

27 November 2014, Moscow

ROS AGRO financial results for 9M 2014 and Q3 2014

Moscow, 27 November 2014 – Today ROS AGRO PLC (the “Company”), the holding company of Rusagro Group (the “Group”), a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the nine months ended 30 September 2014.

9M 2014 Highlights

- Sales amounted to RR 41,386 million (US\$ 1,167 million (*)), an increase of RR 18,266 million compared to 9M 2013;
- Adjusted EBITDA (***) amounted to RR 11,245 million (US\$ 317 million), an increase of RR 8,277 million compared to 9M 2013;
- Adjusted EBITDA margin increased from 13% to 27%;
- Net profit for the period amounted to RR 12,617 million (US\$ 356 million);
- Net debt position (***) as of 30 September 2014 was RR 3,936 million (US\$ 100 million);
- Net Debt/ Adjusted EBITDA (LTM) (****) as of 30 September 2014 was 0.3x.

Commenting on the results, Maxim Basov, a member of the Board of Directors of ROS AGRO PLC and CEO of the Group, said:

“The Company performed well in all business segments. The Company expects to reach the highest annual EBITDA and net income in its history.”

Key consolidated financial performance indicators

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
Sales	41,386	23,120	18,266	79	14,741	8,776	5,965	68
Gross profit	16,432	5,805	10,627	183	7,374	3,711	3,663	99
<i>Gross margin, %</i>	<i>40%</i>	<i>25%</i>	<i>15%</i>		<i>50%</i>	<i>42%</i>	<i>8%</i>	
Adjusted EBITDA	11,245	2,967	8,277	279	4,742	1,387	3,355	242
<i>Adjusted EBITDA</i>	<i>27%</i>	<i>13%</i>	<i>14%</i>		<i>32%</i>	<i>16%</i>	<i>16%</i>	
Net profit for the period	12,617	1,877	10,741	572	6,602	2,159	4,443	206
<i>Net profit margin %</i>	<i>30%</i>	<i>8%</i>	<i>22%</i>		<i>45%</i>	<i>25%</i>	<i>20%</i>	

Key financial performance indicators by segments

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
Sales, incl.	41,386	23,120	18,266	79	14,741	8,776	5,965	68
<i>Sugar</i>	16,578	11,896	4,682	39	5,744	4,522	1,222	27
<i>Meat</i>	12,753	4,518	8,235	182	5,528	2,010	3,518	175
<i>Agriculture</i>	3,603	2,963	640	22	1,984	1,762	222	13
<i>Oil</i>	11,337	5,151	6,186	120	3,361	1,616	1,745	108
<i>Other</i>	37	99	(62)	(63)	11	22	(11)	(51)
<i>Eliminations</i>	(2,921)	(1,507)	(1,414)	(94)	(1,887)	(1,156)	(731)	(63)
Gross profit, incl.	16,432	5,805	10,627	183	7,374	3,711	3,663	99
<i>Sugar</i>	3,874	1,479	2,396	162	1,431	534	896	168
<i>Meat</i>	7,542	463	7,079	1,529	3,226	355	2,871	808
<i>Agriculture</i>	2,232	2,618	(386)	(15)	2,011	2,407	(396)	(16)
<i>Oil</i>	3,038	1,229	1,809	147	916	400	516	129
<i>Other</i>	37	99	(62)	(63)	11	22	(11)	(51)
<i>Eliminations</i>	(291)	(82)	(209)	(255)	(220)	(7)	(213)	(2,895)
Adjusted EBITDA, incl.	11,245	2,967	8,277	279	4,742	1,387	3,355	242
<i>Sugar</i>	2,835	536	2,299	429	1,095	244	851	349
<i>Meat</i>	6,213	897	5,316	593	3,075	442	2,633	596
<i>Agriculture</i>	1,135	907	228	25	638	527	111	21
<i>Oil</i>	1,285	366	919	251	294	117	177	151
<i>Other</i>	(410)	(262)	(148)	(56)	(160)	(114)	(46)	(40)
<i>Eliminations</i>	187	523	(337)	(64)	(199)	171	(371)	-
Adjusted EBITDA	27%	13%	14%		32%	16%	16%	
<i>Sugar</i>	17%	5%	13%		19%	5%	14%	
<i>Meat</i>	49%	20%	29%		56%	22%	34%	
<i>Agriculture</i>	32%	31%	1%		32%	30%	2%	
<i>Oil</i>	11%	7%	4%		9%	7%	1%	

Sugar Segment

The financial results of the sugar segment for 9M 2014 and Q3 2014 compared to 9M 2013 and Q3 2013 respectively are presented in the table below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
Sales	16,578	11,896	4,682	39	5,744	4,522	1,222	27
Cost of sales	(12,997)	(10,542)	(2,456)	(23)	(4,353)	(3,989)	(364)	(9)
Gains less losses from trading sugar derivatives	294	124	170	136	40	1	38	2,665
Gross profit	3,874	1,479	2,396	162	1,431	534	896	168
<i>Gross profit margin</i>	23%	12%	11%		25%	12%	13%	
Distribution and selling expenses	(1,127)	(988)	(138)	(14)	(363)	(372)	9	2

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
General and administrative expenses	(552)	(554)	3	0	(226)	(191)	(35)	(18)
Other operating expenses, net	(20)	(60)	40	67	4	2	2	100
Operating profit/ (loss)	2,176	(124)	2,300	-	846	(27)	873	-
Adjusted EBITDA	2,835	536	2,299	429	1,095	244	851	349
<i>Adjusted EBITDA margin</i>	<i>17%</i>	<i>5%</i>	<i>13%</i>		<i>19%</i>	<i>5%</i>	<i>14%</i>	

Sales in the sugar segment increased as a result of sales volume increase and an increase in sale prices.

Sugar sales and production volumes and the average sales prices per kilogram (excl. VAT) were as follows:

	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
Sugar production volume (in thousand tonnes), incl.	390	259	131	51	164	117	47	41
beet sugar	172	150	22	14	157	116	41	35
cane sugar	218	109	109	100	7	1	6	1,195
Sales volume (in thousand tonnes)	586	467	119	26	197	176	21	12
Sale price (roubles per kg, excl. VAT)	27.4	24.4	3.1	13	28.1	24.9	3.3	13

An increase in the sale prices in 9M 2014 compared to 9M 2013 together with a slight decrease in cost of sales per ton and distribution and selling expenses per ton led to an increased profitability of the segment.

Meat Segment

The financial results of the meat segment for 9M 2014 and Q3 2014 compared to 9M 2013 and Q3 2013 respectively are presented in the table below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
Sales	12,753	4,518	8,235	182	5,528	2,010	3,518	175
Gain on revaluation of biological assets and agricultural produce	7,670	272	7,398	2,715	3,063	331	2,732	826
Cost of sales	(12,881)	(4,327)	(8,554)	(198)	(5,365)	(1,986)	(3,379)	(170)
Gross profit	7,542	463	7,079	1,529	3,226	355	2,871	808
<i>Gross profit margin</i>	<i>59%</i>	<i>10%</i>	<i>49%</i>		<i>58%</i>	<i>18%</i>	<i>41%</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	<i>5,287</i>	<i>246</i>	<i>5,041</i>	<i>2,053</i>	<i>2,689</i>	<i>267</i>	<i>2,423</i>	<i>909</i>

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
<i>Adjusted gross profit margin</i>	41%	5%	36%		49%	13%	35%	
Distribution and selling expenses	(32)	(27)	(5)	(17)	(16)	(12)	(4)	(30)
General and administrative expenses	(296)	(267)	(30)	(11)	(120)	(93)	(27)	(29)
Other operating income, net	224	184	40	22	173	(18)	191	-
Operating profit	7,437	353	7,084	2,007	3,263	233	3,030	1,301
Adjusted EBITDA	6,213	897	5,316	593	3,075	442	2,633	596
<i>Adjusted EBITDA margin</i>	49%	20%	29%		56%	22%	34%	

An increase in *Sales* by 182% was driven by a significant increase both in pork sales volume and pork sales prices. The sales volume of pork increased by 79% as a result of the launch in 2013 of new pig breeding facilities.

Pork sales volumes and the average pork sales prices per kilogram (excl. VAT) were as follows:

	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
Sales volume (in thousand tonnes)	130	73	58	79	50	29	22	75
Sale prices (roubles per kg, excl. VAT)	95.9	61.7	34.2	55	109.5	69.6	40.0	57

The increase in sales prices and volumes also led to a significant amount of Gain on revaluation of biological assets (pigs) in 9M 2014 compared to 9M 2013.

The breakdown of adjusted EBITDA between Belgorod Meat and Tambov Meat is as follows:

in RR million	Nine months ended 30		Nine months ended 30		Three months ended 30		Three months ended 30	
	September 2014		September 2013		September 2014		September 2013	
	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat
Sales to third parties and other segments	5,620	7,133	3,333	1,185	2,271	3,257	1,320	691
Adjusted EBITDA	2,775	3,438	1,005	(108)	1,225	1,849	384	58
<i>Adjusted EBITDA margin</i>	49%	48%	30%	-	54%	57%	29%	8%

An increase in pork sales prices together with a decrease in feed costs led to increased profitability of the meat segment.

Agricultural Segment

The segment's area of controlled land now stands at more than 470 thousand hectares. The financial results of the agricultural segment for 9M 2014 and Q3 2014 compared to 9M 2013 and Q3 2013 respectively are presented below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
Sales	3,603	2,963	640	22	1,984	1,762	222	13
Gain on revaluation of biological assets and agriculture produce	1,723	2,106	(383)	(18)	1,723	2,106	(383)	(18)
Cost of sales	(3,094)	(2,451)	(642)	(26)	(1,696)	(1,461)	(235)	(16)
Gross profit	2,232	2,618	(386)	(15)	2,011	2,407	(396)	(16)
<i>Gross profit margin</i>	<i>62%</i>	<i>88%</i>	<i>-26%</i>		<i>101%</i>	<i>137%</i>	<i>-35%</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	<i>1,224</i>	<i>1,248</i>	<i>(25)</i>	<i>(2)</i>	<i>738</i>	<i>686</i>	<i>52</i>	<i>8</i>
<i>Adjusted gross profit margin</i>	<i>34%</i>	<i>42%</i>	<i>-8%</i>		<i>37%</i>	<i>39%</i>	<i>-2%</i>	
Distribution and selling expenses	(278)	(326)	49	15	(151)	(172)	21	12
General and administrative expenses	(297)	(479)	182	38	(116)	(189)	74	39
Other operating income, net	87	(27)	114	-	(4)	(75)	70	94
Operating profit	1,745	1,785	(41)	(2)	1,739	1,971	(231)	(12)
Adjusted EBITDA	1,135	907	228	25	638	527	111	21
<i>Adjusted EBITDA margin</i>	<i>32%</i>	<i>31%</i>	<i>1%</i>		<i>32%</i>	<i>30%</i>	<i>2%</i>	

An increase in *Sales* by 22% in 9M 2014 compared to 9M 2013 resulted from an increase in sugar beet and sunflower seeds sales volume and sugar beet sale prices that was partly offset by a decrease in grain and sunflower seeds sale prices and a slight decrease in grain sales volume.

Sales volumes by product were as follows:

Thousand tonnes	Nine months ended		Variance		Three months ended		Variance	
	30 September 2014	30 September 2013	Units	%	30 September 2014	30 September 2013	Units	%
sugar beet	895	771	124	16	883	696	188	27
grain	225	230	(5)	(2)	51	122	(71)	(58)
incl. sold to other segments	132	8	124	1,573	43	-	43	-
sunflower seeds	32	-	32	-	1	-	1	-
incl. sold to other segments	32	-	32	-	1	-	1	-

Sales volumes of grain include sales of wheat, barley, corn, peas and soya beans. All sugar beet is sold to the sugar segment.

The average sale prices per kilogram (excl. VAT) were as follows:

RR per kilogram, excl. VAT	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
wheat	5.7	5.8	(0.1)	(2)	5.6	5.0	0.6	13
barley	5.4	7.4	(2.0)	(27)	4.8	7.0	(2.3)	(32)
sunflower seeds	12.8	14.7	(1.9)	(13)	12.8	-	n/a	-
peas	8.2	8.5	(0.2)	(3)	8.3	7.4	0.9	12
corn	5.0	7.3	(2.3)	(31)	4.9	7.3	(2.4)	(33)

A decrease in *General and administrative expenses* came from a decrease in payroll costs by RR 124 million from RR 283 million in 9M 2013 to RR 159 million in 9M 2014. As a result of changes in the organization structure of the Belgorod division of the agricultural segment payroll costs of some departments were reclassified from administrative expenses into production costs.

Oil segment

The financial results of the oil segment for 9M 2014 and Q3 2014 compared to 9M 2013 and Q3 2013 respectively are presented below:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
Sales	11,337	5,151	6,186	120	3,361	1,616	1,745	108
Cost of sales	(8,299)	(3,922)	(4,377)	(112)	(2,445)	(1,215)	(1,229)	(101)
Gross profit	3,038	1,229	1,809	147	916	400	516	129
<i>Gross profit margin</i>	<i>27%</i>	<i>24%</i>	<i>3%</i>		<i>27%</i>	<i>25%</i>	<i>2%</i>	
Distribution and selling expenses	(1,734)	(813)	(921)	(113)	(611)	(274)	(338)	(123)
General and administrative expenses	(301)	(274)	(27)	(10)	(101)	(85)	(16)	(19)
Other operating expenses, net	4	(21)	25	-	1	(97)	98	-
Operating profit/ (loss)	1,007	122	885	726	204	(55)	259	-
Adjusted EBITDA	1,285	366	919	251	294	117	177	151
<i>Adjusted EBITDA margin</i>	<i>11%</i>	<i>7%</i>	<i>4%</i>		<i>9%</i>	<i>7%</i>	<i>1%</i>	

The breakdown of *Sales*, *Gross profit* and *Adjusted EBITDA* between the Samara oil plant and Ekaterinburg fat plant is as follows:

in RR million	Nine months ended 30		Nine months ended 30		Three months ended 30		Three months ended 30	
	September 2014		September 2013		September 2014		September 2013	
	Samara oil plant	Ekat. fat plant	Samara oil plant	Ekat. fat plant	Samara oil plant	Ekat. fat plant	Samara oil plant	Ekat. fat plant
Sales to third parties and other segments	6,570	4,766	1,331	3,820	1,655	1,706	244	1,372
Internal sales	974	-	730	-	330	-	88	-
Gross profit	1,635	1,403	240	989	393	523	44	357
<i>Gross profit margin</i>	<i>22%</i>	<i>29%</i>	<i>12%</i>	<i>26%</i>	<i>20%</i>	<i>31%</i>	<i>13%</i>	<i>26%</i>
Adjusted EBITDA	1,048	237	50	316	199	95	21	97
<i>Adjusted EBITDA margin</i>	<i>14%</i>	<i>5%</i>	<i>2%</i>	<i>8%</i>	<i>10%</i>	<i>6%</i>	<i>6%</i>	<i>7%</i>

Sales increased as a result of sales volume increase and an increase in sale prices of mayonnaise and margarine that was partly offset by a decrease in sales prices of raw oil and meal.

Sales volumes by product were as follows:

Thousand tonnes	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
mayonnaise	40.0	40.9	(0.9)	(2)	14.9	15.2	(0.4)	(2)
margarine	31	27	4	17	11	9	2	17
raw oil, sales to third parties and other segments	208	26	182	703	51	4	47	1,056
raw oil, internal sales (to Ekat. fat plant)	37	22	14	65	12	3	9	349
meal	199	50	148	297	56	11	45	401

The average sale prices per kilogram (excl. VAT) for sales to third parties were as follows:

RR per kilogram, excl. VAT	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
mayonnaise	57.8	56.2	1.5	3	58.2	56.7	1.5	3
margarine	51.7	50.8	0.8	2	52.8	51.5	1.3	2
raw oil, third-party sales	28.0	33.2	(5.2)	(16)	27.4	30.2	(2.8)	(9)
meal	8.7	9.1	(0.3)	(3)	9.5	8.8	0.7	7

An increase in *Distribution and selling expenses* is linked to an increase in sales volume and investments in marketing and advertising of the Mechta Khozyayki brand. Transportation and loading services increased by RR 535 million (from RR 272 million in 9M 2013 up to RR 807 million in 9M 2014). Advertising expenses increased by RR 242 million (from RR 189 million in 9M 2013 up to RR 431 in 9M 2014).

Key consolidated cash flow indicators (not IFRS presentation*)

The key consolidated cash flow indicators presented according to management accounts methodology were as follows:

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September 2014	September 2013			September 2014	September 2013		
Net cash from operating activities, incl.	13,924	5,681	8,244	145	6,467	2,209	4,258	193
<i>Operating cash flow before working capital</i>	11,125	2,454	8,671	353	4,695	1,301	3,394	261
<i>Working capital changes</i>	3,591	3,297	294	9	1,947	814	1,134	139
Net cash used in investing activities, incl.	(3,890)	(2,412)	(1,478)	(61)	(1,184)	(759)	(426)	(56)
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(3,928)	(2,513)	(1,415)	(56)	(1,706)	(819)	(886)	(108)
Net cash used in financing activities	(10,792)	(3,500)	(7,292)	(208)	(6,149)	(1,600)	(4,549)	(284)
Net decrease in cash and cash equivalents	(583)	(216)	(366)	(169)	(537)	(151)	(386)	(255)

(*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 9M 2014 were made in the agricultural segment in the amount of RR 1,689 million (9M 2013: RR 661 million), representing purchases of machinery and equipment, and in the meat segment in the amount of RR 961 million (9M 2013: RR 1,063 million), related to the construction of a slaughter house in Tambov region. Significant investments were also made in the sugar division in the amount of RR 1,126 million (9M 2013: RR 633 million), related to the modernisation of sugar plants.

Debt position and liquidity management

in RR million	30 September	31 December	Variance	
	2014	2013	Units	%
Gross debt	20,650	32,513	(11,863)	(36)
<i>Short term borrowings</i>	10,015	18,144	(8,130)	(45)
<i>Long term borrowings</i>	10,635	14,369	(3,733)	(26)
Net debt	3,936	14,576	(10,640)	(73)
<i>Short term borrowings, net</i>	(307)	904	(1,211)	-
<i>Long term borrowings, net</i>	4,243	13,672	(9,429)	(69)
Adjusted EBITDA (LTM***)	15,061	6,784	8,277	122
Net debt/Adjusted EBITDA (LTM)	0.3	2.1	(1.9)	

The Group maintained a healthy debt structure: 88% of net debt relates to amounts with more than three years' maturity.

Net finance expense

in RR million	Nine months ended		Variance		Three months ended		Variance	
	30	30	Units	%	30	30	Units	%
	September	September			September	September		
Net interest expense	(68)	(1,453)	1,385	95	(28)	(313)	285	91
<i>Gross interest expense</i>	(1,740)	(2,718)	978	36	(529)	(815)	286	35
<i>Reimbursement of interest expense</i>	1,672	1,265	407	32	501	502	(1)	(0)
Interest income	771	1,604	(833)	(52)	309	444	(135)	(30)
Other financial income/ (expenses), net	406	(59)	465	-	638	(52)	690	-
Total net finance income	1,109	92	1,017	1,105	919	79	840	1,063

In 9M 2014 the Group continued to enjoy benefits from the state agriculture subsidies programme. RR 1,672 million of subsidies received covered 96% of gross interest expense.

(*The exchange rates used for translation of RR amounts into USD represent average Central Bank official exchange rate for the respective reporting period for income, expenses and profits and the Central Bank official exchange rate as at the reporting date for balance figures.

(**) Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation, (ii) other operating income, net (other than reimbursement of operating costs (government grants)), (iii) the difference between gain on revaluation of biological assets and agricultural produce recognised during the period and the gain on initial recognition of agricultural produce attributable to realised agricultural produce together with revaluation of biological assets attributable to realised biological assets included in cost of sales for the period (iv) provision/(reversal of provision) for net realizable value of agricultural produce, (v) share-based remuneration (see Appendix 2 for the detailed calculation of Adjusted EBITDA). Adjusted EBITDA is not a measure of financial performance under IFRS. You should not consider it as an alternative to profit for the period as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited. We believe that Adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary

spending such as capital expenditures, acquisitions of subsidiaries and other investments and our ability to incur and service debt.

*(**) The Group determines the net debt as short-term borrowings and long-term borrowings less cash and cash equivalents, bank deposits and bank promissory notes and bonds within short-term and long-term investments.*

*(***) LTM – The abbreviation for the “Last twelve months”.*

Note:

ROS AGRO PLC (LSE: AGRO) – a holding company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations in the following branches:

Sugar:

We are a leading Russian sugar producer, producing sugar on six production sites from both sugar beets and raw cane sugar. We produce white cube sugar and white packaged sugar sold under the brands Chaikofsky, Russkii Sakhar, Brauni. Our sugar segment is vertically integrated with sugar beet cultivation in our agriculture segment, through which we strive to ensure a consistent supply of sugar beets.

Meat:

Our pig breeding project was launched in 2006. According to the National Union of Pig Breeders, we are the fourth largest pork producer in Russia on the ground of relative production volumes for 2013. We have implemented best practices in biosecurity at our pig farms.

Agricultural:

The Group currently controls what it believes to be one of the largest land banks among Russian agriculture producers, with more than 470 thousand hectares of land under our control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov and Voronezh regions) and in the Far East Primorie region. Land and production sites are strategically located within the same regions to optimize efficiency and minimize logistical costs. We believe we are one of the major sugar beet producers in Russia, and our agricultural segment also produces winter wheat and barley, sunflower products and soybeans. These products are partially consumed by the meat segment, supporting a synergistic effect and lowering price change risk.

Oil:

We are a leading producer of mayonnaise and consumer margarine in Russia, such as Provansal EZhK and Schedroe Leto. In January 2013 the Company has begun production of mayonnaise under brand "Mechta Khozyayki". Our oil extraction plant located in Samara (Samara oil plant) enables us to control the source of 100% of the vegetable oil required by our oil and fats production plant in Ekaterinburg (Ekaterinburg fat plant).

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements do not relate to historical or current events, or to any future financial or operational activity of the Group.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond the Rusagro Group's control. As a result, actual future results may differ materially from the plans and expectations set out in these forward-looking statements.

The Group undertakes no obligation to release the results of any revisions to any forward-looking statements that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Rusagro management is organizing a conference call about its 9M 2014 and Q3 2014 financial results for investors and analysts.

Details of call:

Date	27 November 2014
Time	5:00 PM (Moscow) /2:00 PM (London)
Subject	ROS AGRO PLC Third quarter 2014 financial results
UK Toll Free	0800 279 5735
UK Local Line	+44(0)20 3427 1907
USA Toll Free	+1877 280 2296
USA Local Line	+1646 254 3360
Russia Toll Free	+7495 213 0978
Conference ID	5060556

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Appendix 1. Unaudited consolidated statement of comprehensive income for the Nine months ended 30 September 2014 (in RR thousand)

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Sales	41,386,091	23,119,606	14,741,390	8,776,476
Gain on revaluation of biological assets and agriculture produce	9,393,065	2,378,605	4,785,337	2,436,719
Cost of sales	(34,641,015)	(19,817,199)	(12,192,117)	(7,503,346)
Gains less losses from trading sugar derivatives	293,908	124,274	39,692	1,436
Gross profit	16,432,049	5,805,286	7,374,301	3,711,286
Distribution and selling expenses	(2,917,248)	(2,004,649)	(979,286)	(731,886)
General and administrative expenses	(1,868,085)	(1,899,035)	(726,601)	(684,602)
Share-based remuneration	(53,411)	(152,026)	(1,012)	(26,254)
Other operating income/ (expenses), net	322,511	73,883	160,191	(190,416)
Operating profit	11,915,815	1,823,460	5,827,594	2,078,128
Interest expense	(68,652)	(1,453,300)	(27,637)	(312,366)
Interest income	771,481	1,603,973	309,000	443,633
Other financial income/ (expenses), net	405,660	(58,786)	638,127	(52,450)
Share of profit/ (loss) of investments accounted for using the equity method	450	-	(697)	-
Profit before taxation	13,024,754	1,915,346	6,746,387	2,156,945
Income tax expense	(407,443)	(38,564)	(144,310)	2,467
Profit/ (loss) for the period	12,617,311	1,876,782	6,602,077	2,159,411
Other comprehensive loss:				
Items that may be subsequently reclassified to profit and loss				
Change in value of available-for-sale financial assets	(123,158)	-	(394,917)	-
Total comprehensive income for the period	12,494,153	1,876,782	6,207,160	2,159,411
Profit/ (loss) is attributable to:				
Owners of ROS AGRO PLC	12,618,744	1,875,044	6,600,715	2,157,730
Non-controlling interest	(1,433)	1,738	1,361	1,681
Profit/ (loss) for the period	12,617,311	1,876,782	6,602,077	2,159,411
Total comprehensive income/ (loss) is attributable to:				
Owners of ROS AGRO PLC	12,495,586	1,875,044	6,205,798	2,157,730
Non-controlling interest	(1,433)	1,738	1,361	1,681
Total comprehensive income for the period	12,494,153	1,876,782	6,207,160	2,159,411
Earnings per ordinary share for profit attributable to the equity holders of ROS AGRO PLC, basic and diluted (in RR per share)	535.58	79.46	280.20	91.44

Appendix 2. Unaudited segment information for the Nine months ended 30 September 2014 (in RR thousand)

Nine months ended 30 September 2014	Sugar	Meat	Other agriculture	Oil	Other	Eliminations	Total
Sales	16,577,573	12,752,949	3,603,116	11,336,803	36,796	(2,921,145)	41,386,091
Gain on revaluation of biological assets and agriculture produce	-	7,670,422	1,722,643	-	-	-	9,393,065
Cost of sales <i>incl. Depreciation</i>	(12,997,227) (559,379)	(12,881,335) (1,071,816)	(3,093,622) (303,404)	(8,298,783) (180,041)	-	2,629,952 (26,234)	(34,641,015) (2,140,874)
Gains less losses from trading sugar derivatives	293,908	-	-	-	-	-	293,908
Gross profit	3,874,253	7,542,036	2,232,137	3,038,019	36,796	(291,193)	16,432,049
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(1,678,211) (79,205)	(328,348) (10,487)	(574,403) (28,074)	(2,034,763) (101,719)	(465,044) (18,221)	295,436 9,391	(4,785,333) (228,314)
Share-based remuneration	-	-	-	-	(53,411)	-	(53,411)
Other operating income/(expenses), net <i>incl. Reimbursement of operating costs (government grants)</i>	(20,011) -	223,525 172,001	86,995 154,354	3,929 -	3,461,779 -	(3,433,708) -	322,511 326,355
Operating profit	2,176,032	7,437,213	1,744,729	1,007,186	2,980,120	(3,429,464)	11,915,815
Adjustments:							
Depreciation included in Operating Profit	638,584	1,082,302	331,478	281,760	18,221	16,843	2,369,188
Other operating (income) /expenses, net	20,011	(223,525)	(86,995)	(3,929)	(3,461,779)	3,433,708	(322,511)
Share-based remuneration	-	-	-	-	53,411	-	53,411
Reimbursement of operating costs (government grants)	-	172,001	154,354	-	-	-	326,355
Gain on revaluation of biological assets and agriculture produce	-	(7,670,422)	(1,722,643)	-	-	-	(9,393,065)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	718,053	-	-	165,722	883,775
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	5,415,408	(3,789)	-	-	-	5,411,619
Adjusted EBITDA*	2,834,626	6,212,977	1,135,187	1,285,016	(410,028)	186,808	11,244,587

* Non-IFRS measure

Appendix 2 (continued). Unaudited segment information for the Nine months ended 30 September 2013 (in RR thousand)

Nine months ended 30 September 2013	Sugar	Meat	Other agriculture	Oil	Other	Eliminations	Total
Sales	11,895,946	4,517,915	2,963,013	5,151,234	98,736	(1,507,238)	23,119,606
Gain on revaluation of biological assets and agriculture produce	-	272,485	2,106,119	-	-	-	2,378,605
Cost of sales <i>incl. Depreciation</i>	(10,541,529) (546,352)	(4,327,398) (686,653)	(2,451,252) (256,820)	(3,922,197) (164,872)	(21) -	1,425,197 (28,393)	(19,817,199) (1,683,090)
Gains less losses from trading sugar derivatives	124,274	-	-	-	-	-	124,274
Gross profit	1,478,692	463,002	2,617,881	1,229,038	98,715	(82,041)	5,805,286
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(1,542,732) (83,815)	(294,121) (10,001)	(805,432) (25,596)	(1,086,262) (58,690)	(375,642) (14,884)	200,505 1,927	(3,903,684) (191,059)
Share-based remuneration	-	-	-	-	(152,026)	-	(152,026)
Other operating income/(expenses), net <i>incl. Reimbursement of operating costs (government grants)</i>	(59,635) -	184,097 248,456	(27,034) 178,642	(20,783) -	1,003,389 -	(1,006,150) -	73,883 427,097
Operating profit/ (loss)	(123,675)	352,977	1,785,416	121,992	574,436	(887,686)	1,823,460
Adjustments:							
Depreciation included in Operating Profit	630,167	696,654	282,415	223,562	14,884	26,466	1,874,148
Other operating (income) /expenses, net	59,635	(184,097)	27,034	20,783	(1,003,389)	1,006,150	(73,883)
Share-based remuneration	-	-	-	-	152,026	-	152,026
Reimbursement of operating costs (government grants)	-	248,456	178,642	-	-	-	427,097
Gain on revaluation of biological assets and agriculture produce	-	(272,485)	(2,106,119)	-	-	-	(2,378,605)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	715,702	-	-	378,516	1,094,218
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	55,082	20,915	-	-	-	75,997
Provision/ (Reversal of provision) for net realisable value	(30,090)	-	2,767	-	-	-	(27,323)
Adjusted EBITDA*	536,038	896,587	906,772	366,337	(262,043)	523,446	2,967,136

* Non-IFRS measure

Appendix 3. Unaudited consolidated statement of financial position as at 30 September 2014 (in RR thousand)

	30 September 2014	31 December 2013
ASSETS		
Current assets		
Cash and cash equivalents	2,090,053	2,672,764
Short-term investments	8,676,839	15,266,560
Trade and other receivables	1,778,339	1,771,235
Prepayments	453,000	824,622
Current income tax receivable	119,285	45,434
Other taxes receivable	1,362,399	1,487,408
Inventories	12,594,723	13,865,425
Short-term biological assets	5,736,704	2,212,805
Total current assets	32,811,341	38,146,253
Non-current assets		
Property, plant and equipment	29,493,051	28,365,118
Inventories intended for construction	38,489	36,600
Goodwill	1,231,143	1,175,578
Advances paid for property, plant and equipment	2,249,428	2,334,610
Advances paid for intangible assets	-	2,580
Long-term biological assets	1,522,210	1,553,595
Long-term investments	6,608,263	870,815
Investments in associates	41,279	-
Deferred income tax assets	530,160	353,674
Other intangible assets	296,396	289,056
Restricted cash	22,807	2,404
Total non-current assets	42,033,226	34,984,030
Total assets	74,844,567	73,130,283
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	10,014,664	18,144,254
Trade and other payables	4,561,942	2,352,775
Current income tax payable	19,327	346,981
Other taxes payable	1,275,423	1,327,263
Total current liabilities	15,871,357	22,171,273
Non-current liabilities		
Long-term borrowings	10,635,412	14,368,799
Government grants	1,744,308	1,735,150
Deferred income tax liability	484,228	290,028
Total non-current liabilities	12,863,948	16,393,977
Total liabilities	28,735,305	38,565,250
Equity		
Share capital	9,734	9,734
Treasury shares	(505,880)	(461,847)
Share premium	10,557,573	10,557,573
Share-based payment reserve	1,290,186	1,236,775
Retained earnings	34,520,872	23,214,347
Equity attributable to owners of ROS AGRO PLC	45,872,485	34,556,583
Non-controlling interest	236,776	8,451
Total equity	46,109,261	34,565,033
Total liabilities and equity	74,844,567	73,130,283

Appendix 4. Unaudited consolidated statement of cash flows for the Nine months ended 30 September 2014 according to the Group's management accounts (in RR thousand) – NOT IFRS PRESENTATION

	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Cash flows from operating activities		
Profit before taxation	13,024,754	1,915,346
<i>Adjustments for:</i>		-
Depreciation of property, plant and equipment	2,369,188	1,874,148
Interest expense	1,740,383	2,718,002
Government grants	(2,109,103)	(1,767,248)
Interest income	(771,481)	(1,603,973)
Loss/ (gain) on initial recognition of agricultural produce, net	(413,115)	(1,011,901)
Change in provision for net realisable value of inventory	311,483	(16,989)
Share of profit of investments accounted for using the equity method	(450)	-
Revaluation of biological assets, net	(2,684,556)	(196,488)
Change in provision for impairment of receivables and prepayments	41,887	186,295
Foreign exchange (gain) / loss	(407,033)	(24,140)
Share based remuneration	53,411	152,026
Lost harvest write-off	5,227	22,214
Change in provision for impairment of advances paid for property, plant and equipment	3,112	64,841
Loss on impairment of investments	-	150,969
Other non-cash and non-operating expenses, net	(38,452)	(8,990)
Operating cash flow before working capital changes	11,125,255	2,454,112
Change in trade and other receivables and prepayments	233,268	(373,944)
Change in other taxes receivable	116,358	1,600,951
Change in inventories	1,880,440	4,554,522
Change in biological assets	(804,902)	(3,013,457)
Change in trade and other payables	2,153,376	925,188
Change in other taxes payable	12,131	(396,633)
Cash generated from operations	14,715,926	5,750,739
Income tax paid	(791,680)	(70,127)
Net cash from operating activities	13,924,246	5,680,613
Cash flows from investing activities		-
Purchases of property, plant and equipment	(3,926,072)	(2,495,506)
Purchases of other intangible assets	(87,156)	(35,843)
Proceeds from sales of property, plant and equipment	31,648	50,577
Purchases of inventories intended for construction	(1,889)	(17,180)
Purchases of associates and investments in subsidiaries, net of cash acquired	(50,038)	-
Loans given	(1,021,065)	(237,472)
Loans repaid	1,184,244	235,274
Movement in restricted cash	(20,404)	85,349
Other investing activities	1,146	3,207
Net cash used in investing activities	(3,889,585)	(2,411,593)
Cash flows from financing activities		-
Proceeds from borrowings	8,837,089	7,514,497
Repayment of borrowings	(21,097,577)	(20,971,338)
Interest paid	(1,600,061)	(3,058,173)
Change in promissory notes*	1,100,000	9,000
Change in cash on bank deposits*	5,235,865	9,720,547
Purchases of bonds*	(5,244,138)	-
Interest received*	902,590	1,587,287
Proceeds from government grants	2,118,260	1,959,492
Sale of non-controlling interest	6,758	-
Purchases of non-controlling interest	(6,758)	(261,084)
Purchases of treasury shares	(44,033)	-
Dividends paid	(1,000,000)	(107)
Net cash used in financing activities	(10,792,005)	(3,499,878)
Net effect of exchange rate changes on cash and cash equivalents	174,632	14,540
Net decrease in cash and cash equivalents	(582,712)	(216,318)
Cash and cash equivalents at the beginning of the period	2,672,766	2,019,867
Cash and cash equivalents at the end of the period	2,090,053	1,803,549

() For the purpose of conformity with the methodology of the Group's net debt calculation, investments in financial assets related to financial activities are presented in Cash flows from financing activities in the Group's management accounts.*