

ROS AGRO PLC TRADING UPDATE 2Q AND 6M 2018

23 July 2018 – ROS AGRO PLC has announced preliminary operating results for 2nd quarter and 6 months of year 2018.

2Q 2018 highlights compared to 2Q 2017:

- Total revenue before intersegment eliminations amounted to RR 17.9 billion, a decrease of RR 1.2 billion (-6%) as the result of Sugar and Meat business revenue drop, partially compensated by positive results of Oil and Fat and Agriculture segments;
- Revenue of Sugar segment decreased to RR 5.5 billion (-24%) due to drop of sugar sale price to 31.0 RUB/kg excl. VAT (-10%) and decline of sugar sale volumes to 161 thousand tonnes (-17%);
- Meat segment reduced in revenue to RR 5.1 billion (-4%) due to decrease of livestock prices to 86.0 RUB/kg excl. VAT (-16%);
- Oil & Fat segment increased revenue to RR 5.6 billion (+6%) due to higher bottled oil sale volumes;
- Revenue of Agriculture business rose to RR 1.8 billion (+31%) due to the sale price growth and augment of grain sales volume to 156 thousand tonnes (+155%).

Table 1. Key operating results by segment:

Item	6M 2018	6M 2017	Change, %	2Q 2018	2Q 2017	Change, %
Sugar Business						
Revenue, million RUB	10,671	14,601	-27%	5,458	7,192	-24%
Production volume of sugar, thousand tonnes	26	137	-81%	17	15	18%
Sales volume of sugar, thousand tonnes	326	390	-16%	161	194	-17%
Average sugar sale price, RUB/kg excl. VAT	29.4	33.9	-13%	31.0	34.4	-10%
Meat Business						
Revenue, million RUB	9,417	10,037	-6%	5,091	5,305	-4%
Sales volume, thousand tonnes						
livestock	14	35	-61%	7	14	-49%
carcass	17	12	36%	8	7	12%
cuts	39	32	24%	20	18	13%
other parts	7	6	34%	4	3	20%
Average sale price, RUB/kg excl. VAT						
livestock	82.9	97.2	-15%	86.0	102.1	-16%
carcass	122.8	127.9	-4%	138.6	131.4	5%
cuts	148.3	149.7	-1%	157.7	155.4	2%
other pork cutting products	49.0	48.8	0%	47.5	47.5	0%
Oil and Fat Business						
Revenue, million RUB	10,029	9,621	4%	5,551	5,253	6%
Sales volume, thousand tonnes						
mayonnaise	20	31	-33%	11	15	-28%
margarine	14	16	-15%	6	7	-11%
bottled oil	25	7	243%	16	3	486%
bulk oil	74	79	-7%	38	54	-30%
meal	133	137	-3%	67	68	0%
Average sale price, RUB/kg excl. VAT						
mayonnaise	80.6	79.6	1%	81.5	82.3	-1%
margarine	79.5	77.8	2%	82.3	77.5	6%
bottled oil	43.2	41.9	3%	45.2	40.9	11%
bulk oil	53.9	60.3	-10%	54.0	57.3	-6%
meal	18.1	16.4	11%	20.6	16.5	25%

Item	6M 2018	6M 2017	Change, %	2Q 2018	2Q 2017	Change, %
Agriculture Business						
Revenue, million RUB	3,224	5,006	-36%	1,757	1,336	31%
Sales volume, thousand tonnes						
sugar beet	2	452	-100%	-	-	0%
wheat	113	183	-38%	74	16	375%
barley	79	25	217%	47	13	275%
corn	76	71	7%	34	33	4%
sunflower	3	49	-94%	1	31	-97%
soybean	31	46	-33%	14	15	-9%
other	6	3	72%	3	2	62%
Average sale price, RUB/kg excl. VAT						
sugar beet	1.0	2.1	-53%	-	-	0%
wheat	7.2	7.2	-1%	7.6	6.8	12%
barley	7.3	6.8	7%	7.8	6.6	19%
corn	9.5	8.7	9%	9.5	8.1	18%
sunflower	18.5	15.7	18%	18.8	15.1	24%
soybean	21.8	19.5	12%	23.8	18.9	26%
other	5.4	3.3	64%	5.5	4.5	23%

Table 2. Historical operating results by segment:

Item	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	6M 2018	6M 2017
Sugar Business								
Revenue, million RUB	7,410	7,192	6,392	9,393	5,213	5,458	10,671	14,601
Production volume of sugar, thousand tonnes	122	15	211	637	9	17	26	137
Sales volume of sugar, tonnes	196	193	193	316	166	161	326	390
Average sugar price, rub/kg excl. VAT	33.4	34.4	31.4	25.9	27.9	31.0	29.4	33.9
Meat Business								
Revenue, million RUB	4,732	5,305	5,154	5,321	4,326	5,091	9,417	10,037
Sales volume, thousand tonnes								
livestock	21	14	11	12	7	7	14	35
processed pork	23	30	30	35	33	33	66	52
Average sale prices, rub/kg excl. VAT								
livestock	93.9	102.1	97.4	85.8	79.7	86.0	82.9	97.2
processed pork	120.1	130.7	135.9	124.9	116.5	136.3	126.4	126.3
Oil and Fat Business								
Revenue, million RUB	4,368	5,253	4,596	5,213	4,478	5,551	10,029	9,621
Sales volume, thousand tonnes								
mayonnaise	16	15	13	15	10	11	20	31
margarine	9	7	8	12	8	6	14	16
bottled oil	5	3	4	9	9	16	25	7
bulk oil	24	54	41	31	36	38	74	79
meal	69	67	46	70	65	67	133	137
Average sale prices, rub/kg excl. VAT								
mayonnaise	77.1	82.3	83.6	80.2	79.7	81.5	80.6	79.6
margarine	78.1	77.5	77.3	79.5	77.4	82.3	79.5	77.8
bottled oil	62.1	57.3	56.3	57.3	53.7	54.0	53.9	60.3
bulk oil	44.2	40.9	44.4	42.6	41.1	45.2	43.2	41.9
meal	16.2	16.5	15.6	15.4	15.6	20.6	18.1	16.4

Item	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	1H 2018	1H 2017
Agriculture Business								
Revenue, million RUB	3,670	1,336	3,054	10,709	1,467	1,757	3,224	5,006
Sales volume, thousand tonnes								
sugar beet	452	-	1,033	2,472	2	-	2	452
wheat	168	16	124	402	39	74	113	183
barley	12	13	55	113	32	47	79	25
corn	38	33	3	30	42	34	76	71
sunflower	18	31	0	35	2	1	3	49
soybean	31	15	5	118	17	14	31	46
Average sale prices, rub/kg excl. VAT								
sugar beet	2.1	-	1.8	1.7	1.0	-	1.0	2.1
wheat	7.2	6.8	5.4	5.8	6.3	7.6	7.2	7.2
barley	7.1	6.6	6.1	6.1	6.5	7.8	7.3	6.8
corn	9.3	8.1	5.3	6.4	9.4	9.5	9.5	8.7
sunflower	16.7	15.1	-	19.1	18.3	18.8	18.5	15.7
soybean	19.9	18.9	20.5	20.1	20.2	23.8	21.8	19.5

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