

20 May 2016

ROS AGRO financial results for Q1 2016

20 May 2016 – 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 2016.

Q1 2016 Highlights

- Sales amounted to RR 17,738 million (US\$ 237 million¹), an increase of RR 3,616 million compared to Q1 2015;
- Adjusted EBITDA² amounted to RR 4,863 million (US\$ 65 million), a decrease of RR 237 million compared to Q1 2015;
- Adjusted EBITDA margin amounted to 27%;
- Net debt position³ as of 31 March 2016 was RR 14,619 million (US\$ 216 million);
- Net Debt/ Adjusted EBITDA (LTM⁴) as of 31 March 2016 was 0.6x.

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

“Ros Agro Q1 2016 performance was mixed. Sugar and agricultural businesses continued to work at high margin increasing revenue and EBITDA. Meat business results have suffered from lower meat price, higher grain prices and launch costs of slaughterhouse. Oil and fat business suffered from rouble appreciation, difficulties at major export markets and deficit of raw material.

Below EBITDA Ros Agro accounts were negatively affected by rouble appreciation (USD deposit for dividend payment), pork price decrease (herd revaluation) and 2015 agricultural crop gain release for the crop sold in Q1 2016.”

Key consolidated financial performance indicators

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sales	17,738	14,122	3,616	26
Gross profit	3,650	5,988	(2,338)	(39)
<i>Gross margin, %</i>	<i>21%</i>	<i>42%</i>	<i>-22%</i>	
Adjusted EBITDA	4,863	5,100	(237)	(5)
<i>Adjusted EBITDA margin, %</i>	<i>27%</i>	<i>36%</i>	<i>-9%</i>	
Net profit for the period*	367	4,251	(3,884)	(91)
<i>Net profit margin %</i>	<i>2%</i>	<i>30%</i>	<i>-28%</i>	

**Net profit for the period is affected by non-cash loss on revaluation of biological assets and agricultural produce. See details in business-sections below. Net profit for the period excl. effect of biological assets and agricultural produce revaluation amounted to RR 3,162 million for Q1 2016 (Q1 2015: RR 4,736 million), a decrease of RR 1,574 million or 33% compared to Q1 2015.*

Key financial performance indicators by segment

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015*	Units	%
Sales, incl.	17,738	14,122	3,616	26
<i>Sugar</i>	5,877	4,799	1,078	22
<i>Meat</i>	3,615	3,952	(337)	(9)
<i>Agriculture</i>	3,362	1,574	1,788	114
<i>Oil and Fat</i>	5,747	4,079	1,668	41
<i>Other</i>	18	9	9	92
<i>Eliminations</i>	(881)	(291)	(590)	(203)
Gross profit, incl.	3,650	5,988	(2,338)	(39)
<i>Sugar</i>	2,783	2,218	565	25
<i>Meat</i>	(773)	1,667	(2,440)	-
<i>Agriculture</i>	556	661	(105)	(16)
<i>Oil and Fat</i>	1,073	1,414	(341)	(24)
<i>Other</i>	18	9	9	92
<i>Eliminations</i>	(7)	19	(26)	-
Adjusted EBITDA, incl.	4,863	5,100	(237)	(5)
<i>Sugar</i>	2,315	1,875	439	23
<i>Meat</i>	551	1,769	(1,218)	(69)
<i>Agriculture</i>	1,563	740	823	111
<i>Oil and Fat</i>	214	736	(522)	(71)
<i>Other</i>	(598)	(365)	(234)	(64)
<i>Eliminations</i>	820	345	475	138
Adjusted EBITDA margin, %	27%	36%	-9%	
<i>Sugar</i>	39%	39%	0%	
<i>Meat</i>	15%	45%	-30%	
<i>Agriculture</i>	46%	47%	-1%	
<i>Oil and Fat</i>	4%	18%	-14%	

* In press-release for Q1 2015 the Far East operations were presented as separate business segment. Starting the financial statements for Q2 2015 the management decided to allocate these operations between Meat, Agriculture and Oil segment on the basis of the economic sense of the underlying operations. The financial information for Q1 2015 for Meat, Agriculture and Oil segment had been adjusted accordingly. The consolidated financial results for Q1 2015 remain unchanged.

Sugar Segment

The financial results of the sugar segment for Q1 2016 as compared to Q1 2015 are presented in the table below:

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sales	5,877	4,799	1,078	22
Cost of sales	(3,389)	(2,742)	(647)	(24)
Net gain from trading derivatives	296	161	134	83
Gross profit	2,783	2,218	565	25
<i>Gross profit margin</i>	47%	46%	1%	
Distribution and selling expenses	(416)	(314)	(102)	(33)
General and administrative expenses	(245)	(204)	(41)	(20)

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Other operating income / (expenses), net	(29)	48	(77)	-
Operating profit	2,094	1,749	345	20
Adjusted EBITDA	2,315	1,875	439	23
<i>Adjusted EBITDA margin</i>	<i>39%</i>	<i>39%</i>	<i>0%</i>	

Sales in the sugar segment increased as a result of 13% increase in sales volume and 3% increase in sale price.

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

	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sugar production volume (in thousand tonnes), incl.	-	87	(87)	(100)
beet sugar	-	-	-	-
cane sugar	-	87	(87)	(100)
Sales volume (in thousand tonnes)	125	111	14	13
Sale price (roubles per kg, excl. VAT)	44.0	42.7	1.3	3

Meat Segment

The financial results of the meat segment for Q1 2016 as compared to Q1 2015 are presented in the table below:

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sales	3,615	3,952	(337)	(9)
Net gain / (loss) on revaluation of biological assets and agricultural produce*	(1,013)	3	(1,016)	-
Cost of sales*	(3,375)	(2,288)	(1,087)	(47)
Gross profit / (loss)	(773)	1,667	(2,440)	-
<i>Gross profit margin</i>	<i>-21%</i>	<i>42%</i>	<i>-64%</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	240	1,663	(1,424)	(86)
<i>Adjusted gross profit margin</i>	<i>7%</i>	<i>42%</i>	<i>-35%</i>	
Distribution and selling expenses	(44)	(17)	(27)	(154)
General and administrative expenses	(138)	(181)	43	24
Other operating income, net	174	69	105	152
<i>incl. reimbursement of operating costs (government grants)</i>	98	44	54	121
Operating profit / (loss)	(781)	1,538	(2,319)	-
Adjusted EBITDA	551	1,769	(1,218)	(69)
<i>Adjusted EBITDA margin</i>	<i>15%</i>	<i>45%</i>	<i>-30%</i>	

(* See appendix 1 for the disclosure of reclassification adjustments made to Q1 2015 figures.

A decrease in Sales by 9% was mainly caused by a decrease in 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 2016	31 March 2015	Units	%
Sales volume (in thousand tonnes), incl.	37	41	(5)	(11)
livestock pigs	16	40	(24)	(60)
processed pork	21	2	19	1,215
Sale prices (roubles per kg, excl. VAT):				
livestock pigs	82.4	94.9	(12.5)	(13)
processed pork	111.7	119.4	(7.6)	(6)

The decrease in sales volume is linked to change in product mix. In the middle of 2015 the Group launched the slaughter house, that led to movement from sales of livestock pigs to sales of processed pigs with related decrease in volumes due to wastage.

Net loss on revaluation of biological assets and agricultural produce in Q1 2016 resulted from a decrease in market prices for live pigs and an increase in cost of livestock, that in turn was caused by an increase in feed costs.

Agricultural Segment

As at 31 March 2016 the segment's area of controlled land stands at 504 thousand hectares, including 26 thousand hectares in the Far Eastern region. The financial results of the agricultural segment for Q1 2016 as compared to Q1 2015 are presented in the table below:

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sales	3,362	1,574	1,788	114
Net gain / (loss) on revaluation of biological assets and agricultural produce*	(1,049)	(214)	(835)	(391)
Cost of sales*	(1,758)	(699)	(1,058)	(151)
Gross profit	556	661	(105)	(16)
<i>Gross profit margin</i>	<i>17%</i>	<i>42%</i>	<i>-25%</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	<i>1,605</i>	<i>875</i>	<i>730</i>	<i>83</i>
<i>Adjusted gross profit margin</i>	<i>48%</i>	<i>56%</i>	<i>-8%</i>	
Distribution and selling expenses	(289)	(196)	(93)	(47)
General and administrative expenses	(146)	(125)	(22)	(17)
Other operating income, net	151	68	82	120
<i>incl. reimbursement of operating costs (government grants)</i>	<i>159</i>	<i>113</i>	<i>46</i>	<i>40</i>
Operating profit	271	408	(137)	(34)
Adjusted EBITDA	1,563	740	823	111
<i>Adjusted EBITDA margin</i>	<i>46%</i>	<i>47%</i>	<i>-1%</i>	

(*) See appendix 1 for the disclosure of reclassification adjustments made to Q1 2015 figures.

In Q1 2016 Sales increased by 114% as compared to Q1 2015 mainly as a result of an increase in sales volume.

Sales volumes by product were as follows:

Thousand tonnes	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
grain	194	150	44	29
incl. sold to other segments	9	28	(20)	(69)
sunflower seeds	33	1	32	n/a
incl. sold to other segments	21	-	21	n/a

Sales volumes of grain include sales of wheat, barley, corn, peas and soya beans.

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

RR per kilogram, excl. VAT	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
wheat	8.9	9.0	(0.1)	(2)
barley	10.4	9.9	0.5	5
sunflower seeds	23.6	21.0	2.7	13
corn	8.5	n/a	n/a	n/a
soy	22.4	22.7	(0.3)	(2)

Net loss on revaluation of biological assets and agricultural produce in Q1 2016 represents the realisation of gain from crops revaluation, recognised for harvest of 2015 in the financial statements of 2015 and remained unrealised as at 31 December 2015.

In other words, in IFRS financial statements of 2015 the Group recognised gain from all crops, harvested in 2015, including crops in stocks at the year-end. Consequently, the crops in stocks as at 31 December 2015 were measured at market prices prevailing at the time of harvest. In IFRS financial statements for 2016, as these crops are realised, the gain on revaluation is written of in the statement of comprehensive income decreasing the profit of the segment. The gain on revaluation of crops and its subsequent realisation do not affect the Adjusted EBITDA figure.

An increase in *Net loss on revaluation of biological assets and agricultural produce* in Q1 2016 versus Q1 2015 relates to both higher sales volumes in Q1 2016 and higher market prices prevailed at the time of harvest in 2015 as compared to 2014.

Oil and Fat segment

The financial results of the oil and fat segment for Q1 2016 as compared to Q1 2015 are presented in the table below:

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sales	5,747	4,079	1,668	41
Cost of sales	(4,675)	(2,666)	(2,009)	(75)
Gross profit	1,073	1,414	(341)	(24)
<i>Gross profit margin</i>	<i>19%</i>	<i>35%</i>	<i>-16%</i>	
Distribution and selling expenses	(789)	(622)	(168)	(27)
General and administrative expenses	(158)	(144)	(14)	(10)
Other operating income/ (expenses), net	61	72	(11)	(16)
Operating profit	186	720	(534)	(74)
Adjusted EBITDA	214	736	(522)	(71)
<i>Adjusted EBITDA margin</i>	<i>4%</i>	<i>18%</i>	<i>-14%</i>	

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

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Sales, incl.	5,747	4,079	1,668	41
Samara oil plant	3,285	2,812	472	17
Ekat. fat plant	2,064	1,716	348	20
Far East	997	309	688	223
Eliminations	(598)	(758)	160	21
Gross profit, incl.	1,073	1,414	(341)	(24)
Samara oil plant	512	863	(352)	(41)
Ekat. fat plant	450	548	(98)	(18)
Far East	141	57	84	147
Eliminations(*)	(30)	(55)	25	45
Adjusted EBITDA, incl.	214	736	(522)	(71)
Samara oil plant	205	578	(373)	(65)
Ekat. fat plant	(84)	136	(220)	-
Far East	96	37	58	157
Eliminations(*)	(3)	(15)	13	82
Adjusted EBITDA margin, %	4%	18%	-14%	
Samara oil plant	6%	21%	-14%	
Ekat. fat plant	-4%	8%	-12%	
Far East	10%	12%	-2%	

(*) In press-release for Q1 2015 the effect of eliminations of intra-segment transactions within oil segments was allocated to the Samara oil plant. In the current presentation, financial results of the Samara oil plant are shown on stand-alone basis. Eliminations of intra-segment transactions are presented separately in "Eliminations" line item.

Intra-segment sales include sales of raw oil from Samara oil plant to Ekaterinburg fat plant.

Far East operations in Q1 2016 include results of operations of LLC Primorskaya soya, fat plant, acquired in Q4 2015 and engaged in soya bean oil extraction and processing. Far East operations in Q1 2015 included tolling operations with soya bean on the related party's production facilities.

Sales volumes by product were as follows:

Thousand tonnes	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Ekaterinburg fat plant				
mayonnaise	14.3	12.2	2.1	17
margarine	9.7	11.1	(1)	(13)
processed sunflower oil	3.1	0.4	3	735
Samara oil plant				
sunflower oil, 3rd parties sales	38	30	8	28
sunflower oil, sales to Ekat. fat plant	10	18	(7)	(42)
sunflower meal	44.0	43.8	0.2	1
Far East				
soybean raw oil	-	2.6	n/a	n/a
soybean processed oil	2.4	-	n/a	n/a
soybean meal	26	8	18	229

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 2016	31 March 2015	Units	%
mayonnaise	75.7	68.5	7.2	10
margarine	69.4	68.7	0.7	1
processed sunflower oil	75.3	55.7	19.6	35
sunflower raw oil, 3rd parties sales	57.7	47.9	9.7	20
sunflower meal	12.0	14.1	(2.1)	(15)
soybean raw oil	-	24.2	n/a	n/a
soybean processed oil	74.4	-	n/a	n/a
soybean meal	30.3	31.5	(1.2)	(4)

Significant increase in prices for sunflower seeds and sunflower raw oil that exceeded the growth of finished goods sale prices together with a continuing growth of advertising expenses in Ekaterinburg fat plant led to the decrease of profitability of the segment.

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 2016	31 March 2015	Units	%
Net cash from operating activities, incl.	856	2,430	(1,574)	(65)
<i>Operating cash flow before working capital changes</i>	4,138	4,843	(705)	(15)
<i>Working capital changes</i>	(2,797)	(1,558)	(1,239)	(80)
Net cash used in investing activities, incl.	(1,310)	(1,300)	(9)	(1)
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(1,156)	(1,089)	(67)	(6)
Net cash from/ (used in) financing activities	210	3,776	(3,566)	(94)
Net increase / (decrease) in cash and cash equivalents	(655)	4,931	(5,586)	0

(*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in Q1 2016 were made in the Agro segment in the amount of RR 552 million (Q1 2015: RR 580 million), related to purchases of machinery and equipment, and in the Sugar segment in the amount of RR 435 million (Q1 2015: RR 349 million), related to the modernization of sugar plants.

Debt position and liquidity management

in RR million	31 March 2016	31 December 2015	Variance	
			Units	%
Gross debt	46,797	49,898	(3,101)	(6)
<i>Short term borrowings</i>	22,678	25,860	(3,182)	(12)
<i>Long term borrowings</i>	24,119	24,038	81	0
Net debt	14,619	15,147	(528)	(3)
<i>Short term borrowings, net</i>	5,096	5,823	(727)	(12)
<i>Long term borrowings, net</i>	9,522	9,323	199	2
Adjusted EBITDA (LTM⁴)	24,187	24,423	(237)	(1)
Net debt/Adjusted EBITDA (LTM)	0.6	0.6	-	

Net finance income/ (expense)

in RR million	Three months ended		Variance	
	31 March 2016	31 March 2015	Units	%
Net interest expense	(1,311)	(590)	(721)	(122)
<i>Gross interest expense</i>	(1,420)	(724)	(696)	(96)
<i>Reimbursement of interest expense</i>	109	134	(25)	(19)
Interest income	957	256	701	274
Net gain/ (loss) from bonds held for trading	-	495	(495)	-
Other financial income/ (expenses), net	(856)	293	(1,149)	-
<i>Net foreign exchange gain/ (loss)</i>	(839)	295	(1,134)	-
<i>Other financial expenses, net</i>	(17)	(1)	(16)	(1,600)
Total net finance income/ (expense)	(1,210)	454	(1,664)	-

Net foreign exchange gain / (loss) changed from RR 295 million of gain in Q1 2015 to RR 839 million of loss in Q1 2016. Net forex losses in Q1 2016 mainly relate to cash on bank deposits (RR 423 million of loss) and cash on current bank accounts (RR 417 million of loss).

(1) *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.*

(2) *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) net gain/ (loss) on revaluation of biological assets and agricultural produce, (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. It should not be considered 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.*

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

(4) *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 beet and raw cane sugar. We produce white cube sugar and white packaged sugar sold under the brands Chaikofsky, Russkii Sakhar and 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:

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 504 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 and Fat:

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 Q1 2016 financial results for investors and analysts.

Details of call:

Date	20 May 2016
Time	4:00 PM (Moscow) /2:00 PM (London) at the same day
Subject	ROS AGRO PLC Q1 2016 Financial Results
UK Toll Free	0800 279 5004
UK Local Line	44(0)20 3427 0503
USA Toll Free	1877 280 2342
USA Local Line	1646 254 3362
Russia Toll Free	7 495 213 0977
Conference ID	2622614

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Appendix 1. Unaudited consolidated statement of comprehensive income for the three months ended 31 March 2016 (in RR thousand)

	Three months ended 31 March	
	2016	2015
Sales	17,737,764	14,122,250
Net gain / (loss) on revaluation of biological assets and agricultural produce*	(2,795,100)	(484,921)
Cost of sales*	(11,589,490)	(7,810,782)
Net gain from trading derivatives	296,457	161,293
Gross profit	3,649,631	5,987,840
Distribution and selling expenses	(1,524,238)	(1,130,696)
General and administrative expenses	(1,262,939)	(1,018,748)
Share-based remuneration	(1,001)	(990)
Other operating income/ (expenses), net	403,196	243,533
Operating profit	1,264,649	4,080,940
Interest expense	(1,311,120)	(589,287)
Interest income	956,599	255,952
Net gain/ (loss) from bonds held for trading	-	494,653
Other financial income/ (expenses), net	(856,386)	293,403
Share of results of associates	2,399	1,802
Profit before income tax	56,140	4,537,463
Income tax expense	311,038	(286,287)
Profit for the year	367,178	4,251,176
Other comprehensive income:		
Items that may be subsequently reclassified to profit and loss:		
Change in value of available-for-sale financial assets	(16,319)	
Income tax relating to other comprehensive income	3,264	
Total comprehensive income for the period	354,123	4,251,176
Profit is attributable to:		
Owners of ROS AGRO PLC	364,372	4,252,239
Non-controlling interest	2,806	(1,063)
Profit for the period	367,178	4,251,176
Total comprehensive income is attributable to:		
Owners of ROS AGRO PLC	351,317	4,252,239
Non-controlling interest	2,806	(1,063)
Total comprehensive income for the period	354,123	4,251,176
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	15.47	180.50

(*In 2015 full-year financial statements the Group changed the way of presentation of gain/ loss on initial recognition of agricultural produce and gain/ loss on revaluation of biological assets in the consolidated statement of comprehensive income. In the interim financial statements for 2015 and in the financial statements for 2014 and earlier periods gain/ loss arising from initial recognition of biological assets and agricultural produce and from changes in fair-value-less-cost-to-sell of biological assets was included in statement of comprehensive income within a separate line "Gain/ (loss) on revaluation of biological assets and agricultural produce" above the gross profit line. In Q1 2015 "Gain/ (loss) on revaluation of biological assets and agricultural produce" amounted to RR 1,656,010 thousand. Gain recorded on initial recognition of agricultural produce attributable to the realized agricultural produce and the result of revaluation of biological assets attributable to the realized biological assets was included within the line "Cost of sales" and amounted to RR 2,140,931. Starting the full-year financial statements for 2015 such gains/ losses are included within "Net gain/ (loss) on revaluation of biological assets and agricultural produce" line above the gross profit line.

For further details refer to note 2 "Summary of significant accounting policies" of the audited consolidated financial statements for the year ended 31 December 2015.

Appendix 2. Unaudited segment information for the three months ended 31 March 2016 (in RR thousand)

Three months ended 31 March 2016	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	5,876,842	3,614,607	3,361,952	5,747,303	17,796	(880,737)	17,737,764
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(1,012,988)	(1,049,194)	-	-	(732,917)	(2,795,100)
Cost of sales	(3,389,085)	(3,375,019)	(1,757,756)	(4,674,653)	-	1,607,022	(11,589,490)
<i>incl. depreciation</i>	<i>(160,744)</i>	<i>(386,584)</i>	<i>(201,386)</i>	<i>(54,345)</i>	-	<i>(33,345)</i>	<i>(836,404)</i>
Net gain/ (loss) from trading derivatives	295,737	-	720	-	-	-	296,457
Gross profit	2,783,495	(773,400)	555,721	1,072,651	17,796	(6,632)	3,649,631
Distribution and Selling, General and administrative expenses	(660,759)	(182,246)	(435,421)	(947,404)	(625,630)	64,282	(2,787,177)
<i>incl. depreciation</i>	<i>(31,249)</i>	<i>(8,982)</i>	<i>(32,876)</i>	<i>(33,994)</i>	<i>(9,739)</i>	<i>4,382</i>	<i>(112,458)</i>
Share-based remuneration	-	-	-	-	(1,001)	-	(1,001)
Other operating income/(expenses), net	(28,528)	174,366	150,544	60,722	3,713,656	(3,667,564)	403,196
<i>incl. reimbursement of operating costs (government grants)</i>	<i>-</i>	<i>98,000</i>	<i>158,980</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>256,980</i>
Operating profit	2,094,208	(781,279)	270,844	185,969	3,104,821	(3,609,914)	1,264,649
Adjustments:							
Depreciation included in Operating Profit	191,992	395,566	234,262	88,339	9,739	28,963	948,861
Other operating (income) /expenses, net	28,528	(174,366)	(150,544)	(60,722)	(3,713,656)	3,667,564	(403,196)
Share-based remuneration	-	-	-	-	1,001	-	1,001
Reimbursement of operating costs (government grants)	-	98,000	158,980	-	-	-	256,980
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	1,012,988	1,049,194	-	-	732,917	2,795,100
Adjusted EBITDA*	2,314,728	550,909	1,562,736	213,586	(598,095)	819,531	4,863,395

* Non-IFRS measure

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

Three months ended 31 March 2015	Sugar	Meat	Agriculture	Oil and Fat	Other	Eliminations	Total
Sales	4,799,037	3,951,716	1,573,913	4,079,439	9,282	(291,137)	14,122,250
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	3,131	(213,732)	-	-	(274,320)	(484,921)
Cost of sales	(2,741,881)	(2,288,284)	(699,281)	(2,665,708)	-	584,374	(7,810,782)
<i>incl. depreciation</i>	<i>(145,150)</i>	<i>(253,080)</i>	<i>(55,885)</i>	<i>(53,971)</i>	-	<i>(17,299)</i>	<i>(525,385)</i>
Net gain/ (loss) from trading derivatives	161,293	-	-	-	-	-	161,293
Gross profit	2,218,448	1,666,563	660,899	1,413,731	9,282	18,917	5,987,840
Distribution and Selling, General and administrative expenses	(517,210)	(198,249)	(321,181)	(765,857)	(380,224)	33,276	(2,149,444)
<i>incl. depreciation</i>	<i>(28,852)</i>	<i>(6,439)</i>	<i>(16,905)</i>	<i>(34,228)</i>	<i>(6,349)</i>	<i>(723)</i>	<i>(93,495)</i>
Share-based remuneration	-	-	-	-	(990)	-	(990)
Other operating income/(expenses), net	47,778	69,380	68,326	72,058	2,126,276	(2,140,285)	243,533
<i>incl. reimbursement of operating costs (government grants)</i>	-	<i>44,438</i>	<i>113,351</i>	-	-	-	<i>157,788</i>
Operating profit	1,749,016	1,537,695	408,045	719,933	1,754,344	(2,088,092)	4,080,940
Adjustments:							
Depreciation included in Operating Profit	174,002	259,518	72,790	88,198	6,349	18,023	618,881
Other operating (income) /expenses, net	(47,778)	(69,380)	(68,326)	(72,058)	(2,126,276)	2,140,285	(243,533)
Share-based remuneration	-	-	-	-	990	-	990
Reimbursement of operating costs (government grants)	-	44,438	113,351	-	-	-	157,788
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(3,131)	213,732	-	-	274,320	484,921
Adjusted EBITDA*	1,875,240	1,769,139	739,592	736,073	(364,594)	344,536	5,099,986

* Non-IFRS measure

Appendix 3. Unaudited consolidated statement of financial position as at 31 March 2016 (in RR thousand)

	31 March 2016	31 December 2015
ASSETS		
Current assets		
Cash and cash equivalents	3,746,546	4,401,703
Restricted cash	79,365	-
Short-term investments	26,786,086	30,129,049
Trade and other receivables	3,650,500	3,504,497
Prepayments	1,592,432	1,186,836
Current income tax receivable	52,716	41,816
Other taxes receivable	2,085,653	1,613,361
Inventories	23,094,819	22,569,821
Short-term biological assets	3,086,493	3,616,397
Total current assets	64,174,608	67,063,480
Non-current assets		
Property, plant and equipment	34,612,894	34,607,999
Inventories intended for construction	23,630	26,851
Goodwill	2,472,251	2,403,562
Advances paid for property, plant and equipment	5,471,697	5,392,600
Long-term biological assets	1,844,172	1,913,224
Long-term investments	15,255,908	15,378,412
Investments in associates	433,803	431,404
Deferred income tax assets	1,548,013	1,490,657
Other intangible assets	687,482	709,965
Restricted cash	10,209	71,142
Total non-current assets	62,360,060	62,425,816
Total assets	126,534,668	129,489,296
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	22,678,144	25,860,464
Trade and other payables	4,568,570	3,736,755
Current income tax payable	37,017	383,535
Other taxes payable	1,984,185	2,359,135
Total current liabilities	29,267,915	32,339,889
Non-current liabilities		
Long-term borrowings	24,118,942	24,037,539
Government grants	2,084,973	2,043,667
Deferred income tax liability	110,775	496,235
Total non-current liabilities	26,314,691	26,577,441
Total liabilities	55,582,606	58,917,330
Equity		
Share capital	9,734	9,734
Treasury shares	(505,880)	(505,880)
Share premium	10,557,573	10,557,573
Share-based payment reserve	1,296,214	1,295,213
Retained earnings	59,543,539	59,188,050
Equity attributable to owners of ROS AGRO PLC	70,901,180	70,544,690
Non-controlling interest	50,882	27,276
Total equity	70,952,062	70,571,966
Total liabilities and equity	126,534,668	129,489,296

Appendix 4. Unaudited consolidated statement of cash flows for the three months ended 31 March 2016 according to the Group's management accounts (in RR thousand) – NOT IFRS PRESENTATION

	Three months ended 31 March 2016	Three months ended 31 March 2015
Cash flows from operating activities		
Profit before income tax	56,141	4,537,463
<i>Adjustments for:</i>		
Depreciation and amortization	948,861	618,881
Interest expense	1,419,856	723,652
Government grants	(435,327)	(328,422)
Interest income	(956,599)	(255,952)
Loss/ (gain) on disposal of property, plant and equipment	(4,606)	8,297
Net loss on revaluation of biological assets and agricultural produce	2,795,100	484,921
Change in provision for net realisable value of inventory	25,909	(18,469)
Share of results of associates	(2,399)	(1,802)
Change in provision for impairment of receivables and prepayments	22,597	(15,095)
Foreign exchange (gain) / loss	871,987	(437,458)
Share based remuneration	1,001	990
Net gain from bonds held for trading	-	(494,653)
Settlement of financial assets previously written-off	(124,405)	-
Change in provision for impairment of other taxes receivables	(259,953)	-
Change in provision for impairment of advances paid for property, plant and equipment	5,078	(1,106)
(Gain) / loss on other investments	(3,463)	14
Other non-cash and non-operating expenses/ (income), net	(221,516)	21,651
Operating cash flow before working capital changes	4,138,262	4,842,911
Change in trade and other receivables and prepayments	(615,659)	(4,356)
Change in other taxes receivable	(217,037)	(820,014)
Change in inventories	(2,015,293)	(2,662,234)
Change in biological assets	(412,534)	(489,220)
Change in trade and other payables	840,180	2,096,191
Change in other taxes payable	(376,880)	321,763
Cash generated from operations	1,341,039	3,285,041
Income tax paid	(484,981)	(854,707)
Net cash from operating activities	856,058	2,430,333
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,151,493)	(1,089,123)
Purchases of other intangible assets	(34,073)	(29,243)
Proceeds from sales of property, plant and equipment	12,595	10,058
Purchases of inventories intended for construction	(4,481)	(141)
Investments in subsidiaries, net of cash acquired	(113,542)	4,845
Movement in restricted cash	(18,520)	(196,571)
Proceeds from sale of subsidiaries, net of cash disposed	-	16
Net cash used in investing activities	(1,309,514)	(1,300,159)
Cash flows from financing activities		
Proceeds from borrowings	11,291,339	12,825,900
Repayment of borrowings	(14,765,861)	(8,030,938)
Interest paid	(1,116,910)	(490,830)
Change in cash on bank deposits*	1,494,429	(2,255,667)
Proceeds from sales of bonds*	-	1,558,816
Loans given*	(61,647)	(396,578)
Loans repaid*	2,521,860	137,110
Interest received*	371,048	251,262
Proceeds from government grants	476,633	184,655
Other financial activities	(785)	(7,559)
Net cash from financing activities	210,106	3,776,170
Net effect of exchange rate changes on cash and cash equivalents	(411,808)	24,276
Net increase in cash and cash equivalents	(655,157)	4,930,619
Cash and cash equivalents at the beginning of the period	4,401,703	10,316,313
Cash and cash equivalents at the end of the period	3,746,546	15,246,932

(*) 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.