



14 August 2017

## ROS AGRO financial results for 1H 2017 and Q2 2017

**14 August 2017** – 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 Six months ended 30 June 2017.

### 1H 2017 Highlights

- Sales amounted to RR 37,758 million (US\$ 653 million<sup>1</sup>), a decrease of RR 452 million compared to 1H 2016;
- Adjusted EBITDA<sup>2</sup> amounted to RR 5,439 million (US\$ 94 million), a decrease of RR 2,632 million compared to 1H 2016;
- Adjusted EBITDA margin decreased from 21% in 1H 2016 to 14% in 1H 2017;
- Net profit for the period amounted to RR 226 million (US\$ 4 million);
- Net debt position<sup>3</sup> as of 30 June 2017 amounted to RR 1,429 million (US\$ 24 million);
- Net Debt/ Adjusted EBITDA (LTM<sup>4</sup>) as of 30 June 2017 was 0.09x.

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

“In Q2 2017 Ros Agro showed mixed results due to low sugar and grain prices. Meat division was improving its financial performance y-o-y as it gained from high global and domestic demand for pork and low grain prices. Combination of abundant harvests in Russia, stronger rouble and weak global prices continue to pressure margins in all businesses with exception of Meat division. Results of Agricultural division are seasonal and should be looked at on annual basis. In 1H 2017 the Company had record capital expenditures with most of money going to meat and the Russian Far East.”

### Key consolidated financial performance indicators

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
<b>Sales</b>	<b>37,758</b>	<b>38,210</b>	<b>(452)</b>	<b>(1)</b>	<b>18,978</b>	<b>20,472</b>	<b>(1,494)</b>	<b>(7)</b>
<b>Gross profit</b>	<b>5,428</b>	<b>8,118</b>	<b>(2,691)</b>	<b>(33)</b>	<b>3,018</b>	<b>4,469</b>	<b>(1,451)</b>	<b>(32)</b>
<i>Gross margin, %</i>	<i>14%</i>	<i>21%</i>	<i>-7%</i>		<i>16%</i>	<i>22%</i>	<i>-6%</i>	
<b>Adjusted EBITDA</b>	<b>5,439</b>	<b>8,071</b>	<b>(2,632)</b>	<b>(33)</b>	<b>2,714</b>	<b>3,207</b>	<b>(493)</b>	<b>(15)</b>
<i>Adjusted EBITDA margin, %</i>	<i>14%</i>	<i>21%</i>	<i>-7%</i>		<i>14%</i>	<i>16%</i>	<i>-2%</i>	
<b>Net profit for the period</b>	<b>226</b>	<b>2,033</b>	<b>(1,807)</b>	<b>(89)</b>	<b>570</b>	<b>1,666</b>	<b>(1,096)</b>	<b>(66)</b>
<i>Net profit margin %</i>	<i>1%</i>	<i>5%</i>	<i>-4%</i>		<i>3%</i>	<i>8%</i>	<i>-5%</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 3,619 million in 1H 2017 and RR 1,994 million in Q2 2017 (1H 2016: RR 5,384 million; Q2 2016: RR 2,221 million), a decrease of RR 1,764 million or 33% compared to 1H 2016 and RR 227 million or 10% compared to Q2 2016.*

## Key financial performance indicators by segments

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
<b>Sales, incl.</b>	<b>37,758</b>	<b>38,210</b>	<b>(452)</b>	<b>(1)</b>	<b>18,978</b>	<b>20,472</b>	<b>(1,494)</b>	<b>(7)</b>
<i>Sugar</i>	14,601	15,219	(618)	(4)	7,192	9,342	(2,151)	(23)
<i>Meat</i>	10,037	7,858	2,180	28	5,305	4,243	1,062	25
<i>Agriculture</i>	5,006	4,546	460	10	1,336	1,184	152	13
<i>Oil and Fat</i>	9,621	11,649	(2,027)	(17)	5,253	5,901	(648)	(11)
<i>Other</i>	31	50	(18)	(37)	16	32	(17)	(52)
<i>Eliminations</i>	(1,540)	(1,112)	(428)	(38)	(124)	(231)	107	46
<b>Gross profit, incl.</b>	<b>5,428</b>	<b>8,118</b>	<b>(2,691)</b>	<b>(33)</b>	<b>3,018</b>	<b>4,469</b>	<b>(1,451)</b>	<b>(32)</b>
<i>Sugar</i>	2,987	5,345	(2,358)	(44)	1,594	2,562	(968)	(38)
<i>Meat</i>	1,851	229	1,622	707	1,230	1,003	227	23
<i>Agriculture</i>	(168)	725	(893)	-	(128)	170	(298)	-
<i>Oil and Fat</i>	1,263	1,754	(491)	(28)	595	682	(87)	(13)
<i>Other</i>	31	50	(18)	(37)	16	32	(17)	(52)
<i>Eliminations</i>	(537)	14	(551)	-	(288)	21	(308)	-
<b>Adjusted EBITDA, incl.</b>	<b>5,439</b>	<b>8,071</b>	<b>(2,632)</b>	<b>(33)</b>	<b>2,714</b>	<b>3,207</b>	<b>(493)</b>	<b>(15)</b>
<i>Sugar</i>	1,863	4,399	(2,535)	(58)	1,129	2,084	(955)	(46)
<i>Meat</i>	2,810	1,366	1,444	106	1,479	815	664	82
<i>Agriculture</i>	56	1,632	(1,575)	(97)	(306)	69	(375)	-
<i>Oil and Fat</i>	(246)	(70)	(176)	(25)	(187)	(283)	96	34
<i>Other</i>	(436)	(1,023)	587	57	(300)	(425)	125	29
<i>Eliminations</i>	1,391	1,767	(376)	(21)	899	948	(49)	(5)
<b>Adjusted EBITDA margin, %</b>	<b>14%</b>	<b>21%</b>	<b>-7%</b>		<b>14%</b>	<b>16%</b>	<b>-2%</b>	
<i>Sugar</i>	13%	29%	-16%		16%	22%	-6%	
<i>Meat</i>	28%	17%	11%		28%	19%	9%	
<i>Agriculture</i>	1%	36%	-35%		-23%	6%	-29%	
<i>Oil and Fat</i>	-3%	-1%	-2%		-4%	-5%	1%	

## Sugar Segment

The financial results of the sugar segment for 1H 2017 and Q2 2017 compared to 1H 2016 and Q2 2016 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Sales	14,601	15,219	(618)	(4)	7,192	9,342	(2,151)	(23)
Cost of sales	(11,612)	(10,211)	(1,401)	(14)	(5,600)	(6,822)	1,222	18
Net gain/ (loss) from trading derivatives	(3)	337	(339)	-	2	41	(39)	(95)
<b>Gross profit</b>	<b>2,987</b>	<b>5,345</b>	<b>(2,358)</b>	<b>(44)</b>	<b>1,594</b>	<b>2,562</b>	<b>(968)</b>	<b>(38)</b>
<i>Gross profit margin</i>	<i>20%</i>	<i>35%</i>	<i>-15%</i>		<i>22%</i>	<i>27%</i>	<i>-5%</i>	
Distribution and selling expenses	(1,313)	(940)	(373)	(40)	(588)	(523)	(64)	(12)
General and administrative expenses	(744)	(530)	(214)	(40)	(363)	(285)	(78)	(27)
Other operating income/ (expenses), net	(52)	107	(159)	-	25	136	(111)	(82)
<b>Operating profit</b>	<b>879</b>	<b>3,983</b>	<b>(3,104)</b>	<b>(78)</b>	<b>668</b>	<b>1,889</b>	<b>(1,221)</b>	<b>(65)</b>
<b>Adjusted EBITDA</b>	<b>1,863</b>	<b>4,399</b>	<b>(2,535)</b>	<b>(58)</b>	<b>1,129</b>	<b>2,084</b>	<b>(955)</b>	<b>(46)</b>
<i>Adjusted EBITDA margin</i>	<i>13%</i>	<i>29%</i>	<i>-16%</i>		<i>16%</i>	<i>22%</i>	<i>-6%</i>	

A decrease in *Sales* in 1H 2017 compared to 1H 2016 because of a 20% drop in sugar sales prices that was partly compensated by higher sugar sales volumes and an increase in sales of by-products and cereal products.

A decrease in *Sales* in Q2 2017 compared to Q2 2016 came from a decrease in both sales volume and sales prices of sugar. Changes in sales of by-products and cereal products did not have a material effect on a quarter-to-quarter dynamics.

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

	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Sugar production volume (in thousand tons), incl.	137	65	71	110	15	65	(50)	(78)
beet sugar	137	6	131	-	15	6	9	158
cane sugar	-	59	(59)	-	-	59	(59)	-
Sales volume (in thousand tons)	390	344	47	14	194	219	(25)	(11)
Average sales price (roubles per kg, excl. VAT)	33.9	42.1	(8.2)	(20)	34.4	41.1	(6.7)	(16)

An increase in *Distribution and selling expenses* in 1H 2017 by 40% correlates with higher sales volume of sugar, beet pulp granulated, molasses and cereal products and is also affected by an increase in tariffs.

An increase in *General and administrative expenses* in H1 2017 by RR 214 million compared to the respective period of 2016 includes RR 122 million of an increase attributed to three sugar plants and a buckwheat processing plant that joined the Group in May 2016. The financial results

of the new plants are included in the consolidated segment's results starting 1 June 2017. The effect on an increase in *General and administrative expenses* attributed to the new plants contained RR 37 million of one-off expenses represented the additional value-added tax accrued in Q1 2017 in respect of previous years' tax periods.

The remaining increase in *General and administrative expenses* mainly relates to higher payroll costs connected with the increase in number of employees in the management company, which also correlates with the acquisition of new plants, and higher average salary.

The sales price decline was the main driver of a negative dynamics in profitability of the segment.

## Meat Segment

The financial results of the meat segment for 1H 2017 and Q2 2017 compared to 1H 2016 and Q2 2016 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Sales	10,037	7,858	2,180	28	5,305	4,243	1,062	25
Net gain/ (loss) on revaluation of biological assets and agricultural produce	(411)	(472)	61	13	(75)	541	(617)	-
Cost of sales	(7,775)	(7,156)	(619)	(9)	(4,000)	(3,781)	(219)	(6)
<b>Gross profit</b>	<b>1,851</b>	<b>229</b>	<b>1,622</b>	<b>707</b>	<b>1,230</b>	<b>1,003</b>	<b>227</b>	<b>23</b>
<i>Gross profit margin</i>	<i>18%</i>	<i>3%</i>	<i>16%</i>		<i>23%</i>	<i>24%</i>	<i>0%</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	2,262	701	1,561	223	1,305	462	844	183
<i>Adjusted gross profit margin</i>	<i>23%</i>	<i>9%</i>	<i>14%</i>		<i>25%</i>	<i>11%</i>	<i>14%</i>	
Distribution and selling expenses	(184)	(117)	(67)	(58)	(98)	(72)	(26)	(35)
General and administrative expenses	(257)	(267)	10	4	(236)	(129)	(107)	(83)
Other operating income/ (expenses), net incl. reimbursement of operating costs (government grants)	154	229	(75)	(33)	84	55	29	52
	23	108	(85)	(79)	23	10	13	133
<b>Operating profit</b>	<b>1,564</b>	<b>75</b>	<b>1,489</b>	<b>1,97</b>	<b>980</b>	<b>857</b>	<b>123</b>	<b>14</b>
<b>Adjusted EBITDA</b>	<b>2,810</b>	<b>1,366</b>	<b>1,444</b>	<b>106</b>	<b>1,479</b>	<b>815</b>	<b>664</b>	<b>82</b>
<i>Adjusted EBITDA margin</i>	<i>28%</i>	<i>17%</i>	<i>11%</i>		<i>28%</i>	<i>19%</i>	<i>9%</i>	

*Sales* in the meat segment increased by 28% in 1H 2017 and by 25% in Q2 2017 compared to the respective periods of prior year as a result of both sales volume and pork sale prices increase. Overall sales volume increased due to increase in livestock population and the average weight of pigs.

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

	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Sales volume (in thousand tonnes), incl.	88	74	13	18	44	38	6	16
livestock pigs	35	34	1	4	14	18	(4)	(23)
processed pork	52	40	12	30	30	20	10	51
Average sale prices (roubles per kg, excl. VAT):								
livestock pigs	97.2	85.5	11.7	14	102.1	88.2	14.0	16
processed pork	126.3	117.4	8.9	8	130.7	123.3	7.4	6

*Net loss on revaluation of biological assets and agricultural produce* in 1H 2017 resulted mainly from a decrease in market prices for live pigs during 1H 2017 and a respective decrease in fair value of livestock in the closing balance compared to the beginning of the year. In 1H 2016 a decrease in live pigs market prices was accompanied by an increase in cost due to higher grain and other feed components prices. RR 541 million of gain on revaluation of biological assets in Q2 2016 resulted from a significant increase in market prices for live pigs.

An increase in *Distribution and selling expenses* in 1H 2017 and Q2 2017 compared to prior year periods includes an increase in transportation costs as a result of higher sales volume of processed pork, an increase in payroll costs related to growth in staff of logistic department and an increase in marketing expenses due to promotion of “Slovo miaysnika” brand.

A decrease in *General and administrative expenses* in 1H 2017 by RR 10 million includes RR 71 million of an increase in payroll costs and RR 75 million of a decrease in property tax expenses (RR 35 million of expenses in 1H 2016 compared to RR 40 million of net gain in H1 2017). In Q1 2017 the Group recognised gain from reverse of property tax for 2016 resulted from tax relief legally confirmed in Q1 2017. *General and administrative expenses* increased in Q2 2017 compared to Q2 2016 by 83% due to an increase in payroll costs and property tax.

*Other operating income, net* includes income from reimbursement of operating expenses (government grants), which is lower by RR 85 million in 1H 2017 and RR 13 million higher in Q2 2017 compared to the prior year periods.

## Agricultural Segment

As at 30 June 2017 the segment's area of controlled land stands at 664 thousand hectares (30 June 2016: 610 thousand hectares), an increase of 54 thousand hectares or 9%. The financial results of the agricultural segment for 1H 2017 and Q2 2017 compared to 1H 2016 and Q2 2016 respectively are presented below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Sales	5,006	4,546	460	10	1,336	1,184	152	13
Net gain/ (loss) on revaluation of biological assets and agricultural produce	(1,493)	(1,278)	(215)	(17)	(347)	(229)	(119)	(52)
Cost of sales	(3,681)	(2,544)	(1,137)	(45)	(1,117)	(786)	(331)	(42)
Net gain/ (loss) from trading derivatives	-	1	(1)	-	-	-	-	-
<b>Gross profit</b>	<b>(168)</b>	<b>725</b>	<b>(893)</b>	<b>-</b>	<b>(128)</b>	<b>170</b>	<b>(298)</b>	<b>-</b>
<i>Gross profit margin</i>	<i>-3%</i>	<i>16%</i>	<i>-19%</i>		<i>-10%</i>	<i>14%</i>	<i>-24%</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	1,325	2,003	(678)	(34)	219	398	(179)	(45)
<i>Adjusted gross profit margin</i>	<i>26%</i>	<i>44%</i>	<i>-18%</i>		<i>16%</i>	<i>34%</i>	<i>-17%</i>	
Distribution and selling expenses	(1,321)	(566)	(754)	(133)	(494)	(277)	(217)	(78)
General and administrative expenses	(445)	(334)	(110)	(33)	(192)	(188)	(4)	(2)
Other operating income/ (expenses), net	64	102	(38)	(37)	36	(48)	84	-
<i>incl. reimbursement of operating costs (government grants)</i>	40	192	(152)	(79)	40	33	7	20
<b>Operating profit</b>	<b>(1,868)</b>	<b>(73)</b>	<b>(1,796)</b>	<b>(2,473)</b>	<b>(779)</b>	<b>(343)</b>	<b>(435)</b>	<b>(127)</b>
<b>Adjusted EBITDA</b>	<b>56</b>	<b>1,632</b>	<b>(1,575)</b>	<b>(97)</b>	<b>(306)</b>	<b>69</b>	<b>(375)</b>	<b>-</b>
<i>Adjusted EBITDA</i>	<i>1%</i>	<i>36%</i>	<i>-35%</i>		<i>-23%</i>	<i>6%</i>	<i>-29%</i>	

An increase in sales volumes was the main driver of an increase in *Sales* in 1H 2017 and Q2 2017 compared to 1H 2016 and Q2 2016. Increase in sales volume resulted from the increase in land bank cultivated and increase in yields.

Sales volumes by product were as follows:

Thousand tonnes	Year ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
sugar beet	452	-	452	-	-	-	-	-
wheat	183	124	59	48	16	38	(22)	(58)
barley	25	27	(2)	(8)	13	16	(3)	(20)
sunflower seeds	49	33	16	50	31	-	31	-
corn	71	50	21	43	33	9	23	247
soy	46	77	(31)	(41)	15	21	(6)	(30)

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

RR per kilogram, excl. VAT	Year ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
	sugar beet	2.1	-	-	-	-	-	-
wheat	7.2	8.8	(1.6)	(18)	6.8	8.5	(1.8)	(21)
barley	6.8	10.1	(3.3)	(33)	6.6	10.0	(3.4)	(34)
sunflower seeds	15.7	23.6	(8.0)	(34)	15.1	21.2	(6.0)	(29)
corn	8.7	8.5	0.2	3	8.1	8.6	(0.5)	(6)
soy	19.5	21.9	(2.3)	(11)	18.9	20.5	(1.6)	(8)

*Net loss on revaluation of biological assets and agricultural produce* in 1H 2017 represents the realisation of gain from crops revaluation, recognised for harvest of 2016 in the financial statements of 2016 and remained unrealised as at 31 December 2016.

In IFRS financial statements of 2016 the Group recognised gain from all crops, harvested in 2016, including crops in stock at the year-end. Consequently, the crops in stock as at 31 December 2016 were measured at market prices prevailing at the time of harvest. In IFRS financial statements for 2017, as these crops are realised, the gain on revaluation is written off 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.

*Distribution and selling expenses* increased by RR 754 million in 1H 2017 (Q2 2017: RR 217 million) due to higher volumes of crops sold during 1H 2017. Higher crops sales covered an increase in transportation and loading services and fuel expenses with the sale of sugar beet in volume of 452 thousand tonnes making the biggest part of it in Q1 2017 (compared to zero sales in 1H 2016). Further, there was an increase in crops storage expenses as volumes of harvest remaining in stock as at 31 December 2016 were higher compared to 2015.

*General and administrative expenses* increased by RR 110 million in 1H 2017. Increase of RR 26 million is the effect of the new companies joined the Group on 1 June 2016. Further growth is attributed to the higher payroll expenses. In Q2 2017 general and administrative expenses were relatively on the same level compared to Q2 2016.

*Other operating income, net* includes income from reimbursement of operating expenses (government grants), which is lower by RR 152 million in 1H 2017 and slightly higher in Q2 2017 compared to the prior year periods. Further, a gain from disposal of property, plant and equipment was recognised in 1H 2017 in amount of RR 19 million compared to RR 52 million of loss in 1H 2016 and operating foreign exchange gain of RR 2 million against RR 49 million of loss in 1H 2016.

## Oil and Fat segment

The financial results of the oil and fat segment for 1H 2017 and Q2 2017 compared to 1H 2016 and Q2 2016 respectively are presented below:

in RR million	Year ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Sales	9,621	11,649	(2,027)	(17)	5,253	5,901	(648)	(11)
Cost of sales	(8,358)	(9,894)	1,536	16	(4,659)	(5,220)	561	11
<b>Gross profit</b>	<b>1,263</b>	<b>1,754</b>	<b>(491)</b>	<b>(28)</b>	<b>595</b>	<b>682</b>	<b>(87)</b>	<b>(13)</b>
<i>Gross profit margin</i>	<i>13%</i>	<i>15%</i>	<i>-2%</i>		<i>11%</i>	<i>12%</i>	<i>-1%</i>	
Distribution and selling expenses	(1,389)	(1,643)	254	15	(717)	(854)	137	16
General and administrative expenses	(363)	(364)	-	-	(178)	(206)	28	14
Other operating income/ (expenses), net	115	122	(7)	(6)	82	62	21	34
<b>Operating profit/ (loss)</b>	<b>(374)</b>	<b>(130)</b>	<b>(243)</b>	<b>(187)</b>	<b>(217)</b>	<b>(316)</b>	<b>99</b>	<b>31</b>
<b>Adjusted EBITDA</b>	<b>(246)</b>	<b>(70)</b>	<b>(176)</b>	<b>(252)</b>	<b>(187)</b>	<b>(283)</b>	<b>96</b>	<b>34</b>
<i>Adjusted EBITDA margin</i>	<i>-3%</i>	<i>-1%</i>	<i>-2%</i>		<i>-4%</i>	<i>-5%</i>	<i>1%</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	Year ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
<b>Sales, incl.</b>	<b>9,621</b>	<b>11,649</b>	<b>(2,027)</b>	<b>(17)</b>	<b>5,253</b>	<b>5,901</b>	<b>(648)</b>	<b>(11)</b>
<i>Samara oil plant</i>	5,014	7,255	(2,241)	(31)	3,068	3,970	(902)	(23)
<i>Ekaterinburg fat plant</i>	3,977	4,363	(386)	(9)	1,880	2,299	(419)	(18)
<i>Far East</i>	1,781	1,705	75	4	875	709	166	23
<i>Eliminations(*)</i>	(1,151)	(1,675)	524	31	(570)	(1,077)	507	47
<b>Gross profit, incl.</b>	<b>1,263</b>	<b>1,754</b>	<b>(491)</b>	<b>(28)</b>	<b>595</b>	<b>682</b>	<b>(87)</b>	<b>(13)</b>
<i>Samara oil plant</i>	200	701	(501)	(71)	42	190	(148)	(78)
<i>Ekaterinburg fat plant</i>	973	972	1	-	547	522	24	5
<i>Far East</i>	94	191	(97)	(51)	22	50	(27)	(55)
<i>Eliminations(*)</i>	(4)	(110)	106	96	(16)	(80)	63	79
<b>Adjusted EBITDA, incl.</b>	<b>(246)</b>	<b>(70)</b>	<b>(176)</b>	<b>(252)</b>	<b>(187)</b>	<b>(283)</b>	<b>96</b>	<b>34</b>
<i>Samara oil plant</i>	(231)	202	(433)	-	(172)	(3)	(169)	(5,1)
<i>Ekaterinburg fat plant</i>	(64)	(290)	226	78	12	(206)	218	-
<i>Far East</i>	(8)	59	(67)	-	(44)	(37)	(8)	(21)
<i>Eliminations(*)</i>	57	(41)	98	-	17	(38)	55	-
<b>Adjusted EBITDA</b>	<b>-3%</b>	<b>-1%</b>	<b>-2%</b>		<b>-4%</b>	<b>-5%</b>	<b>1%</b>	
<i>Samara oil plant</i>	-5%	3%	-7%		-6%	0%	-6%	
<i>Ekaterinburg fat plant</i>	-2%	-7%	5%		1%	-9%	10%	
<i>Far East</i>	-0.4%	3%	-4%		-5%	-5%	0%	

Intra-segment sales include sales of bulk oil from Samara oil plant and bulk and bottled oil from Far East to Ekaterinburg fat plant.



Sales volumes to third parties by product were as follows:

thousand tons	Year ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
Ekaterinburg fat plant								
mayonnaise	31	33	(2)	(7)	15	19	(4)	(20)
margarine	16	17	(1)	(7)	7	7	(1)	(12)
bottled oil	7	7	-	-	3	3	(1)	(21)
Samara oil plant								
bulk oil	79	86	(7)	(8)	54	47	7	15
meal	89	86	4	4	41	42	-	(1)
Far East								
bottled oil	0.4	3	(3)	(87)	-	2	(2)	(100)
bulk oil	0.5	0.9	(0.4)	(46)	0.3	0.4	(0.1)	(33)
meal	47	40	8	19	26	14	12	87

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

RR per kilogram, excl. VAT	Year ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
mayonnaise	79.6	76.4	3.3	4	82.3	76.9	5.4	7
margarine	77.8	71.0	6.8	10	77.5	73.0	4.5	6
bottled oil	60.3	73.2	(13.0)	(18)	57.3	70.9	(13.6)	(19)
bulk oil	41.9	54.6	(12.6)	(23)	40.9	51.9	(11.0)	(21)
meal	16.4	18.0	(1.6)	(9)	16.5	17.0	(0.5)	(3)

Decrease in Distribution and selling expenses by RR 254 million in 1H 2017 (Q2 2017: RR 137 million) compared to the respective periods of previous year is attributed to the limitation of marketing and brands promotion at Ekaterinburg fat plant including restrictions in trade marketing activities provided by the retailers in 2017, and decrease in transportation cost of Samara oil plant due to decrease in sales volume of bulk oil.

A decrease in Adjusted EBITDA of Samara oil plant and Far East in 1H 2017 and Q2 2017 relates to a drop in sales prices that was partly compensated by a decrease in raw materials costs (sunflower seeds and soybeans). Samara oil plant Adjusted EBITDA figure in 1H 2017 was also negatively affected by a decrease in sales volume.

## Key consolidated cash flow indicators (not IFRS presentation\*)

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

in million Roubles	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
<b>Net cash from operating activities, incl.</b>	<b>12,940</b>	<b>8,487</b>	<b>4,454</b>	<b>52</b>	<b>5,827</b>	<b>7,631</b>	<b>(1,803)</b>	<b>(24)</b>
<i>Operating cash flow before working capital changes</i>	6,187	7,828	(1,641)	(21)	3,149	3,690	(540)	(15)
<i>Working capital changes</i>	7,034	1,253	5,781	462	2,802	4,050	(1,248)	(31)
<b>Net cash from investing activities, incl.</b>	<b>(7,362)</b>	<b>(12,324)</b>	<b>4,962</b>	<b>40</b>	<b>(4,511)</b>	<b>(11,014)</b>	<b>6,503</b>	<b>59</b>
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(7,347)	(3,631)	(3,716)	(102)	(4,446)	(2,475)	(1,971)	(80)
<b>Net cash from financing activities</b>	<b>2,087</b>	<b>9,865</b>	<b>(7,777)</b>	<b>(79)</b>	<b>(4,402)</b>	<b>9,654</b>	<b>(14,056)</b>	<b>-</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(117)</b>	<b>37</b>	<b>(153)</b>	<b>-</b>	<b>(20)</b>	<b>448</b>	<b>(469)</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>7,549</b>	<b>6,064</b>	<b>1,485</b>	<b>24</b>	<b>(3,106)</b>	<b>6,719</b>	<b>(9,825)</b>	<b>-</b>

(\*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 1H 2017 were made in the agriculture segment in the amount of RR 3,864 million (1H 2016: RR 2,051 million), related to purchases of machinery and equipment, and in the Meat segment in the amount of RR 1,708 million (1H 2016: RR 555 million), related to the construction projects in the Tambov and Far East regions. Significant investments were also made in Sugar segment in the amount of RR 1,130 (1H 2016: RR 731 million). Investments in the Oil and Fat segment amounted to RR 636 (1H 2016: RR 272 million).

## Debt position and liquidity management

in RR million	30 June 2017	30 June 2016	Variance	
			Units	%
<b>Gross debt</b>	<b>42,001</b>	<b>44,503</b>	<b>(2,501)</b>	<b>(6)</b>
<i>Short-term borrowings</i>	9,394	11,704	(2,310)	(20)
<i>Long-term borrowings</i>	32,607	32,798	(191)	(1)
<b>Cash and cash equivalents, bank deposits and bonds</b>	<b>(40,572)</b>	<b>(40,160)</b>	<b>(412)</b>	<b>(1)</b>
<i>Short-term cash, deposits and bonds</i>	(23,450)	(23,044)	(406)	(2)
<i>Long-term cash, deposits and bonds</i>	(17,122)	(17,116)	(6)	-
<b>Net debt</b>	<b>1,429</b>	<b>4,342</b>	<b>(2,913)</b>	<b>(67)</b>
<i>Short-term borrowings, net</i>	(14,056)	(11,340)	(2,716)	(24)
<i>Long-term borrowings, net</i>	15,485	15,682	(197)	(1)
<b>Adjusted EBITDA (LTM<sup>4</sup>)</b>	<b>15,526</b>	<b>18,205</b>	<b>(2,679)</b>	<b>(15)</b>
<b>Net debt/ Adjusted EBITDA (LTM)</b>	<b>0.09</b>	<b>0.24</b>	<b>(0.1)</b>	

## Net finance income/ (expense)

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2017	30 June 2016	Units	%	30 June 2017	30 June 2016	Units	%
<b>Net interest expense</b>	<b>(1,324)</b>	<b>(1,902)</b>	<b>579</b>	<b>30</b>	<b>(483)</b>	<b>(591)</b>	<b>108</b>	<b>18</b>
<i>Gross interest expense</i>	(1,599)	(2,594)	995	38	(739)	(1,174)	435	37
<i>Reimbursement of interest expense</i>	275	692	(417)	(60)	256	583	(327)	(56)
<b>Interest income</b>	<b>2,105</b>	<b>2,033</b>	<b>72</b>	<b>4</b>	<b>971</b>	<b>1,076</b>	<b>(105)</b>	<b>(10)</b>
<b>Net gain/ (loss) from bonds held for trading</b>	<b>7</b>	<b>(13)</b>	<b>20</b>	<b>-</b>	<b>15</b>	<b>(13)</b>	<b>28</b>	<b>-</b>
<b>Other financial income, net</b>	<b>77</b>	<b>(1,036)</b>	<b>1,113</b>	<b>-</b>	<b>109</b>	<b>(183)</b>	<b>292</b>	<b>-</b>
<i>Net foreign exchange gain/ (loss)</i>	72	(1,021)	1,093	-	104	(182)	286	-
<i>Other financial income / (expenses), net</i>	5	(16)	21	-	5	(1)	6	-
<b>Total net finance income/ (expenses)</b>	<b>851</b>	<b>(919)</b>	<b>1,769</b>	<b>-</b>	<b>601</b>	<b>289</b>	<b>312</b>	<b>108</b>

In 2017 the Group continued to enjoy benefits from the state agriculture subsidies programme. In 1H 2017 RR 275 million of subsidies received covered 17% of gross interest expense.

(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 included in operating profit, (ii) other operating income/ (expenses), 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 products in stock, (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 nine production sites from both sugar beet and raw cane sugar. We produce white and brown cube sugar and packaged sugar sold under the brands Chaikofsky, Russkii Sakhar, Mon Cafe 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. We also operate a cereal plant and sell buckwheat and rice under the brand Tyoplye Traditsii.

### *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 2016. 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 664 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 1H and Q2 2017 financial results for investors and analysts.

### *Details of call:*

Date	14 August 2017
Time	4:30 PM (Moscow) /2:30 PM (London)
Subject	ROS AGRO PLC 1H and Q2 2017 Financial results
UK Toll Free	0800 358 6377
UK Local Line	+44 330 336 910
USA Toll Free	888 349 9618
USA Local Line	+1 719 325 2202
Russia Toll Free	+7 495 213 1767
Conference ID	<b>4606564</b>

### **Contacts:**

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**Appendix 1. Unaudited consolidated statement of comprehensive income for the Six months ended 30 June 2017 (in RR thousand)**

	Six months ended 30 June		Three months ended 30 June	
	2017	2016	2017	2016
Sales	37,757,805	38,209,790	18,978,297	20,472,026
Net gain on revaluation of biological assets and agricultural produce	(3,393,028)	(3,350,542)	(1,424,719)	(555,442)
Cost of sales	(28,934,217)	(27,078,097)	(14,537,495)	(15,488,607)
Net gain from trading derivatives	(2,647)	337,299	1,893	40,842
<b>Gross profit</b>	<b>5,427,913</b>	<b>8,118,450</b>	<b>3,017,976</b>	<b>4,468,819</b>
Distribution and selling expenses	(3,845,684)	(3,200,969)	(1,752,879)	(1,676,731)
General and administrative expenses	(2,224,088)	(2,491,463)	(1,258,738)	(1,228,524)
Other operating income/ (expenses), net	(116,845)	598,121	(191,345)	195,926
<b>Operating profit / (loss)</b>	<b>(758,704)</b>	<b>3,024,139</b>	<b>(184,986)</b>	<b>1,759,490</b>
Interest expense	(1,323,602)	(1,902,230)	(483,262)	(591,110)
Interest income	2,105,354	2,032,885	971,296	1,076,286
Net gain/ (loss) from bonds	7,271	(12,907)	15,113	(12,907)
Other financial income/ (expenses), net	76,853	(1,036,480)	109,371	(182,493)
<b>Profit before income tax</b>	<b>107,172</b>	<b>2,105,407</b>	<b>427,532</b>	<b>2,049,267</b>
Income tax expense	118,905	(72,384)	142,227	(383,422)
<b>Profit for the year</b>	<b>226,077</b>	<b>2,033,023</b>	<b>569,759</b>	<b>1,665,845</b>
<b>Other comprehensive income:</b>				
<b>Items that may be subsequently reclassified to profit and loss:</b>				
Change in value of available-for-sale financial assets	(154,082)	(189,757)	(154,082)	(173,438)
Net change in fair value of available-for-sale financial assets transferred to profit or loss	301,334	-	301,334	-
Income tax relating to other comprehensive income	30,816	37,951	30,816	34,687
Income tax relating to other comprehensive income transferred to profit or loss	(60,267)	-	(60,267)	-
<b>Total comprehensive income for the period</b>	<b>343,878</b>	<b>1,881,217</b>	<b>687,560</b>	<b>1,527,094</b>
<b>Profit is attributable to:</b>				
Owners of ROS AGRO PLC	307,464	2,034,062	585,048	1,669,690
Non-controlling interest	(81,387)	(1,039)	(15,289)	(3,845)
<b>Profit for the period</b>	<b>226,077</b>	<b>2,033,023</b>	<b>569,759</b>	<b>1,665,845</b>
<b>Total comprehensive income is attributable to:</b>				
Owners of ROS AGRO PLC	425,265	1,882,256	702,849	1,530,939
Non-controlling interest	(81,387)	(1,039)	(15,289)	(3,845)
<b>Total comprehensive income for the period</b>	<b>343,878</b>	<b>1,881,217</b>	<b>687,560</b>	<b>1,527,094</b>
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	11.42	15.47	21.73	15.47

**Appendix 2. Unaudited segment information for the Six months ended 30 June 2017 (in RR thousand)**

<b>1H 2017</b>	<b>Sugar</b>	<b>Meat</b>	<b>Agriculture</b>	<b>Oil and Fat</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	14,601,491	10,037,183	5,005,911	9,621,299	31,482	(1,539,561)	37,757,805
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(411,093)	(1,493,100)	-	-	(1,488,834)	(3,393,027)
Cost of sales	(11,611,604)	(7,775,083)	(3,680,574)	(8,358,195)	-	2,491,238	(28,934,218)
<i>incl. Depreciation</i>	<i>(877,385)</i>	<i>(940,719)</i>	<i>(400,330)</i>	<i>(184,298)</i>	-	<i>(5,329)</i>	<i>(2,408,061)</i>
Net gain/ (loss) from trading derivatives	(2,647)	-	-	-	-	-	(2,647)
<b>Gross profit / (loss)</b>	<b>2,987,240</b>	<b>1,851,007</b>	<b>(167,763)</b>	<b>1,263,104</b>	<b>31,482</b>	<b>(537,157)</b>	<b>5,427,913</b>
Distribution and Selling, General and administrative expenses	(2,056,601)	(441,096)	(1,765,098)	(1,752,066)	(492,424)	437,515	(6,069,770)
<i>incl. Depreciation</i>	<i>(55,257)</i>	<i>(25,129)</i>	<i>(56,007)</i>	<i>(58,524)</i>	<i>(25,175)</i>	<i>3,426</i>	<i>(216,666)</i>
Other operating income/(expenses), net	(51,778)	154,314	64,406	115,279	6,071,927	(6,470,993)	(116,845)
<i>incl. Reimbursement of operating costs (government grants)</i>	<i>-</i>	<i>22,957</i>	<i>39,903</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>62,860</i>
<b>Operating profit / (loss)</b>	<b>878,861</b>	<b>1,564,225</b>	<b>(1,868,455)</b>	<b>(373,683)</b>	<b>5,610,985</b>	<b>(6,570,635)</b>	<b>(758,702)</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	932,642	965,848	456,337	242,822	25,175	1,903	2,624,727
Other operating (income) /expenses, net	51,778	(154,314)	(64,406)	(115,279)	(6,071,927)	6,470,993	116,845
Reimbursement of operating costs (government grants)	-	22,957	39,903	-	-	-	62,860
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	411,093	1,493,100	-	-	1,488,834	3,393,027
<b>Adjusted EBITDA *</b>	<b>1,863,281</b>	<b>2,809,809</b>	<b>56,479</b>	<b>(246,140)</b>	<b>(435,767)</b>	<b>1,391,095</b>	<b>5,438,757</b>

\* Non-IFRS measure

**Appendix 2 (continued). Unaudited segment information for the Six months ended 30 June 2016 (in RR thousand)**

<b>1H 2016</b>	<b>Sugar</b>	<b>Meat</b>	<b>Agriculture</b>	<b>Oil and Fat</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	15,219,196	7,857,591	4,546,268	11,648,661	49,898	(1,111,825)	38,209,789
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	(471,733)	(1,277,856)	-	-	(1,600,953)	(3,350,542)
Cost of sales	(10,210,772)	(7,156,417)	(2,543,752)	(9,894,272)	-	2,727,116	(27,078,097)
<i>incl. Depreciation</i>	<i>(466,223)</i>	<i>(932,320)</i>	<i>(274,391)</i>	<i>(120,267)</i>	-	<i>(4,098)</i>	<i>(1,797,299)</i>
Net gain/ (loss) from trading derivatives	336,580	-	720	-	-	-	337,300
<b>Gross profit</b>	<b>5,345,004</b>	<b>229,441</b>	<b>725,380</b>	<b>1,754,389</b>	<b>49,898</b>	<b>14,338</b>	<b>8,118,450</b>
Distribution and Selling, General and administrative expenses	(1,469,537)	(383,546)	(900,378)	(2,006,839)	(1,083,252)	151,122	(5,692,430)
<i>incl. Depreciation</i>	<i>(57,045)</i>	<i>(7,837)</i>	<i>(62,260)</i>	<i>(62,318)</i>	<i>(10,710)</i>	3,396	<i>(196,774)</i>
Other operating income/(expenses), net	107,338	229,493	102,391	122,250	7,126,612	(7,089,963)	598,121
<i>incl. Reimbursement of operating costs (government grants)</i>	-	<i>107,853</i>	<i>192,272</i>	-	-	-	<i>300,125</i>
<b>Operating profit / (loss)</b>	<b>3,982,805</b>	<b>75,388</b>	<b>(72,607)</b>	<b>(130,200)</b>	<b>6,093,258</b>	<b>(6,924,503)</b>	<b>3,024,141</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	523,268	940,157	336,651	182,585	10,710	702	1,994,073
Other operating (income) /expenses, net	(107,338)	(229,493)	(102,391)	(122,250)	(7,126,612)	7,089,963	(598,121)
Reimbursement of operating costs (government grants)	-	107,853	192,272	-	-	-	300,125
Net gain/ (loss) on revaluation of biological assets and agricultural produce	-	471,733	1,277,856	-	-	1,600,953	3,350,542
<b>Adjusted EBITDA *</b>	<b>4,398,735</b>	<b>1,365,638</b>	<b>1,631,781</b>	<b>(69,865)</b>	<b>(1,022,644)</b>	<b>1,767,115</b>	<b>8,070,760</b>

\* Non-IFRS measure

**Appendix 3. Unaudited consolidated statement of financial position as at 30 June 2017  
(in RR thousand)**

	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,301,003	6,751,712
Restricted cash	41	39
Short-term investments	9,463,346	17,230,012
Trade and other receivables	3,194,055	4,607,634
Prepayments	1,060,689	746,886
Current income tax receivable	162,886	97,461
Other taxes receivable	3,097,613	3,663,194
Inventories and short-term biological assets	27,638,040	34,235,161
<b>Total current assets</b>	<b>58,917,673</b>	<b>67,332,099</b>
<b>Non-current assets</b>		
Property, plant and equipment	48,754,926	45,662,146
Inventories intended for construction	143,564	38,963
Goodwill	2,333,696	2,225,304
Advances paid for property, plant and equipment	14,623,035	14,172,240
Long-term biological assets	1,578,048	1,745,467
Long-term investments	17,522,407	17,751,740
Investments in associates	108,362	110,504
Deferred income tax assets	2,104,228	1,935,298
Other intangible assets	2,001,864	1,999,209
Long-term restricted cash	2,531	-
<b>Total non-current assets</b>	<b>89,172,661</b>	<b>85,640,871</b>
<b>Total assets</b>	<b>148,090,334</b>	<b>152,972,970</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	9,394,206	11,704,276
Trade and other payables	8,535,611	6,988,905
Current income tax payable	45,865	99,450
Other taxes payable	3,942,438	3,814,278
<b>Total current liabilities</b>	<b>21,918,120</b>	<b>22,606,909</b>
<b>Non-current liabilities</b>		
Long-term borrowings	32,606,903	32,798,240
Government grants	4,179,124	3,712,593
Deferred income tax liability	463,309	535,514
<b>Total non-current liabilities</b>	<b>37,249,336</b>	<b>37,046,347</b>
<b>Total liabilities</b>	<b>59,167,456</b>	<b>59,653,256</b>
<b>Equity</b>		
Share capital	12,269	12,269
Treasury shares	(492,926)	(499,590)
Share premium	26,964,480	26,964,479
Share-based payment reserve	1,299,239	1,181,437
Retained earnings	61,027,311	65,420,978
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>88,810,373</b>	<b>93,079,573</b>
Non-controlling interest	112,504	240,141
<b>Total equity</b>	<b>88,922,877</b>	<b>93,319,714</b>
<b>Total liabilities and equity</b>	<b>148,090,334</b>	<b>152,972,970</b>



**Appendix 4. Unaudited consolidated statement of cash flows for the Six months ended 30 June 2017 (in RR thousand) – NOT IFRS PRESENTATION (\*)**

	Six months ended 30 June 2017	Six months ended 30 June 2016
<b>Cash flows from operating activities</b>		
Profit before income tax	107,172	2,105,407
<i>Adjustments for:</i>	-	-
Depreciation and amortization	3,478,520	1,994,058
Interest expense	1,598,758	2,594,000
Government grants	(525,113)	(1,151,258)
Interest income	(2,105,354)	(2,032,885)
Loss/ (gain) on disposal of property, plant and equipment	44,053	49,778
Net (gain) / loss on revaluation of biological assets and agricultural produce	3,393,028	3,350,542
Change in provision for net realisable value of inventory	(24,876)	119,345
Share of results of associates	(15,321)	-
Change in provision for impairment of receivables and prepayments	37,402	-
Foreign exchange (gain) / loss, net	(116,587)	999,023
Net (gain) / loss from bonds held for trading	(7,271)	12,907
Settlement of loans and accounts receivable previously written-off	(99,915)	-
Change in provision for impairment of other taxes receivables	-	(259,953)
Change in provision for impairment of advances paid for property, plant and equipment	24,908	-
Loss on other investments	400,400	-
Other non-cash and non-operating expenses, net	(3,080)	47,111
<b>Operating cash flow before working capital changes</b>	<b>6,186,725</b>	<b>7,828,075</b>
Change in trade and other receivables and prepayments	1,161,934	1,035,671
Change in other taxes receivable	1,288,221	(1,040,258)
Change in inventories and biological assets	3,604,179	(2,929)
Change in trade and other payables	1,077,577	853,780
Change in other taxes payable	(98,023)	406,352
<b>Cash generated from operations</b>	<b>13,220,613</b>	<b>9,080,691</b>
Income tax paid	(280,383)	(594,085)
<b>Net cash from operating activities</b>	<b>12,940,230</b>	<b>8,486,606</b>
<b>Cash flows from investing activities</b>	-	-
Purchases of property, plant and equipment	(7,188,112)	(3,615,816)
Purchases of other intangible assets	(109,919)	(115,215)
Proceeds from sales of property, plant and equipment	19,268	47,503
Purchases of inventories intended for construction	(158,867)	(15,289)
Investments in subsidiaries, net of cash acquired	79,426	(8,687,889)
Movement in restricted cash	(3,432)	63,010
Other investing activities	36	-
<b>Net cash from investing activities</b>	<b>(7,361,600)</b>	<b>(12,323,696)</b>
<b>Cash flows from financing activities</b>	-	-
Proceeds from borrowings	9,322,128	13,106,619
Repayment of borrowings	(12,194,414)	(20,656,158)
Interest paid	(1,507,944)	(2,143,766)
Change in cash on bank deposits*	7,143,400	(4,300,780)
Purchases of bonds*	-	(2,197,350)
Proceeds from sales of bonds*	-	3,318,378
Loans given*	(7)	(1,211,219)
Loans repaid*	407,522	9,211,522
Interest received*	2,393,054	2,024,388
Proceeds from government grants	969,623	1,546,414
Purchases of non-controlling interest	(81,218)	-
Proceeds from sales of treasury shares	6,664	-

	<b>Six months ended 30 June 2017</b>	<b>Six months ended 30 June 2016</b>
Proceeds from issue of own shares, net of transaction cost	-	16,301,181
Dividends paid to owners Ros Agro PLC	(4,366,760)	(5,149,286)
Other financial activities	(4,625)	14,585
<b>Net cash from financing activities</b>	<b>2,087,423</b>	<b>9,864,528</b>
Net effect of exchange rate changes on cash and cash equivalents	(116,762)	36,517
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>7,549,291</b>	<b>6,063,955</b>
Cash and cash equivalents at the beginning of the period	6,751,712	4,401,703
<b>Cash and cash equivalents at the end of the period</b>	<b>14,301,003</b>	<b>10,465,662</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.*