



14 May 2018

ROS AGRO financial results for Q1 2018

14 May 2018 – 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 2018.

Q1 2018 Highlights

- Sales amounted to RR 15,268 million (US\$ 269 million¹), a decrease of RR 3,512 million compared to Q1 2017;
- Adjusted EBITDA² amounted to RR 1,715 million (US\$ 30 million), a decrease of RR 1,010 million compared to Q1 2017;
- Adjusted EBITDA margin decreased from 15% in Q1 2017 to 11% in Q1 2018;
- Net profit for the period amounted to RR 209 million (US\$ 4 million);
- Net debt position³ as of Q1 2018 amounted to RR 8,200 million (US\$ 143 million);
- Net Debt/ Adjusted EBITDA (LTM⁴) as of Q1 2018 was 0.63x.

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

“In Q1 2018 all businesses were operating at low price environment. Improved processing margins only partly offset decreased marginality. Traditionally the first quarter is the weakest quarter in the year. Construction of pig farms in Far East and Tambov region is on track. Prices in the second quarter are improving”

Key consolidated financial performance indicators

| in RR million | Three months ended | | Variance | |
|--|--------------------|---------------|----------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales | 15,268 | 18,780 | (3,512) | (19) |
| Gross profit | 2,955 | 2,410 | 545 | 23 |
| <i>Gross margin, %</i> | <i>19%</i> | <i>13%</i> | <i>6%</i> | |
| Adjusted EBITDA | 1,715 | 2,725 | (1,010) | (37) |
| <i>Adjusted EBITDA margin, %</i> | <i>11%</i> | <i>15%</i> | <i>-4%</i> | |
| Net profit / (loss) for the period* | 209 | (344) | 552 | - |
| <i>Net profit margin %</i> | <i>1%</i> | <i>-2%</i> | <i>3%</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 (358) million for Q1 2018 (Q1 2017: RR 1,625 million).

Key financial performance indicators by segments

| in RR million | Three months ended | | Variance | |
|-------------------------------------|--------------------|---------------|----------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales, incl. | 15,268 | 18,780 | (3,512) | (19) |
| <i>Sugar</i> | 5,213 | 7,410 | (2,197) | (30) |
| <i>Meat</i> | 4,326 | 4,732 | (405) | (9) |
| <i>Agriculture</i> | 1,467 | 3,670 | (2,203) | (60) |
| <i>Oil and Fat</i> | 4,478 | 4,368 | 110 | 3 |
| <i>Other</i> | 75 | 16 | 59 | 372 |
| <i>Eliminations</i> | (291) | (1,416) | 1,124 | 79 |
| Gross profit / (loss), incl. | 2,955 | 2,410 | 545 | 23 |
| <i>Sugar</i> | 1,127 | 1,394 | (267) | (19) |
| <i>Meat</i> | 966 | 621 | 344 | 55 |
| <i>Agriculture</i> | 119 | (40) | 159 | - |
| <i>Oil and Fat</i> | 1,020 | 669 | 351 | 53 |
| <i>Other</i> | 9 | 16 | (7) | (47) |
| <i>Eliminations</i> | (286) | (250) | (36) | (14) |
| Adjusted EBITDA, incl. | 1,715 | 2,725 | (1,010) | (37) |
| <i>Sugar</i> | 669 | 734 | (65) | (9) |
| <i>Meat</i> | 1,141 | 1,331 | (190) | (14) |
| <i>Agriculture</i> | 63 | 363 | (299) | (83) |
| <i>Oil and Fat</i> | 393 | (59) | 453 | - |
| <i>Other</i> | (244) | (136) | (108) | (79) |
| <i>Eliminations</i> | (309) | 492 | (801) | - |
| Adjusted EBITDA margin, % | 11% | 15% | -4% | - |
| <i>Sugar</i> | 13% | 10% | 3% | - |
| <i>Meat</i> | 26% | 28% | -2% | - |
| <i>Agriculture</i> | 4% | 10% | -6% | - |
| <i>Oil and Fat</i> | 9% | -1% | 10% | - |

Sugar Segment

The financial results of the sugar segment for Q1 2018 compared to Q1 2017 are presented in the table below:

| in RR million | Three months ended | | Variance | |
|--|--------------------|---------------|--------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales | 5,213 | 7,410 | (2,197) | (30) |
| Cost of sales | (4,085) | (6,012) | 1,927 | 32 |
| Net gain from trading derivatives | (1) | (5) | 4 | 78 |
| Gross profit | 1,127 | 1,394 | (267) | (19) |
| <i>Gross profit margin</i> | 22% | 19% | 3% | |
| Distribution and selling expenses | (657) | (725) | 68 | 9 |
| General and administrative expenses | (419) | (381) | (38) | (10) |
| Other operating income / (expenses), net | 11 | (77) | 88 | - |
| Operating profit | 62 | 211 | (149) | (71) |
| Adjusted EBITDA | 669 | 734 | (65) | (9) |
| <i>Adjusted EBITDA margin</i> | 13% | 10% | 3% | |

Sales revenue decreased in Q1 2018 compared to Q1 2017 mainly due to sugar sales price decreased by 16% and sugar sales volume decreased by 30 thousand tons. Buckwheat sales prices decreased by 60%. Revenue decrease was partially compensated by growth in sales prices of beat pulp by 34%.

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

| | Three months ended | | Variance | |
|--|--------------------|---------------|----------|------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sugar production volume (in thousand tonnes) | 9 | 122 | (113) | (93) |
| Sales volume (in thousand tonnes) | 166 | 196 | (30) | (16) |
| Sale price (roubles per kg, excl. VAT) | 27.9 | 33.4 | (5.5) | (16) |

Distribution and selling expenses in Q1 2018 compared to Q1 2017 decreased by RR 68 million mainly due to advertising and payroll expenses. Distribution and selling expenses decrease was partially compensated by growth in transportation expenses.

General and administrative expenses in Q1 2018 compared to Q1 2017 increased by RR 38 million mainly due to payroll expenses.

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

Meat Segment

The financial results of the meat segment for Q1 2018 compared to Q1 2017 are presented in the table below:

| in RR million | Three months ended | | Variance | |
|--|--------------------|---------------|--------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales | 4,326 | 4,732 | (405) | (9) |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | (27) | (336) | 309 | 92 |
| Cost of sales | (3,334) | (3,775) | 441 | 12 |
| Gross profit / (loss) | 966 | 621 | 344 | 55 |
| <i>Gross profit margin</i> | <i>22%</i> | <i>13%</i> | <i>9%</i> | |
| <i>Gross profit excl. effect of biological assets revaluation</i> | 992 | 957 | 35 | 4 |
| <i>Adjusted gross profit margin</i> | <i>23%</i> | <i>20%</i> | <i>3%</i> | |
| Distribution and selling expenses | (112) | (86) | (26) | (30) |
| General and administrative expenses | (212) | (21) | (191) | (916) |
| Other operating income, net | 34 | 70 | (37) | (52) |
| Operating profit / (loss) | 675 | 585 | 91 | 15 |
| Adjusted EBITDA | 1,141 | 1,331 | (190) | (14) |
| <i>Adjusted EBITDA margin</i> | <i>26%</i> | <i>28%</i> | <i>-2%</i> | |

Sales in the meat segment decreased by 9% in Q1 2018 compared to the respective periods of prior year because of a decrease in sales prices of livestock pigs and processed pork and decrease in sales volume livestock pigs that was partly compensated by increase in sales volume of processed pork.

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

| | Three months ended | | Variance | |
|--|--------------------|---------------|----------|------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales volume (in thousand tonnes), incl. | 39 | 44 | (5) | (11) |
| livestock pigs | 7 | 21 | (15) | (69) |
| processed pork | 33 | 23 | 10 | 44 |
| Sale prices (roubles per kg, excl. VAT): | | | | |
| livestock pigs | 79.7 | 93.9 | (14.2) | (15) |
| processed pork | 116.5 | 120.1 | (3.7) | (3) |

Net loss on revaluation of biological assets and agricultural produce in Q1 2018 resulted mainly from a decrease in market prices for live pigs during the period and a respective decrease in fair value of livestock in the closing balance compared to the beginning of the year.

An increase in *Distribution and selling expenses* in Q1 2018 compared to prior year periods includes an increase in payroll costs related to growth in staff of logistic department.

An increase in *General and administrative expenses* in Q1 2018 by RR 191 million includes RR 149 million of an increase in property tax expenses. In Q1 2017, the Group recognised gain from reverse of property tax for 2016 resulted from tax relief legally confirmed in Q1 2017.

Agricultural Segment

As at 31 March 2018 the segment's area of controlled land stands at 672 thousand hectares (31 March 2017: 665 thousand hectares). The financial results of the agricultural segment for Q1 2018 compared to Q1 2017 are presented below:

| in RR million | Three months ended | | Variance | |
|--|--------------------|----------------|--------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales | 1,467 | 3,670 | (2,203) | (60) |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | (281) | (1,146) | 865 | 75 |
| Cost of sales | (1,067) | (2,564) | 1,496 | 58 |
| Net gain/ (loss) from trading derivatives | - | - | - | - |
| Gross profit / (loss) | 119 | (40) | 159 | - |
| <i>Gross profit margin</i> | 8% | -1% | 9% | |
| <i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i> | 400 | 1,106 | (706) | (64) |
| <i>Adjusted gross profit margin</i> | 27% | 30% | -3% | |
| Distribution and selling expenses | (209) | (826) | 617 | 75 |
| General and administrative expenses | (291) | (252) | (39) | (15) |
| Other operating income, net | (15) | 29 | (44) | - |
| <i>incl. reimbursement of operating costs (government grants)</i> | 27 | - | 27 | - |
| Operating profit / (loss) | (397) | (1,090) | 693 | 64 |
| | - | - | - | - |
| Adjusted EBITDA | 63 | 363 | (299) | (83) |
| <i>Adjusted EBITDA margin</i> | 4% | 10% | -6% | |

A significant decrease in sales volumes had the main negative impact on lower *Sales* in Q1 2018 compared to Q1 2017.

Sales volumes by product were as follows:

| Thousand tonnes | Three months ended | | Variance | |
|-----------------|--------------------|---------------|----------|-------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| sugar beet | 2 | 452 | (450) | (100) |
| wheat | 39 | 168 | (129) | (77) |
| barley | 32 | 12 | 20 | 159 |
| sunflower seeds | 2 | 18 | (16) | (89) |
| corn | 42 | 38 | 3 | 9 |
| soy | 17 | 31 | (14) | (44) |

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

| RR per kilogram, excl. VAT | Three months ended | | Variance | |
|----------------------------|--------------------|---------------|----------|------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| sugar beet | 1.0 | 2.1 | (1.1) | (53) |
| wheat | 6.3 | 7.2 | (0.9) | (12) |
| barley | 6.5 | 7.1 | (0.5) | (8) |
| sunflower seeds | 18.3 | 16.6 | 1.7 | 10 |
| corn | 9.4 | 9.3 | 0.2 | 2 |
| soy | 20.2 | 19.9 | 0.4 | 2 |

Net loss on revaluation of biological assets and agricultural produce in Q1 2018 and 2017 figures represents the realisation of gain from crops revaluation, recognised in the previous year financial statements and remained unrealised as at the year-end.

Net gain/(loss) on revaluation of crops and its subsequent realisation do not affect the Adjusted EBITDA figure.

Distribution and selling expenses decreased by RR 617 million or 75% in Q1 2018 against 2017 as a result of lower volumes of crops sold during the current quarter.

General and administrative expenses increased by RR 39 million in Q1 2018 compared to 2017, which is attributed mainly to the higher payroll costs as a result of higher number of employees in administrative function.

Other operating income in 2017 turned to expenses in 2018 mainly due to a loss of RR 41 million on disposal of property, plant and equipment and intangibles and lower operating foreign exchange gain by RR 20 million, which was partly compensated by RR 27 million increase in value of operating expenses reimbursed (government grants).

Oil and Fat segment

The financial results of the oil and fat segment for Q1 2018 as compared to Q1 2017 are presented in the table below:

| in RR million | Three months ended | | Variance | |
|---|--------------------|---------------|------------|-----------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Sales | 4,478 | 4,368 | 110 | 3 |
| Cost of sales | (3,458) | (3,699) | 242 | 7 |
| Gross profit | 1,020 | 669 | 351 | 53 |
| <i>Gross profit margin</i> | <i>23%</i> | <i>15%</i> | <i>8%</i> | |
| Distribution and selling expenses | (556) | (672) | 115 | 17 |
| General and administrative expenses | (193) | (186) | (7) | (4) |
| Other operating income/ (expenses), net | 15 | 33 | (18) | (55) |
| Operating profit / (loss) | 286 | (156) | 442 | - |
| Adjusted EBITDA | 393 | (59) | 453 | - |
| <i>Adjusted EBITDA margin</i> | <i>9%</i> | <i>-1%</i> | <i>10%</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 2018 | 31 March 2017 | Units | % |
| Sales, incl. | 4,478 | 4,368 | 110 | 3 |
| <i>Samara oil plant</i> | <i>2,207</i> | <i>1,946</i> | <i>261</i> | <i>13</i> |
| <i>Ekat. fat plant</i> | <i>1,685</i> | <i>2,097</i> | <i>(412)</i> | <i>(20)</i> |
| <i>Far East</i> | <i>909</i> | <i>906</i> | <i>4</i> | <i>0</i> |
| <i>Eliminations(*)</i> | <i>(324)</i> | <i>(581)</i> | <i>257</i> | <i>44</i> |
| Gross profit, incl. | 1,020 | 669 | 351 | 53 |
| <i>Samara oil plant</i> | <i>399</i> | <i>158</i> | <i>241</i> | <i>152</i> |
| <i>Ekat. fat plant</i> | <i>511</i> | <i>426</i> | <i>84</i> | <i>20</i> |
| <i>Far East</i> | <i>136</i> | <i>72</i> | <i>64</i> | <i>90</i> |
| <i>Eliminations(*)</i> | <i>(26)</i> | <i>12</i> | <i>(38)</i> | <i>-</i> |
| Adjusted EBITDA, incl. | 393 | (59) | 453 | - |
| <i>Samara oil plant</i> | <i>166</i> | <i>(60)</i> | <i>226</i> | <i>-</i> |
| <i>Ekat. fat plant</i> | <i>163</i> | <i>(76)</i> | <i>239</i> | <i>-</i> |
| <i>Far East</i> | <i>60</i> | <i>37</i> | <i>24</i> | <i>65</i> |
| <i>Eliminations(*)</i> | <i>4</i> | <i>40</i> | <i>(36)</i> | <i>(90)</i> |
| Adjusted EBITDA margin, % | 9% | -1% | 10% | - |
| <i>Samara oil plant</i> | <i>8%</i> | <i>-3%</i> | <i>11%</i> | <i>-</i> |
| <i>Ekat. fat plant</i> | <i>10%</i> | <i>-4%</i> | <i>13%</i> | <i>-</i> |
| <i>Far East</i> | <i>7%</i> | <i>4.0%</i> | <i>3%</i> | <i>64</i> |

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 | Three months ended | | Variance | |
|---------------|--------------------|---------------|----------|------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| mayonnaise | 10 | 16 | (6) | (38) |
| margarine | 8 | 9 | (2) | (17) |
| bottled oil | 9 | 4 | 4 | 93 |
| bulk oil | 36 | 24 | 11 | 46 |
| meal | 65 | 69 | (4) | (6) |

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 2018 | 31 March 2017 | Units | % |
| mayonnaise | 79.7 | 77.1 | 2.6 | 3 |
| margarine | 77.4 | 78.1 | (0.7) | (1) |
| bottled oil | 53.7 | 62.1 | (8.3) | (13) |
| bulk oil | 41.1 | 44.2 | (3.1) | (7) |
| meal | 15.6 | 16.2 | (0.6) | (4) |

Decrease in *Distribution and selling expenses* by RR 115 million in Q1 2018 compared to the prior period is attributed to a decrease in advertising expenses, as a result of lower level of brand marketing and promotion activities and lower transportation and loading services expenses related to the drop in sales volume of mayonnaise and margarine.

An increase in Adjusted EBITDA of Samara oil plant and Far East in Q1 2018 relates to an increase in sales volume of bulk and bottled oil that was partly offset by a decrease in sale prices of bulk oil and meal.

Key consolidated cash flow indicators (not IFRS presentation*)

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

| in mln Roubles | Three months ended | | Variance | |
|---|--------------------|----------------|-----------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Net cash from operating activities, incl. | 3,914 | 7,113 | (3,199) | (45) |
| <i>Operating cash flow before working capital changes</i> | 2,121 | 3,037 | (917) | (30) |
| <i>Working capital changes</i> | 1,887 | 4,232 | (2,345) | (55) |
| Net cash from investing activities, incl. | (3,129) | (2,850) | (279) | (10) |
| <i>Purchases of property, plant and equipment and inventories intended for construction</i> | (3,099) | (2,901) | (198) | (7) |
| Net cash from financing activities | (4,167) | 6,489 | (10,657) | - |
| Net effect of exchange rate changes on cash and cash equivalents | (1) | (97) | 95 | 99 |
| Net (decrease) / increase in cash and cash equivalents | (3,384) | 10,656 | (14,040) | - |

(*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in Q1 2018 were made in the Meat segment in the amount of RR 2,055 million (Q1 2017: RR 371 million), related to the construction project in the Tambov and Far East regions. Significant investments were also made in Sugar segment in the amount of RR 700 million (Q1 2017: RR 461 million) in modernization of sugar plants. Investments in the Oil and Fat segment amounted to

RR 306 million (Q1 2017: RR 400 million) and in the Agriculture segment amounted to RR 37 million (Q1 2017: RR 1,669 million), related to purchases of machinery and equipment.

Debt position and liquidity management

| in RR million | 31 March 2018 | 31 December 2017 | Variance | |
|---|------------------|---------------------|----------------|------------|
| | | | Units | % |
| Gross debt | 47,666 | 46,651 | 1,014 | 2 |
| <i>Short-term borrowings</i> | 7,695 | 8,864 | (1,169) | (13) |
| <i>Long-term borrowings</i> | 39,971 | 37,788 | 2,183 | 6 |
| Cash and cash equivalents, bank deposits and bonds | (39,466) | (40,048) | 582 | 1 |
| <i>Short-term cash, deposits and bonds</i> | (22,288) | (22,901) | 613 | 3 |
| <i>Long-term cash, deposits and bonds</i> | (17,178) | (17,146) | (31) | (0) |
| Net debt | 8,200 | 6,604 | 1,596 | 24 |
| <i>Short-term borrowings, net</i> | (14,593) | (14,038) | (556) | (4) |
| <i>Long-term borrowings, net</i> | 22,793 | 20,642 | 2,152 | 10 |
| Adjusted EBITDA (LTM⁴) | 12,945 | 13,955 | (1,010) | (7) |
| Net debt/ Adjusted EBITDA (LTM) | 0.63 | 0.47 | 0.2 | |

Net finance income/ (expense)

| in RR million | Three months ended | | Variance | |
|---|--------------------|---------------|--------------|-------------|
| | 31 March 2018 | 31 March 2017 | Units | % |
| Net interest expense | (682) | (840) | 158 | 19 |
| <i>Gross interest expense</i> | (825) | (859) | 34 | 4 |
| <i>Reimbursement of interest expense</i> | 143 | 19 | 124 | 654 |
| Interest income | 942 | 1,134 | (192) | (17) |
| Net gains / (losses) from bonds held for trading | 31 | (8) | 39 | - |
| Other financial income, net | 2 | (36) | 38 | - |
| <i>Net foreign exchange gains / (losses)</i> | (20) | (32) | 12 | 37 |
| <i>Other financial income/ (expenses), net</i> | 23 | (4) | 26 | - |
| Total net finance income | 293 | 250 | 44 | 17 |

In Q1 2018 the Group continued to enjoy benefits from the state agriculture subsidies programme. In addition, in 2018 the Group continued the receiving bank loans with decreased preferential interest rates under the new programme of government support. Under this programme, the government provides subsidies to the banks to compensate the loss of income on credits with decreased interest rates, given by the banks to agricultural producers. In Q1 2018 IFRS accounts these credits are accounted for according to its face value with no adjustments to prevailing market rates. The differences between nominal and market interest rate is recognized as interest expenses and government grants in a statement of comprehensive income or in a statement of financial position.

(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 sugar beet. 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 third largest pork producer in Russia on the ground of relative production volumes for Q1 2018. 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 672 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 2018 financial results for investors and analysts.

Details of call:

| | |
|------------------|--|
| Date | 14 May 2018 |
| Time | 4:00 PM (Moscow) / 2:00 PM (London) |
| Subject | ROS AGRO PLC Q1 2018 Financial results |
| UK Toll Free | 0800 279 7204 |
| UK Local Line | +44 330 336 9411 |
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| Conference ID | 8615661 |

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Appendix 1. Consolidated statement of comprehensive income for the Three month ended 31 March 2018 (in RR thousand)

| | Three month ended 31 March | |
|--|-----------------------------------|------------------|
| | 2018 | 2017 |
| Sales | 15,267,554 | 18,779,507 |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | (358,724) | (1,968,309) |
| Cost of sales | (11,953,331) | (14,396,722) |
| Net gain from trading derivatives | (982) | (4,540) |
| Gross profit | 2,954,517 | 2,409,936 |
| Distribution and selling expenses | (1,659,487) | (2,092,805) |
| General and administrative expenses | (1,323,689) | (965,350) |
| Other operating income/ (expenses), net | (32,123) | 74,500 |
| Operating profit | (60,782) | (573,719) |
| Interest expense | (681,935) | (840,340) |
| Interest income | 941,962 | 1,134,058 |
| Net gain from bonds | 31,359 | (7,842) |
| Other financial income/ (expenses), net | 2,085 | (35,925) |
| Share of results of associates | - | 3,407 |
| Profit before income tax | 232,689 | (320,361) |
| Income tax expense | (24,135) | (23,321) |
| Profit for the year | 208,554 | (343,682) |
| Other comprehensive income: | | |
| Items that may be subsequently reclassified to profit and loss: | | |
| Change in value of available-for-sale financial assets | - | (154,082) |
| Income tax relating to other comprehensive income | - | 30,816 |
| Total comprehensive income for the period | 208,554 | (466,948) |
| Profit is attributable to: | | |
| Owners of ROS AGRO PLC | 203,933 | (277,584) |
| Non-controlling interest | 4,621 | (66,098) |
| Profit for the period | 208,554 | (343,682) |
| Total comprehensive income is attributable to: | | |
| Owners of ROS AGRO PLC | 203,933 | (400,850) |
| Non-controlling interest | 4,621 | (66,098) |
| Total comprehensive income for the period | 208,554 | (466,948) |
| Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share) | 7.58 | (10.31) |

Appendix 2. Segment information for the Three month ended 31 March 2018 (in RR thousand)

| Three months ended 31 March 2018 | Sugar | Meat | Agriculture | Oil and Fat | Other | Elimination | Total |
|--|------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
| Sales | 5,212,748 | 4,326,388 | 1,466,963 | 4,477,551 | 75,334 | (291,430) | 15,267,554 |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | - | (26,538) | (280,873) | - | - | (51,313) | (358,724) |
| Cost of sales | (4,084,644) | (3,334,280) | (1,067,102) | (3,457,700) | (66,811) | 57,206 | (11,953,331) |
| <i>incl. depreciation</i> | <i>(592,320)</i> | <i>(462,499)</i> | <i>(102,584)</i> | <i>(91,107)</i> | - | <i>(1,898)</i> | <i>(1,250,408)</i> |
| Net gain/ (loss) from trading derivatives | (982) | - | - | - | - | - | (982) |
| Gross profit / (loss) | 1,127,122 | 965,570 | 118,988 | 1,019,851 | 8,523 | (285,537) | 2,954,517 |
| General and administrative expenses, Distribution and selling expenses | (1,076,074) | (324,087) | (500,425) | (748,976) | (258,867) | (74,745) | (2,983,174) |
| <i>incl. depreciation</i> | <i>(25,631)</i> | <i>(10,896)</i> | <i>(34,046)</i> | <i>(31,491)</i> | <i>(6,544)</i> | <i>1,898</i> | <i>(106,710)</i> |
| Other operating (expenses)/ income, net | 11,100 | 33,774 | (15,411) | 14,720 | (40,944) | (35,364) | (32,125) |
| <i>incl. Reimbursement of operating costs (government grants)</i> | - | - | <i>27,357</i> | - | - | - | <i>27,357</i> |
| Operating profit / (loss) | 62,148 | 675,257 | (396,848) | 285,595 | (291,288) | (395,646) | (60,782) |
| Adjustments: | | | | | | | |
| Depreciation included in Operating Profit | 617,952 | 473,395 | 136,631 | 122,598 | 6,544 | - | 1,357,120 |
| Other operating income, net | (11,100) | (33,774) | 15,411 | (14,720) | 40,944 | 35,362 | 32,123 |
| Reimbursement of operating costs (government grants) | - | - | 27,357 | - | - | - | 27,357 |
| Net gain / (loss) on revaluation of biological assets and agricultural produce | - | 26,538 | 280,873 | - | - | 51,313 | 358,724 |
| Adjusted EBITDA | 669,000 | 1,141,416 | 63,424 | 393,473 | (243,800) | (308,969) | 1,714,544 |

* Non-IFRS measure

Appendix 2 (continued). Unaudited segment information for the three months ended 31 March 2017 (in RR thousand)

| Three months ended 31 March 2017 | Sugar | Meat | Agriculture | Oil and Fat | Other | Eliminations | Total |
|---|------------------|------------------|--------------------|--------------------|------------------|---------------------|--------------------|
| Sales | 7,409,816 | 4,731,769 | 3,669,637 | 4,367,900 | 15,959 | (1,415,574) | 18,779,507 |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | (335,776) | (1,145,935) | - | - | (486,598) | (1,968,309) |
| Cost of sales | (6,011,546) | (3,774,823) | (2,563,555) | (3,699,326) | - | 1,652,528 | (14,396,722) |
| <i>incl. depreciation</i> | <i>(418,452)</i> | <i>(469,239)</i> | <i>(324,907)</i> | <i>(97,679)</i> | - | <i>(1,334)</i> | <i>(1,311,611)</i> |
| Net gain/ (loss) from trading derivatives | (4,540) | - | - | - | - | - | (4,540) |
| Gross profit / (loss) | 1,393,730 | 621,170 | (39,853) | 668,574 | 15,959 | (249,644) | 2,409,936 |
| Distribution and Selling, General and administrative expenses | (1,105,941) | (106,906) | (1,078,490) | (857,723) | (164,465) | 255,369 | (3,058,156) |
| <i>incl. depreciation</i> | <i>(28,039)</i> | <i>(11,734)</i> | <i>(10,089)</i> | <i>(32,376)</i> | <i>(12,256)</i> | <i>1,334</i> | <i>(93,160)</i> |
| Other operating income/(expenses), net | (76,737) | 70,416 | 28,567 | 32,840 | 5,651,448 | (5,632,034) | 74,500 |
| <i>incl. reimbursement of operating costs (government grants)</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Operating profit / (loss) | 211,052 | 584,680 | (1,089,776) | (156,309) | 5,502,942 | (5,626,309) | (573,720) |
| Adjustments: | | | | | | | |
| Depreciation included in Operating Profit | 446,490 | 480,972 | 334,996 | 130,055 | 12,256 | - | 1,404,769 |
| Other operating (income) /expenses, net | 76,737 | (70,416) | (28,567) | (32,840) | (5,651,448) | 5,632,034 | (74,500) |
| Reimbursement of operating costs (government grants) | - | - | - | - | - | - | - |
| Net gain/ (loss) on revaluation of biological assets and agricultural produce | - | 335,776 | 1,145,935 | - | - | 486,598 | 1,968,309 |
| Adjusted EBITDA* | 734,279 | 1,331,012 | 362,588 | (59,094) | (136,250) | 492,323 | 2,724,858 |

* Non-IFRS measure

**Appendix 3. Consolidated statement of financial position as at 31 March 2018
(in RR thousand)**

| | 31 March 2018 | 31 December 2017 |
|--|--------------------|--------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 1,476,435 | 4,860,335 |
| Restricted cash | 7,711 | 42 |
| Short-term investments | 23,425,189 | 18,457,778 |
| Trade and other receivables | 2,952,904 | 3,196,315 |
| Prepayments | 821,692 | 1,201,479 |
| Current income tax receivable | 188,107 | 212,026 |
| Other taxes receivable | 2,415,163 | 3,352,606 |
| Inventories and short-term biological assets | 28,521,826 | 29,675,851 |
| Total current assets | 59,809,027 | 60,956,432 |
| Non-current assets | | |
| Property, plant and equipment | 56,847,662 | 56,390,084 |
| Inventories intended for construction | 1,130,775 | 795,314 |
| Goodwill | 1,826,258 | 1,826,258 |
| Advances paid for non-current assets | 14,617,642 | 13,841,743 |
| Long-term biological assets | 1,643,036 | 1,719,784 |
| Long-term investments and receivables | 17,618,254 | 17,594,030 |
| Investments in associates | 30,599 | 7,320 |
| Deferred income tax assets | 2,129,388 | 1,992,839 |
| Other intangible assets | 2,202,955 | 2,286,181 |
| Total non-current assets | 98,046,569 | 96,453,553 |
| Total assets | 157,855,596 | 157,409,985 |
| Liabilities and EQUITY | | |
| Current liabilities | | |
| Short-term borrowings | 7,694,756 | 8,863,525 |
| Trade and other payables | 6,681,583 | 6,773,069 |
| Current income tax payable | 98,699 | 63,727 |
| Other taxes payable | 3,492,180 | 4,072,364 |
| Total current liabilities | 17,967,218 | 19,772,685 |
| Non-current liabilities | | |
| Long-term borrowings | 39,970,992 | 37,787,777 |
| Government grants | 6,303,977 | 6,377,469 |
| Deferred income tax liability | 726,532 | 744,113 |
| Total non-current liabilities | 47,001,501 | 44,909,359 |
| Total liabilities | 64,968,719 | 64,682,044 |
| Equity | | |
| Share capital | 12,269 | 12,269 |
| Treasury shares | (491,978) | (491,978) |
| Additional paid-in capital | 26,964,480 | 26,964,480 |
| Other reserves | 1,308,188 | 1,308,188 |
| Retained earnings | 64,977,854 | 64,758,966 |
| Equity attributable to owners of ROS AGRO PLC | 92,770,813 | 92,551,925 |
| Non-controlling interest | 116,064 | 176,016 |
| Total equity | 92,886,877 | 92,727,941 |
| Total liabilities and equity | 157,855,596 | 157,409,985 |

Appendix 4. Consolidated statement of cash flows for the three months ended 31 March 2018

(in RR thousand) – NOT IFRS PRESENTATION (*)

| | Three months ended 31 March 2018 | Three months ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income tax | 232,690 | (320,361) |
| <i>Adjustments for:</i> | | |
| Depreciation and amortization | 1,912,444 | 1,726,929 |
| Interest expense | 825,352 | 859,204 |
| Government grants | (259,450) | (123,421) |
| Interest income | (941,962) | (1,134,058) |
| Loss/ (gain) on disposal of property, plant and equipment | 1,071 | 78,428 |
| Net (gain) / loss on revaluation of biological assets and agricultural produce | 358,724 | 1,968,309 |
| Change in provision for net realisable value of inventory | (5,240) | (9,364) |
| Share of results of associates | - | (3,407) |
| Change in provision for impairment of receivables and prepayments | 2,400 | 20,350 |
| Foreign exchange (gain) / loss, net | 27,603 | 2,013 |
| Net (gain) / loss from bonds held for trading | (31,359) | 7,842 |
| Settlement of loans and accounts receivable previously written-off | - | (39,902) |
| Change in provision for impairment of advances paid for property, plant and equipment | (2,611) | 3,525 |
| Loss on other investments | 9,136 | - |
| Other non-cash and non-operating expenses, net | (8,045) | 1,272 |
| Operating cash flow before working capital changes | 2,120,753 | 3,037,360 |
| Change in trade and other receivables and prepayments | 610,851 | 1,153,533 |
| Change in other taxes receivable | 937,444 | 2,134,381 |
| Change in inventories and biological assets | 1,058,593 | 2,205,346 |
| Change in trade and other payables | (18,811) | (649,227) |
| Change in other taxes payable | (701,228) | (611,793) |
| Cash generated from operations | 4,007,603 | 7,269,599 |
| Income tax paid | (93,464) | (156,476) |
| Net cash from operating activities | 3,914,140 | 7,113,123 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (2,636,808) | (2,875,175) |
| Purchases of other intangible assets | (4,691) | (40,446) |
| Proceeds from sales of property, plant and equipment | 4,993 | 15,576 |
| Purchases of inventories intended for construction | (461,957) | (25,601) |
| Purchases of associates | (23,279) | (0) |
| Investments in subsidiaries, net of cash acquired | 80 | 79,426 |
| Movement in restricted cash | (7,632) | (4,187) |
| Net cash from investing activities | (3,129,294) | (2,850,407) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 2,578,317 | 2,031,124 |
| Repayment of borrowings | (2,115,588) | (8,731,966) |
| Interest paid | (545,177) | (745,627) |
| Change in cash on bank deposits* | (2,777,613) | 12,404,999 |
| Loans given* | (1,402,520) | (7) |
| Loans repaid* | 2,500 | 343,302 |
| Interest received* | 130,686 | 877,661 |
| Proceeds from government grants | 27,352 | 358,154 |
| Purchases of non-controlling interest | (56,816) | (50,206) |
| Proceeds from sales of treasury shares | - | 6,664 |
| Lease payments | (8,611) | - |
| Other financial activities | - | (4,625) |
| Net cash from financing activities | (4,167,469) | 6,489,474 |
| Net effect of exchange rate changes on cash and cash equivalents | (1,277) | (96,560) |
| Net increase/ (decrease) in cash and cash equivalents | (3,383,900) | 10,655,630 |
| Cash and cash equivalents at the beginning of the period | 4,860,335 | 6,751,712 |
| Cash and cash equivalents at the end of the period | 1,476,435 | 17,407,342 |

(*) 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.