

ROS AGRO PLC trading update 9M and Q3 2017

20 October 2017 – Today ROS AGRO PLC, the holding company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations, has announced preliminary operating results for Q3 and 9M 2017.

9M 2017 highlights compared to 9M 2016:

- Total revenue before intersegment eliminations amounted to RR 58,478 million, a decrease of RR 358 million (-0.6%);
- Revenue of Sugar segment decreased by 11% to RR 20,994 million due to sugar sale price drop of 21%, which was partially compensated by sales volume growth;
- Meat segment showed upsurge in revenue of RR 2,699 million (+22%) as the result of its strategy to grow sales of the cuts (+64%) and a price rise;
- Revenue of Agriculture and Oil & fats business declined by 2% and 1% to RR 8,060 and 14,233 million respectively;
- Sugar segment increased beet sugar production by 44% to 347 thousand tonnes.

Key preliminary operational results by segment:

Item	9M 2017	9M 2016	Change, %	Q3 2017	Q3 2016	Change, %
Sugar Business						
Revenue, million RUB	20,994	23,605	-11%	6,392	8,386	-24%
Production volume, thousand tonnes	347	241	44%	211	173	22%
beet sugar	347	179	95%	211	173	22%
cane sugar	-	63	0%	-	-	0%
Sales volume, thousand tonnes	584	532	10%	193	189	2%
Average white sugar price, rub/kg excl. VAT	33.1	42.0	-21%	31.4	41.7	-25%
Meat Business						
Revenue, million RUB	15,191	12,493	22%	5,154	4,635	11%
Production volume, thousand tonnes						
livestock	153	143	7%	51	50	2%
compound feed	454	439	4%	148	148	0%
Sales volume, thousand tonnes						
livestock	46	49	-7%	11	16	-31%
carcass	21	26	-19%	8	9	-8%
cuts	49	30	64%	18	11	60%
other pork cutting products	9	4	132%	4	2	66%
Average sale prices, rub/kg excl. VAT						
livestock	97.2	89.3	9%	97.4	97.5	0%
carcass	129.7	124.6	4%	132.4	137.5	-4%
cuts	151.6	145.5	4%	155.1	154.0	1%
other pork cutting products	49.9	49.6	1%	51.6	42.7	21%

Oil and Fat Business

Revenue, million RUB	14,233	14,560	-2%	4,612	2,912	58%
Sales volume, thousand tonnes						
mayonnaise	44	52	-17%	13	19	-32%
margarine	24	25	-4%	8	8	3%
bottled oil	11	13	-14%	4	3	38%
bulk oil	120	90	32%	41	4	976%
meal	183	141	30%	46	16	198%
Average sale prices, rub/kg excl. VAT						
mayonnaise	80.6	77.0	5%	83.6	77.9	7%
margarine	77.5	73.9	5%	77.3	80.0	-3%
bottled oil	58.8	74.5	-21%	56.3	78.8	-29%
bulk oil	42.1	54.4	-23%	44.1	50.1	-12%
meal	16.2	18.3	-11%	15.6	20.6	-24%

Agriculture Business

Revenue, million RUB	8,060	8,179	-1%	3,054	3,632	-16%
Sales volume, thousand tonnes						
barley	80	193	-58%	55	166	-67%
sugar beet	1,486	909	63%	1,033	909	14%
wheat	308	143	116%	124	18	577%
sunflower	49	33	49%	-	-	-
soybean	50	80	-37%	5	3	46%
corn	74	50	49%	3	-	0%
other	6	2	175%	2	2	46%
Average sale prices, rub/kg excl. VAT						
barley	6.3	8.0	-21%	6.1	7.6	-20%
sugar beet	1.9	2.3	-20%	1.8	2.3	-25%
wheat	6.5	8.4	-23%	5.4	5.9	-7%
sunflower	15.6	23.6	-34%	-	-	-
soybean	19.6	21.8	-10%	20.5	20.0	2%
corn	8.6	8.5	1%	5.3	-	0%
other	4.5	5.2	-14%	6.6	3.7	79%

Key operational results by segment – historical:

Item	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	9M 2016	9M 2017
Sugar Business									
Revenue, million RUB	5,877	9,342	8,386	13,634	7,410	7,192	6,392	23,605	20,994
Production volume, thousand tonnes	0	65	173	572	122	15	211	241	347
Sales volume, thousand tonnes	125	219	189	334	196	193	193	532	584
Average white sugar price, rub/kg excl. VAT	44.0	41.1	41.7	35.4	33.4	34.4	31.4	42.0	33.1
Meat Business									
Revenue, million RUB	3,615	4,243	4,635	5,359	4,732	5,305	5,154	12,493	15,191
Sales volume, thousand tonnes									
livestock	16	18	16	26	21	14	11	49	46
slaughtered	21	20	23	22	23	30	30	60	79

Average sale prices, rub/kg excl. VAT

livestock	82.4	88.2	97.5	96.2	93.9	102.1	97.4	89.3	97.2
slaughtered	111.7	123.3	129.8	130.4	120.1	130.7	135.9	121.8	129.6

Oil and Fat Business

Revenue, million RUB	5,748	5,901	2,912	5,304	4,368	5,253	4,612	14,561	14,233
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Sales volume, thousand tonnes

mayonnaise	14	19	20	25	16	15	13	52	44
margarine	10	7	8	12	9	7	8	25	24
bottled oil	5	5	4	9	5	3	4	13	11
bulk oil	39	47	2	43	24	54	41	90	120
meal	70	56	14	59	69	67	46	141	183

Average sale prices, rub/kg excl. VAT

mayonnaise	75.7	76.9	77.9	76.2	77.1	82.3	83.6	77.0	80.6
margarine	69.4	73	80	79.2	78.1	77.5	77.3	73.9	77.5
bottled oil	75.6	70.9	84.4	65.3	62.1	57.3	56.3	74.5	58.8
bulk oil	57.8	51.9	51.2	48.3	44.2	40.9	44.1	54.4	42.1
meal	18.8	17	14.2	18.2	16.2	16.5	15.6	18.3	16.2

Agriculture Business

Revenue, million RUB	3,362	1,184	3,632	12,976	3,670	1,336	3,054	8,178	8,060
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Sales volume, thousand tonnes

barley	12	16	166	212	12	13	55	193	80
sugar beet	0	0	909	2,889	452	0	1,033	909	1,486
wheat	87	38	18	242	164	16	124	143	308
sunflower	33	0	0	17	18	31	0	33	49
soybean	56	21	3	101	31	15	5	80	50
corn	40	9	0	41	38	33	3	50	74

Average sale prices, rub/kg excl. VAT

barley	10.4	10.0	7.6	7.1	7.1	6.6	6.1	8.0	6.3
sugar beet	-	-	2.3	2.4	2.1	-	1.8	2.3	1.9
wheat	8.9	8.5	5.9	6.4	7.4	6.8	5.4	8.4	6.5
sunflower	23.6	-	-	18.1	16.7	15.1	-	23.6	15.6
soybean	22.4	20.5	20.0	20.7	19.9	18.9	20.5	21.8	19.6
corn	8.5	8.6	-	7.6	9.3	8.1	5.3	8.5	8.6

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