

25 May 2015

## ROS AGRO financial results for Q1 2015

**25 May 2015** – 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 three months ended 31 March 2015.

### Q1 2015 Highlights

- Sales amounted to RR 14,122 million (US\$ 224 million (\*)), an increase of RR 3,046 million compared to Q1 2014;
- Adjusted EBITDA (\*\*\*) amounted to RR 5,100 million (US\$ 81 million), an increase of RR 2,670 million compared to Q1 2014;
- Adjusted EBITDA margin increased from 22% up to 36%;
- Net profit for the period amounted to RR 4,251 million (US\$ 67 million);
- Net debt position (\*\*\*) as of 31 March 2015 was RR 1,984 million (US\$ 34 million);
- Net Debt/ Adjusted EBITDA (LTM) (\*\*\*\*) as of 31 March 2015 was 0.1x.

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

“In the first quarter the company continued to be very profitable as a result of favorable prices and an increase in production volumes.”

### Key consolidated financial performance indicators

| in RR million                           | Three months ended |               | Variance     |            |
|---|--------------------|---------------|--------------|------------|
|   | 31 March 2015      | 31 March 2014 | Units        | %          |
| <b>Sales</b>                            | <b>14,122</b>      | <b>11,076</b> | <b>3,046</b> | <b>28</b>  |
| <b>Gross profit</b>                     | <b>5,988</b>       | <b>3,959</b>  | <b>2,029</b> | <b>51</b>  |
| <i>Gross margin, %</i>                  | <i>42%</i>         | <i>36%</i>    | <i>7%</i>    |            |
| <b>Adjusted EBITDA</b>                  | <b>5,100</b>       | <b>2,430</b>  | <b>2,670</b> | <b>110</b> |
| <i>Adjusted EBITDA margin, %</i>        | <i>36%</i>         | <i>22%</i>    | <i>14%</i>   |            |
| <b>Net profit/(loss) for the period</b> | <b>4,251</b>       | <b>2,241</b>  | <b>2,010</b> | <b>90</b>  |
| <i>Net profit margin %</i>              | <i>30%</i>         | <i>20%</i>    | <i>10%</i>   |            |

## Key financial performance indicators by segment

| in RR million                    | Three months ended |               | Variance     |            |
|----------------------------------|--------------------|---------------|--------------|------------|
|                                  | 31 March 2015      | 31 March 2014 | Units        | %          |
| <b>Sales, incl.</b>              | <b>14,122</b>      | <b>11,076</b> | <b>3,046</b> | <b>28</b>  |
| <i>Sugar</i>                     | 4,799              | 4,498         | 301          | 7          |
| <i>Meat</i>                      | 3,952              | 2,390         | 1,562        | 65         |
| <i>Agriculture</i>               | 1,573              | 750           | 823          | 110        |
| <i>Oil</i>                       | 3,771              | 3,826         | (55)         | (1)        |
| <i>Far East</i>                  | 310                | -             | 310          | -          |
| <i>Other</i>                     | 9                  | 14            | (5)          | (34)       |
| <i>Eliminations</i>              | (291)              | (401)         | 109          | 27         |
| <b>Gross profit, incl.</b>       | <b>5,988</b>       | <b>3,959</b>  | <b>2,029</b> | <b>51</b>  |
| <i>Sugar</i>                     | 2,218              | 1,223         | 996          | 81         |
| <i>Meat</i>                      | 1,667              | 1,632         | 35           | 2          |
| <i>Agriculture</i>               | 666                | 119           | 547          | 462        |
| <i>Oil</i>                       | 1,356              | 1,036         | 320          | 31         |
| <i>Far East</i>                  | 53                 | -             | 53           | -          |
| <i>Other</i>                     | 9                  | 14            | (5)          | (34)       |
| <i>Eliminations</i>              | 19                 | (65)          | 84           | -          |
| <b>Adjusted EBITDA, incl.</b>    | <b>5,100</b>       | <b>2,430</b>  | <b>2,670</b> | <b>110</b> |
| <i>Sugar</i>                     | 1,875              | 885           | 990          | 112        |
| <i>Meat</i>                      | 1,778              | 683           | 1,095        | 160        |
| <i>Agriculture</i>               | 748                | 249           | 499          | 200        |
| <i>Oil</i>                       | 699                | 552           | 147          | 27         |
| <i>Far East</i>                  | 20                 | -             | 20           | -          |
| <i>Other</i>                     | (365)              | (116)         | (249)        | (215)      |
| <i>Eliminations</i>              | 344                | 177           | 168          | 95         |
| <b>Adjusted EBITDA margin, %</b> | <b>36%</b>         | <b>22%</b>    | <b>14%</b>   |            |
| <i>Sugar</i>                     | 39%                | 20%           | 19%          |            |
| <i>Meat</i>                      | 45%                | 29%           | 16%          |            |
| <i>Agriculture</i>               | 48%                | 33%           | 14%          |            |
| <i>Oil</i>                       | 19%                | 14%           | 4%           |            |
| <i>Far East</i>                  | 6%                 | n/a           | n/a          |            |

## Sugar Segment

The financial results of the sugar segment for Q1 2015 as compared to Q1 2014 are presented in the table below:

| in RR million                                    | Three months ended |               | Variance   |           |
|--|--------------------|---------------|------------|-----------|
|  | 31 March 2015      | 31 March 2014 | Units      | %         |
| Sales  | 4,799              | 4,498         | 301        | 7         |
| Cost of sales                                    | (2,742)            | (3,440)       | 698        | 20        |
| Gains less losses from trading sugar derivatives | 161                | 165           | (3)        | (2)       |
| <b>Gross profit</b>                              | <b>2,218</b>       | <b>1,223</b>  | <b>996</b> | <b>81</b> |
| <i>Gross profit margin</i>                       | 46%                | 27%           | 19%        |           |
| Distribution and selling expenses                | (314)              | (358)         | 44         | 12        |
| General and administrative expenses              | (204)              | (189)         | (14)       | (8)       |
| Other operating income, net                      | 48                 | -             | 48         | -         |

| in RR million                 | Three months ended |               | Variance     |            |
|-------------------------------|--------------------|---------------|--------------|------------|
|                               | 31 March 2015      | 31 March 2014 | Units        | %          |
| <b>Operating profit</b>       | <b>1,749</b>       | <b>676</b>    | <b>1,073</b> | <b>159</b> |
| <b>Adjusted EBITDA</b>        | <b>1,875</b>       | <b>885</b>    | <b>990</b>   | <b>112</b> |
| <i>Adjusted EBITDA margin</i> | <i>39%</i>         | <i>20%</i>    | <i>19%</i>   |            |

Sales in the sugar segment increased as a result of 69% increase in sale prices that was nearly offset by 36% decrease in sales volume.

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

|   | Three months ended |               | Variance |       |
|---|--------------------|---------------|----------|-------|
|   | 31 March 2015      | 31 March 2014 | Units    | %     |
| Sugar production volume (in thousand tonnes), incl. | 87                 | 90            | (3)      | (3)   |
| beet sugar  | -                  | 15            | (15)     | (100) |
| cane sugar  | 87                 | 75            | 12       | 15    |
| Sales volume (in thousand tonnes)                   | 111                | 174           | (63)     | (36)  |
| Sale price (roubles per kg, excl. VAT)              | 42.7               | 25.3          | 17.4     | 69    |

## Meat Segment

The financial results of the meat segment for Q1 2015 as compared to Q1 2014 are presented in the table below:

| in RR million   | Three months ended |               | Variance     |            |
|---|--------------------|---------------|--------------|------------|
|   | 31 March 2015      | 31 March 2014 | Units        | %          |
| Sales   | 3,952              | 2,390         | 1,562        | 65         |
| Gain on revaluation of biological assets and agricultural produce | 1,656              | 1,816         | (160)        | (9)        |
| Cost of sales   | (3,941)            | (2,574)       | (1,367)      | (53)       |
| <b>Gross profit</b>   | <b>1,667</b>       | <b>1,632</b>  | <b>35</b>    | <b>2</b>   |
| <i>Gross profit margin</i>  | <i>42%</i>         | <i>68%</i>    | <i>-26%</i>  |            |
| <i>Gross profit excl. effect of biological assets revaluation</i> | 1,663              | 445           | 1,218        | 274        |
| <i>Adjusted gross profit margin</i>                               | <i>42%</i>         | <i>19%</i>    | <i>23%</i>   |            |
| Distribution and selling expenses                                 | (17)               | (8)           | (10)         | (132)      |
| General and administrative expenses                               | (172)              | (87)          | (85)         | (97)       |
| Other operating income, net                                       | 69                 | 19            | 50           | 263        |
| <i>incl. reimbursement of operating costs (government grants)</i> | <i>44</i>          | <i>-</i>      | <i>44</i>    | <i>-</i>   |
| <b>Operating profit</b>   | <b>1,547</b>       | <b>1,557</b>  | <b>(10)</b>  | <b>(1)</b> |
| <b>Adjusted EBITDA</b>  | <b>1,778</b>       | <b>683</b>    | <b>1,095</b> | <b>160</b> |
| <i>Adjusted EBITDA margin</i>                                     | <i>45%</i>         | <i>29%</i>    | <i>16%</i>   |            |

An increase in Sales by 65% was driven by an increase both in pork sales volume and pork sales prices.

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

|   | Three months ended |               | Variance |    |
|---|--------------------|---------------|----------|----|
|   | 31 March 2015      | 31 March 2014 | Units    | %  |
| Sales volume (in thousand tonnes)       | 42                 | 34            | 8        | 24 |
| Sale prices (roubles per kg, excl. VAT) | 94.9               | 70.6          | 24.3     | 34 |

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

| in RR million                             | Three months ended 31 March 2015 |             | Three months ended 31 March 2014 |             |
|---|----------------------------------|-------------|----------------------------------|-------------|
|   | Belgorod Meat                    | Tambov Meat | Belgorod Meat                    | Tambov Meat |
| Sales to third parties and other segments | 1,904                            | 2,048       | 1,197                            | 1,193       |
| Adjusted EBITDA                           | 867                              | 911         | 417                              | 266         |
| <i>Adjusted EBITDA margin</i>             | <i>46%</i>                       | <i>44%</i>  | <i>35%</i>                       | <i>22%</i>  |

### 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 Q1 2015 as compared to Q1 2014 are presented in the table below:

| in RR million  | Three months ended |               | Variance    |              |
|--|--------------------|---------------|-------------|--------------|
|  | 31 March 2015      | 31 March 2014 | Units       | %            |
| Sales  | 1,573              | 750           | 823         | 110          |
| Cost of sales  | (907)              | (631)         | (276)       | (44)         |
| <b>Gross profit</b>  | <b>666</b>         | <b>119</b>    | <b>547</b>  | <b>462</b>   |
| <i>Gross profit margin</i>   | <i>42%</i>         | <i>16%</i>    | <i>27%</i>  |              |
| <i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i> | <i>880</i>         | <i>226</i>    | <i>653</i>  | <i>289</i>   |
| <i>Adjusted gross profit margin</i>  | <i>56%</i>         | <i>30%</i>    | <i>26%</i>  |              |
| Distribution and selling expenses  | (197)              | (97)          | (100)       | (104)        |
| General and administrative expenses  | (120)              | (118)         | (3)         | (2)          |
| Other operating income, net  | 68                 | 108           | (40)        | (37)         |
| <i>incl. reimbursement of operating costs (government grants)</i>                          | <i>113</i>         | <i>149</i>    | <i>(36)</i> | <i>(24)</i>  |
| <b>Operating profit</b>  | <b>416</b>         | <b>12</b>     | <b>404</b>  | <b>3,440</b> |
| <b>Adjusted EBITDA</b>   | <b>748</b>         | <b>249</b>    | <b>499</b>  | <b>200</b>   |
| <i>Adjusted EBITDA margin</i>  | <i>48%</i>         | <i>33%</i>    | <i>14%</i>  |              |

In Q1 2015 *Sales* increased by 110% as compared to Q1 2014 as a result of an increase in sale prices and an increase in grain sales volume.

Sales volumes by product were as follows:

| Thousand tonnes              | Three months ended |               | Variance |       |
|------------------------------|--------------------|---------------|----------|-------|
|                              | 31 March 2015      | 31 March 2014 | Units    | %     |
| sugar beet                   | -                  | 12            | (12)     | (100) |
| grain                        | 150                | 107           | 43       | 41    |
| incl. sold to other segments | 28                 | 55            | (27)     | (49)  |
| sunflower seeds              | 1.0                | 0.4           | 0.6      | 165   |

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 | Three months ended |               | Variance |     |
|----------------------------|--------------------|---------------|----------|-----|
|                            | 31 March 2015      | 31 March 2014 | Units    | %   |
| wheat                      | 9.0                | 5.6           | 3.4      | 59  |
| barley                     | 9.9                | 5.5           | 4.4      | 81  |
| sunflower seeds            | 21.0               | 9.6           | 11.4     | 118 |
| peas                       | 12.5               | 8.2           | 4.3      | 52  |
| corn                       | n/a                | 4.9           | n/a      | n/a |

## Oil segment

The financial results of the oil segment for Q1 2015 as compared to Q1 2014 are presented in the table below:

| in RR million                           | Three months ended |               | Variance   |           |
|---|--------------------|---------------|------------|-----------|
|   | 31 March 2015      | 31 March 2014 | Units      | %         |
| Sales                                   | 3,771              | 3,826         | (55)       | (1)       |
| Cost of sales                           | (2,414)            | (2,789)       | 375        | 13        |
| <b>Gross profit</b>                     | <b>1,356</b>       | <b>1,036</b>  | <b>320</b> | <b>31</b> |
| <i>Gross profit margin</i>              | <i>36%</i>         | <i>27%</i>    | <i>9%</i>  |           |
| Distribution and selling expenses       | (602)              | (487)         | (114)      | (23)      |
| General and administrative expenses     | (144)              | (97)          | (47)       | (48)      |
| Other operating income/ (expenses), net | 72                 | (14)          | 86         | -         |
| <b>Operating profit</b>                 | <b>683</b>         | <b>438</b>    | <b>245</b> | <b>56</b> |
| <b>Adjusted EBITDA</b>                  | <b>699</b>         | <b>552</b>    | <b>147</b> | <b>27</b> |
| <i>Adjusted EBITDA margin</i>           | <i>19%</i>         | <i>14%</i>    | <i>4%</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                             | Three months ended 31 March 2015 |                 | Three months ended 31 March 2014 |                 |
|---|----------------------------------|-----------------|----------------------------------|-----------------|
|   | Samara oil plant                 | Ekat. fat plant | Samara oil plant                 | Ekat. fat plant |
| Sales to third parties and other segments | 2,054                            | 1,716           | 2,379                            | 1,447           |
| Internal sales (to Ekat. fat plant)       | 758                              | -               | 401                              | -               |
| Gross profit                              | 809                              | 548             | 589                              | 447             |
| <i>Gross profit margin</i>                | <i>29%</i>                       | <i>32%</i>      | <i>21%</i>                       | <i>31%</i>      |
| Adjusted EBITDA                           | 563                              | 136             | 397                              | 154             |
| <i>Adjusted EBITDA margin</i>             | <i>20%</i>                       | <i>8%</i>       | <i>14%</i>                       | <i>11%</i>      |

Sales volumes by product were as follows:

| Thousand tonnes                                    | Three months ended |               | Variance |      |
|--|--------------------|---------------|----------|------|
|  | 31 March 2015      | 31 March 2014 | Units    | %    |
| mayonnaise   | 12.2               | 10.9          | 1.3      | 12   |
| margarine  | 11.1               | 11.2          | (0.2)    | (1)  |
| raw oil, sales to third parties and other segments | 30                 | 66            | (36)     | (54) |
| raw oil, internal sales (to Ekat. fat plant)       | 18                 | 15            | 2        | 14   |
| meal   | 44                 | 74            | (30)     | (41) |

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

| RR per kilogram, excl. VAT | Three months ended |               | Variance |    |
|----------------------------|--------------------|---------------|----------|----|
|                            | 31 March 2015      | 31 March 2014 | Units    | %  |
| mayonnaise                 | 68.5               | 58.3          | 10.3     | 18 |
| margarine                  | 68.7               | 50.2          | 18.5     | 37 |
| raw oil, third-party sales | 47.9               | 27.6          | 20.3     | 74 |
| meal                       | 14.1               | 7.6           | 6.5      | 84 |

### Far East segment

In the end of 2014 the Group started operations in the Far East region where it plans to develop agricultural and meat business. The Group currently controls 27 thousand hectares in the Far East Primorie region. The financial results of the Far East segment for Q1 2015 are presented in the table below:

| in RR million                       | Three months ended 31 March 2015 |
|-------------------------------------|----------------------------------|
| Sales                               | 310                              |
| Cost of sales                       | (257)                            |
| <b>Gross profit</b>                 | <b>53</b>                        |
| <i>Gross profit margin</i>          | <i>17%</i>                       |
| Distribution and selling expenses   | (19)                             |
| General and administrative expenses | (14)                             |
| <b>Operating profit</b>             | <b>20</b>                        |
| <b>Adjusted EBITDA</b>              | <b>20</b>                        |
| <i>Adjusted EBITDA margin</i>       | <i>6%</i>                        |

In the beginning of February 2015 the Group acquired an entity engaged in acquisition and processing of soya beans. Starting the February of 2015 the income and expenses of this company are included in the Group's consolidated financial statements.

Sales volumes and the average sale prices per kilogram (excl. VAT) by product were as follows:

| in RR million                          | Three months ended 31 March 2015 |
|--|----------------------------------|
| Sales volume (in thousand tonnes)      |                                  |
| raw oil                                | 2.6                              |
| meal                                   | 7.8                              |
| Sale price (roubles per kg, excl. VAT) |                                  |
| raw oil                                | 24.2                             |
| meal                                   | 31.5                             |

### 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   | Three months ended |               | Variance     |             |
|---|--------------------|---------------|--------------|-------------|
|   | 31 March 2015      | 31 March 2014 | Units        | %           |
| <b>Net cash from operating activities, incl.</b>          | <b>2,430</b>       | <b>2,632</b>  | <b>(202)</b> | <b>(8)</b>  |
| <i>Operating cash flow before working capital changes</i> | 4,843              | 2,289         | 2,554        | 112         |
| <i>Working capital changes</i>                            | (1,558)            | 744           | (2,302)      | 0           |
| <b>Net cash used in investing activities, incl.</b>       | <b>(1,300)</b>     | <b>(931)</b>  | <b>(370)</b> | <b>(40)</b> |

| in RR million   | Three months ended |               | Variance     |            |
|---|--------------------|---------------|--------------|------------|
|   | 31 March 2015      | 31 March 2014 | Units        | %          |
| <i>Purchases of property, plant and equipment and inventories intended for construction</i> | (1,089)            | (786)         | (303)        | (39)       |
| <b>Net cash from/ (used in) financing activities</b>  | <b>3,776</b>       | <b>(792)</b>  | <b>4,568</b> | <b>0</b>   |
| <b>Net increase in cash and cash equivalents</b>  | <b>4,931</b>       | <b>934</b>    | <b>3,996</b> | <b>428</b> |

(\*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in Q1 2015 were made in the Sugar segment in the amount of RR 349 million (Q1 2014: RR 122 million), related to the modernization of sugar plants, in Far East segment in the amount of RR 295 million (Q1 2014: nil), in the Agro segment in the amount of RR 288 million (Q1 2014: RR 451 million) representing purchases of machinery and equipment and in the Meat segment in the amount of RR 125 million (Q1 2014: RR 193 million), related to the construction of a slaughter house in Tambov region.

### Debt position and liquidity management

| in RR million                         | 31 March 2015 | 31 December 2014 | Variance       |             |
|---------------------------------------|---------------|------------------|----------------|-------------|
|                                       |               |                  | Units          | %           |
| <b>Gross debt</b>                     | <b>27,127</b> | <b>22,306</b>    | <b>4,821</b>   | <b>22</b>   |
| <i>Short term borrowings</i>          | 18,606        | 12,500           | 6,106          | 49          |
| <i>Long term borrowings</i>           | 8,521         | 9,806            | (1,285)        | (13)        |
| <b>Net debt</b>                       | <b>1,984</b>  | <b>3,617</b>     | <b>(1,633)</b> | <b>(45)</b> |
| <i>Short term borrowings, net</i>     | (5,841)       | (5,493)          | (348)          | (6)         |
| <i>Long term borrowings, net</i>      | 7,825         | 9,110            | (1,285)        | (14)        |
| <b>Adjusted EBITDA (LTM***)</b>       | <b>20,740</b> | <b>18,069</b>    | <b>2,670</b>   | <b>15</b>   |
| <b>Net debt/Adjusted EBITDA (LTM)</b> | <b>0.1</b>    | <b>0.2</b>       | <b>(0.1)</b>   |             |

### Net finance income/ (expense)

| in RR million                                  | Three months ended |               | Variance     |             |
|--|--------------------|---------------|--------------|-------------|
|  | 31 March 2015      | 31 March 2014 | Units        | %           |
| <b>Net interest expense</b>                    | <b>(590)</b>       | <b>(330)</b>  | <b>(260)</b> | <b>(79)</b> |
| <i>Gross interest expense</i>                  | (724)              | (662)         | (62)         | (9)         |
| <i>Reimbursement of interest expense</i>       | 134                | 332           | (198)        | (60)        |
| <b>Interest income</b>                         | <b>256</b>         | <b>253</b>    | <b>3</b>     | <b>1</b>    |
| <b>Gains less losses from corporate bonds</b>  | <b>495</b>         | <b>-</b>      | <b>495</b>   | <b>-</b>    |
| <b>Other financial income/ (expenses), net</b> | <b>293</b>         | <b>(121)</b>  | <b>414</b>   | <b>-</b>    |
| <b>Total net finance income/ (expense)</b>     | <b>454</b>         | <b>(198)</b>  | <b>652</b>   | <b>-</b>    |

In Q1 2015 the Group continued to enjoy benefits from the state agriculture subsidies programme. RR 134 million of subsidies received covered 19% of gross interest expense.

*Other financial income/ (expenses), net* changed by RR 414 million from RR 121 million of net expenses in Q1 2014 to RR 293 million of net income in Q1 2015. *Other financial income/ (expenses), net* mainly comprise of financial foreign exchange differences gain net of losses, that amounted RR 295 million of net gain in Q1 2015 compared to RR 120 million of net losses in Q1 2014.

(\*)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 effective 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 Sakhara, 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 second largest pork producer in Russia on the ground of relative production volumes for 2014. 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 hectares of land under our control located in the highly fertile Black Earth region of Russia (in the Belgorod, Tambov and Voronezh regions). 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).

*Far East:*

In the end of 2014 the Group started operations in the Far East region where it plans to develop agricultural and meat business. The Group currently controls 27 thousand hectares in the Far East Primorie region.



### **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 Q1 2015 financial results for investors and analysts.

#### *Details of call:*

|                  |   |
|------------------|---|
| Date             | 25 May 2015   |
| Time             | 4:00 PM (Moscow) / 2:00 PM (London) at the same day |
| Subject          | ROS AGRO PLC First Quarter Financial Results        |
| UK Toll Free     | 0800 279 5736                                       |
| UK Local Line    | 44(0)20 3427 1905                                   |
| USA Toll Free    | 1877 280 1254                                       |
| USA Local Line   | 1646 254 3364                                       |
| Russia Toll Free | 7 495 213 0977                                      |
| Conference ID    | <b>2899288</b>                                      |

#### **Contacts:**

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LLC Group of Companies Rusagro  
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[stribunsky@rusagroup.ru](mailto:stribunsky@rusagroup.ru)

**Appendix 1. Unaudited consolidated statement of comprehensive income for the three months ended 31 March 2015 (in RR thousand)**

|  | Three months<br>ended 31 March<br>2015 | Three months<br>ended 31 March<br>2014 |
|--|--|--|
| Sales  | 14,122,250                             | 11,076,121                             |
| Gain on revaluation of biological assets and agricultural produce  | 1,656,010                              | 1,816,169                              |
| Cost of sales  | (9,951,713)                            | (9,098,509)                            |
| Gains less losses from trading sugar derivatives   | 161,293                                | 164,736                                |
| <b>Gross profit</b>  | <b>5,987,840</b>                       | <b>3,958,518</b>                       |
| Distribution and selling expenses  | (1,130,696)                            | (894,413)                              |
| General and administrative expenses  | (1,018,748)                            | (613,280)                              |
| Share-based remuneration   | (990)                                  | (25,683)                               |
| Other operating income, net  | 243,533                                | 166,657                                |
| <b>Operating profit</b>  | <b>4,080,940</b>                       | <b>2,591,799</b>                       |
| Interest expense   | (589,287)                              | (329,559)                              |
| Interest income  | 255,952                                | 253,333                                |
| Gains less losses from bonds held for trading  | 494,653                                | -                                      |
| Other financial income/ (expenses), net  | 293,403                                | (120,529)                              |
| Share of results of associates   | 1,802                                  | -                                      |
| <b>Profit before income tax</b>  | <b>4,537,463</b>                       | <b>2,395,044</b>                       |
| Income tax expense   | (286,287)                              | (153,871)                              |
| <b>Profit for the period</b>   | <b>4,251,176</b>                       | <b>2,241,172</b>                       |
| <b>Total comprehensive income for the period</b>   | <b>4,251,176</b>                       | <b>2,241,172</b>                       |
| <b>Profit/(loss) is attributable to:</b>   |  |  |
| Owners of ROS AGRO PLC   | 4,252,239                              | 2,243,037                              |
| Non-controlling interest   | (1,063)                                | (1,865)                                |
| <b>Profit for the period</b>   | <b>4,251,176</b>                       | <b>2,241,172</b>                       |
| <b>Total comprehensive income/(loss) is attributable to:</b>   |  |  |
| Owners of ROS AGRO PLC   | 4,252,239                              | 2,243,037                              |
| Non-controlling interest   | (1,063)                                | (1,865)                                |
| <b>Total comprehensive income for the period</b>   | <b>4,251,176</b>                       | <b>2,241,172</b>                       |
| Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share) | 180.50                                 | 95.17                                  |

**Appendix 2. Unaudited segment information for the three months ended 31 March 2015 (in RR thousand)**

| <b>Three months ended 31 March 2015</b>   | <b>Sugar</b>             | <b>Meat</b>              | <b>Other<br/>agriculture</b> | <b>Oil</b>              | <b>Far East</b>    | <b>Other</b>         | <b>Eliminations</b> | <b>Total</b>             |
|---|--------------------------|--------------------------|------------------------------|-------------------------|--------------------|----------------------|---------------------|--------------------------|
| Sales   | 4,799,037                | 3,951,716                | 1,572,843                    | 3,770,538               | 309,971            | 9,282                | (291,137)           | 14,122,250               |
| Gain on revaluation of biological assets<br>and agriculture produce   | -                        | 1,656,010                | -                            | -                       | -                  | -                    | -                   | 1,656,010                |
| Cost of sales<br><i>incl. depreciation</i>  | (2,741,881)<br>(145,150) | (3,941,163)<br>(253,080) | (906,927)<br>(55,703)        | (2,414,179)<br>(53,971) | (257,467)<br>(183) | -                    | 309,904<br>(17,299) | (9,951,713)<br>(525,385) |
| Gains less losses from trading sugar<br>derivatives   | 161,293                  | -                        | -                            | -                       | -                  | -                    | -                   | 161,293                  |
| <b>Gross profit</b>   | <b>2,218,448</b>         | <b>1,666,563</b>         | <b>665,917</b>               | <b>1,356,359</b>        | <b>52,505</b>      | <b>9,282</b>         | <b>18,767</b>       | <b>5,987,840</b>         |
| Distribution and Selling, General and<br>administrative expenses<br><i>incl. depreciation</i>                   | (517,210)<br>(28,852)    | (188,982)<br>(6,168)     | (317,469)<br>(16,905)        | (745,842)<br>(34,228)   | (32,992)<br>(271)  | (380,224)<br>(6,349) | 33,276<br>(723)     | (2,149,444)<br>(93,495)  |
| Share-based remuneration  | -                        | -                        | -                            | -                       | -                  | (990)                | -                   | (990)                    |
| Other operating income/(expenses), net<br><i>incl. reimbursement of operating costs<br/>(government grants)</i> | 47,778<br>-              | 69,380<br>44,438         | 67,739<br>113,351            | 72,091<br>-             | 265<br>1           | 2,126,276<br>-       | (2,139,996)<br>-    | 243,533<br>157,789       |
| <b>Operating profit</b>   | <b>1,749,016</b>         | <b>1,546,961</b>         | <b>416,186</b>               | <b>682,608</b>          | <b>19,778</b>      | <b>1,754,344</b>     | <b>(2,087,953)</b>  | <b>4,080,940</b>         |
| <b>Adjustments:</b>   |                          |                          |                              |                         |                    |                      |                     |                          |
| Depreciation included in Operating Profit   | 174,002                  | 259,247                  | 72,608                       | 88,198                  | 454                | 6,349                | 18,023              | 618,881                  |
| Other operating (income) /expenses, net   | (47,778)                 | (69,380)                 | (67,739)                     | (72,091)                | (265)              | (2,126,276)          | 2,139,996           | (243,533)                |
| Share-based remuneration  | -                        | -                        | -                            | -                       | -                  | 990                  | -                   | 990                      |
| Reimbursement of operating costs<br>(government grants)   | -                        | 44,438                   | 113,351                      | -                       | -                  | -                    | -                   | 157,788                  |
| Gain on revaluation of biological assets<br>and agriculture produce   | -                        | (1,656,010)              | -                            | -                       | -                  | -                    | -                   | (1,656,010)              |
| Gain on initial recognition of agricultural<br>produce attributable to realised agricultural<br>produce         | -                        | -                        | 213,028                      | -                       | -                  | -                    | 274,320             | 487,348                  |
| Revaluation of biological assets<br>attributable to realised biological assets<br>and included in cost of sales | -                        | 1,652,879                | 705                          | -                       | -                  | -                    | -                   | 1,653,584                |
| <b>Adjusted EBITDA*</b>   | <b>1,875,240</b>         | <b>1,778,135</b>         | <b>748,138</b>               | <b>698,715</b>          | <b>19,966</b>      | <b>(364,594)</b>     | <b>344,386</b>      | <b>5,099,986</b>         |

\* Non-IFRS measure

**Appendix 2 (continued). Unaudited segment information for the three months ended 31 March 2014 (in RR thousand)**

| <b>Three months ended 31 March 2014</b>   | <b>Sugar</b>             | <b>Meat</b>              | <b>Other<br/>agriculture</b> | <b>Oil</b>              | <b>Other</b>         | <b>Eliminations</b> | <b>Total</b>             |
|---|--------------------------|--------------------------|------------------------------|-------------------------|----------------------|---------------------|--------------------------|
| Sales   | 4,497,572                | 2,389,778                | 749,651                      | 3,825,564               | 14,127               | (400,570)           | 11,076,121               |
| Gain on revaluation of biological assets<br>and agriculture produce   | -                        | 1,816,169                | -                            | -                       | -                    | -                   | 1,816,169                |
| Cost of sales<br><i>incl. depreciation</i>  | (3,439,539)<br>(182,526) | (2,573,990)<br>(328,241) | (631,109)<br>(76,488)        | (2,789,175)<br>(65,862) | -                    | 335,306<br>(10,895) | (9,098,509)<br>(664,011) |
| Gains less losses from trading sugar<br>derivatives   | 164,736                  | -                        | -                            | -                       | -                    | -                   | 164,736                  |
| <b>Gross profit</b>   | <b>1,222,768</b>         | <b>1,631,957</b>         | <b>118,541</b>               | <b>1,036,389</b>        | <b>14,127</b>        | <b>(65,265)</b>     | <b>3,958,518</b>         |
| Distribution and Selling, General and<br>administrative expenses<br><i>incl. depreciation</i>                   | (546,947)<br>(26,491)    | (94,502)<br>(3,950)      | (214,566)<br>(11,984)        | (584,973)<br>(34,426)   | (135,622)<br>(5,843) | 68,916<br>2,411     | (1,507,693)<br>(80,283)  |
| Share-based remuneration  | -                        | -                        | -                            | -                       | (25,683)             | -                   | (25,683)                 |
| Other operating income/(expenses), net<br><i>incl. reimbursement of operating costs<br/>(government grants)</i> | 186<br>-                 | 19,423<br>-              | 107,782<br>149,143           | (13,625)<br>-           | 685,366<br>-         | (632,476)<br>-      | 166,657<br>149,143       |
| <b>Operating profit</b>   | <b>676,007</b>           | <b>1,556,878</b>         | <b>11,758</b>                | <b>437,791</b>          | <b>538,189</b>       | <b>(628,824)</b>    | <b>2,591,799</b>         |
| <b>Adjustments:</b>   |                          |                          |                              |                         |                      |                     |                          |
| Depreciation included in Operating Profit   | 209,017                  | 332,191                  | 88,472                       | 100,287                 | 5,843                | 8,483               | 744,293                  |
| Other operating (income) /expenses, net   | (186)                    | (19,423)                 | (107,782)                    | 13,625                  | (685,366)            | 632,476             | (166,657)                |
| Share-based remuneration  | -                        | -                        | -                            | -                       | 25,683               | -                   | 25,683                   |
| Reimbursement of operating costs<br>(government grants)   | -                        | -                        | 149,143                      | -                       | -                    | -                   | 149,143                  |
| Gain on revaluation of biological assets<br>and agriculture produce   | -                        | (1,816,169)              | -                            | -                       | -                    | -                   | (1,816,169)              |
| Gain on initial recognition of agricultural<br>produce attributable to realised agricultural<br>produce         | -                        | -                        | 110,202                      | -                       | -                    | 164,658             | 274,860                  |
| Revaluation of biological assets<br>attributable to realised biological assets<br>and included in cost of sales | -                        | 629,168                  | (2,371)                      | -                       | -                    | -                   | 626,797                  |
| <b>Adjusted EBITDA*</b>   | <b>884,838</b>           | <b>682,645</b>           | <b>249,422</b>               | <b>551,704</b>          | <b>(115,652)</b>     | <b>176,793</b>      | <b>2,429,748</b>         |

\* Non-IFRS measure

**Appendix 3. Unaudited consolidated statement of financial position as at 31 March 2015 (in RR thousand)**

|  | 31 March 2015     | 31 December 2014  |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>Current assets</b>                                |                   |                   |
| Cash and cash equivalents                            | 15,246,932        | 10,316,313        |
| Short-term investments                               | 9,606,931         | 8,863,789         |
| Trade and other receivables                          | 2,531,931         | 2,347,714         |
| Prepayments  | 1,628,762         | 2,085,599         |
| Current income tax receivable                        | 30,392            | 22,119            |
| Other taxes receivable                               | 2,105,597         | 1,310,407         |
| Inventories  | 18,499,274        | 15,508,659        |
| Short-term biological assets                         | 3,969,796         | 3,454,937         |
| <b>Total current assets</b>                          | <b>53,619,615</b> | <b>43,909,537</b> |
| <b>Non-current assets</b>                            |                   |                   |
| Property, plant and equipment                        | 30,420,786        | 29,519,968        |
| Inventories intended for construction                | 31,068            | 32,846            |
| Goodwill   | 1,565,854         | 1,191,832         |
| Advances paid for property, plant and equipment      | 2,129,641         | 2,669,373         |
| Advances paid for intangible assets                  | -                 | -                 |
| Long-term biological assets                          | 1,775,979         | 1,793,059         |
| Long-term investments                                | 945,373           | 929,129           |
| Investments in associates                            | 89,210            | 87,407            |
| Deferred income tax assets                           | 958,245           | 1,016,544         |
| Other intangible assets                              | 339,456           | 338,699           |
| Restricted cash                                      | 176,285           | 17,373            |
| <b>Total non-current assets</b>                      | <b>38,431,897</b> | <b>37,596,230</b> |
| <b>Total assets</b>                                  | <b>92,051,512</b> | <b>81,505,767</b> |
| <b>LIABILITIES AND EQUITY</b>                        |                   |                   |
| <b>Current liabilities</b>                           |                   |                   |
| Short-term borrowings                                | 18,605,968        | 12,499,623        |
| Trade and other payables                             | 4,842,293         | 2,772,385         |
| Current income tax payable                           | 120,479           | 475,850           |
| Other taxes payable                                  | 1,912,015         | 1,706,091         |
| <b>Total current liabilities</b>                     | <b>25,480,755</b> | <b>17,453,949</b> |
| <b>Non-current liabilities</b>                       |                   |                   |
| Long-term borrowings                                 | 8,521,343         | 9,806,306         |
| Government grants                                    | 1,818,795         | 1,962,562         |
| Deferred income tax liability                        | 200,221           | 463,649           |
| <b>Total non-current liabilities</b>                 | <b>10,540,359</b> | <b>12,232,517</b> |
| <b>Total liabilities</b>                             | <b>36,021,114</b> | <b>29,686,466</b> |
| <b>Equity</b>  |                   |                   |
| Share capital  | 9,734             | 9,734             |
| Treasury shares                                      | (505,880)         | (505,880)         |
| Share premium  | 10,557,573        | 10,557,573        |
| Share-based payment reserve                          | 1,292,188         | 1,291,198         |
| Retained earnings                                    | 44,643,080        | 40,159,833        |
| <b>Equity attributable to owners of ROS AGRO PLC</b> | <b>55,996,695</b> | <b>51,512,458</b> |
| Non-controlling interest                             | 33,703            | 306,843           |
| <b>Total equity</b>                                  | <b>56,030,398</b> | <b>51,819,301</b> |
| <b>Total liabilities and equity</b>                  | <b>92,051,512</b> | <b>81,505,767</b> |

**Appendix 4. Unaudited consolidated statement of cash flows for the three months ended 31 March 2015 according to the Group's management accounts (in RR thousand) – NOT IFRS PRESENTATION**

|   | Three months ended<br>31 March 2015 | Three months ended<br>31 March 2014 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                       |                                     |                                     |
| Profit before income tax  | 4,537,463                           | 2,395,045                           |
| <i>Adjustments for:</i>   |                                     |                                     |
| Depreciation and amortization                                     | 618,881                             | 744,293                             |
| Interest expense  | 723,652                             | 661,760                             |
| Government grants   | (328,422)                           | (517,070)                           |
| Interest income   | (255,952)                           | (253,333)                           |
| Loss/ (gain) on initial recognition of agricultural produce, net  | 487,348                             | 274,860                             |
| Change in provision for net realisable value of inventory         | (18,469)                            | -                                   |
| Share of results of associates                                    | (1,802)                             | -                                   |
| Revaluation of biological assets, net                             | (2,427)                             | (1,189,372)                         |
| Change in provision for impairment of receivables and prepayments | (15,095)                            | 29,977                              |
| Foreign exchange (gain) / loss                                    | (437,458)                           | 120,163                             |
| Share based remuneration  | 990                                 | 25,683                              |
| Gains less losses from bonds held for trading                     | (494,653)                           | -                                   |
| Other non-cash and non-operating expenses/ (income), net          | 28,855                              | (3,405)                             |
| <b>Operating cash flow before working capital changes</b>         | <b>4,842,911</b>                    | <b>2,288,601</b>                    |
| Change in trade and other receivables and prepayments             | (4,356)                             | (472,508)                           |
| Change in other taxes receivable                                  | (820,014)                           | 352,471                             |
| Change in inventories   | (2,662,234)                         | (617,311)                           |
| Change in biological assets                                       | (489,220)                           | (414,390)                           |
| Change in trade and other payables                                | 2,096,191                           | 2,221,647                           |
| Change in other taxes payable                                     | 321,763                             | (325,940)                           |
| <b>Cash generated from operations</b>                             | <b>3,285,041</b>                    | <b>3,032,570</b>                    |
| Income tax paid   | (854,707)                           | (400,721)                           |
| <b>Net cash from operating activities</b>                         | <b>2,430,333</b>                    | <b>2,631,849</b>                    |
| <b>Cash flows from investing activities</b>                       |                                     |                                     |
| Purchases of property, plant and equipment                        | (1,089,264)                         | (786,444)                           |
| Purchases of other intangible assets                              | (29,243)                            | (44,377)                            |
| Proceeds from sales of property, plant and equipment              | 10,058                              | 2,845                               |
| Purchases of associates   | -                                   | (23,601)                            |
| Investments in subsidiaries, net of cash acquired                 | 4,845                               | -                                   |
| Movement in restricted cash                                       | (196,571)                           | (78,931)                            |
| Proceeds from sale of subsidiaries, net of cash disposed          | 16                                  | -                                   |
| <b>Net cash used in investing activities</b>                      | <b>(1,300,159)</b>                  | <b>(930,508)</b>                    |
| <b>Cash flows from financing activities</b>                       |                                     |                                     |
| Proceeds from borrowings  | 12,825,900                          | 2,661,617                           |
| Repayment of borrowings   | (8,030,938)                         | (11,319,240)                        |
| Interest paid   | (490,830)                           | (560,024)                           |
| Change in cash on bank deposits*                                  | (2,255,667)                         | 8,001,728                           |
| Proceeds from sales of bonds*                                     | 1,558,816                           | -                                   |
| Loans given*  | (396,578)                           | (405,982)                           |
| Loans repaid*   | 137,110                             | 13,990                              |
| Interest received*  | 251,262                             | 427,090                             |
| Proceeds from government grants                                   | 184,655                             | 426,589                             |
| Transactions with non-controlling interest                        | -                                   | 6,758                               |
| Purchases of treasury shares                                      | -                                   | (44,033)                            |
| Other financial activities  | (7,559)                             | -                                   |
| <b>Net cash used in financing activities</b>                      | <b>3,776,170</b>                    | <b>(791,508)</b>                    |
| Net effect of exchange rate changes on cash and cash equivalents  | 24,276                              | 24,339                              |
| <b>Net increase in cash and cash equivalents</b>                  | <b>4,930,619</b>                    | <b>934,172</b>                      |
| Cash and cash equivalents at the beginning of the period          | 10,316,313                          | 2,672,764                           |
| <b>Cash and cash equivalents at the end of the period</b>         | <b>15,246,932</b>                   | <b>3,606,935</b>                    |

*(\*) 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.*