Agybayev
Acting Chairman of the
Management Board

(Signature)
Askat Agybayev
Chief Financial Officer

(Signature)
Olesya Andreyeva
Chief Accountant



Consolidated Statement of Changes in Equity for the period ended 30 June 2015

(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 2014	2 787 696	(152 428)	(947 400)	-	1 020 052	944 599	706	4 820 513	8 473 738
Net profit (loss)								(307 934)	(307 934)
Reduction of share capital									
Dividends paid									
Additional paid-in capital					750 000				750 000
Restatement of buildings and constructions									
Exchange difference resulting from foreign exchange translation							(76 329)		(76 329)
Reclassification to retained earnings					(80 497)			80 497	
Balance at 30 June 2014	2 787 696	(152 428)	(947 400)	-	1 689 556	944 599	(75 623)	4 593 075	8 839 471
Balance at 01 January 2015	2 787 696	(152 428)	(947 400)	-	1 419 392	944 599	(6 941)	5 238 219	9 283 131
Net profit (loss)								1 423 670	1 423 670
Expansion of capital stock		(9)						(21 863)	(21 872)
Retirement of preferred stock									
Restatement of buildings and constructions									
Exchange difference resulting from foreign exchange translation							(1 983)		(1 983)
Reclassification to retained earnings					(107 344)			107 344	
Balance at 30 June 2015	2 787 696	(152 437)	(947 400)	-	1 312 048	944 599	(8 924)	6 747 370	10 682 921

For the Group Management

Askat Agybayev,
Acting Chairman of the Management Board

Askat Agybayev,
Chief Financial Officer

Olesya Andreyeva,
Chief Accountant

