

ROS AGRO PLC trading update 12M and 4Q 2017

29 January 2018 – ROS AGRO PLC has announced preliminary operating results for 4Q and 12M.

12M 2017 highlights compared to 12M 2016:

- Total revenue before intersegment eliminations amounted to RR 89.0 billion, a decrease of RR 7.1 billion (-7%);
- Revenue of Sugar segment decreased by 19% to RR 30.3 billion due to sale price drop of 23%, which was partially compensated by sales volume growth (+4%);
- Meat segment showed upsurge in revenue of RR 20.5 billion (+15%) as the result of its strategy to grow sales of the cuts (+64%);
- Revenue of Oil & Fat and Agriculture business declined by 2% and 11% to RR 19.4 and 18.8 billion accordingly.

4Q 2017 highlights compared to 4Q 2016:

- Total revenue before intersegment eliminations amounted to RR 30.5 billion, a decrease of RR 6.7 billion (-18%);
- Due to drop in price of sugar and agriculture products, revenue of Sugar and Agriculture Business declined by 32% and 17%.

Key operational results by segment:

Item	12M 2017	12M 2016	Change, %	4Q 2017	4Q 2016	Change, %
Sugar Business						
Revenue, million RUB	30,276	37,240	-19%	9,284	13,634	-32%
Production volume, thousand tonnes	984	810	22%	637	572	11%
beet sugar	984	750	31%	637	572	11%
cane sugar	-	59	0%	-	-	0%
Sales volume, thousand tonnes	900	866	4%	316	334	-5%
Average sale price, rub/kg excl. VAT	30.6	39.4	-23%	25.9	35.4	-27%
Meat Business						
Revenue, million RUB	20,512	17,851	15%	5,321	5,359	-1%
Production volume, thousand tonnes						
livestock	206	194	6%	52	51	3%
compound feed	603	598	1%	149	159	-6%
Sales volume, thousand tonnes						
livestock	57	76	-24%	12	26	-56%
carcass	31	32	-3%	10	6	64%
cuts	69	42	64%	20	12	63%
other pork cutting products	13	6	102%	4	2	51%

Item	12M 2017	12M 2016	Change, %	4Q 2017	4Q 2016	Change, %
Average sale price, rub/kg excl. VAT						
livestock	94.9	91.7	4%	85.8	96.2	-11%
carcass	124.9	125.2	0%	114.9	127.7	-10%
cuts	151.3	149.2	1%	150.3	158.4	-5%
other pork cutting products	51.5	51.2	1%	55.4	53.9	3%

Oil and Fat Business

Revenue, million RUB	19,431	19,864	-2%	5,214	5,304	-2%
Sales volume, thousand tonnes						
mayonnaise	59	77	-24%	15	25	-40%
margarine	36	37	-3%	12	12	-2%
bottled oil	20	18	9%	9	5	67%
bulk oil	150	116	29%	31	26	18%
meal	253	200	27%	70	59	19%
Average sale price, rub/kg excl. VAT						
mayonnaise	80.5	76.7	5%	80.2	76.2	5%
margarine	78.1	75.6	3%	79.5	79.2	0%
bottled oil	58.8	71.9	-18%	57.3	65.3	-12%
bulk oil	42.2	53.0	-20%	42.6	48.3	-12%
meal	16.0	18.2	-13%	15.4	18.2	-16%

Agriculture Business

Revenue, million RUB	18,768	21,155	-11%	10,709	12,976	-17%
Sales volume, thousand tonnes						
barley	193	377	-49%	113	212	-47%
sugar beet	3,957	3,798	4%	2,472	2,889	-14%
wheat	710	413	72%	402	242	66%
sunflower	84	50	68%	35	17	105%
soybean	169	182	-7%	118	101	17%
corn	105	91	15%	30	41	-27%
other	10	7	33%	4	5	-25%
Average sale price, rub/kg excl. VAT						
barley	6.2	7.2	-14%	6.1	7.1	-15%
sugar beet	1.8	2.4	-26%	1.7	2.4	-28%
wheat	6.1	7.4	-18%	5.8	6.4	-9%
sunflower	17.1	21.7	-21%	19.1	18.1	6%
soybean	20.0	21.2	-6%	20.1	20.7	-3%
corn	7.9	8.1	-2%	6.4	7.6	-16%
other	5.2	9.4	-45%	6.2	11.1	-44%

Key operational results by segment – historical:

Item	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	12M 2016	12M 2017
Sugar Business										
Revenue, million RUB	5,877	9,342	8,386	13,634	7,410	7,192	6,392	9,284	37,240	30,276
Production volume, ths tonnes	-	65	173	572	122	15	211	637	810	984
Sales volume, ths tonnes	125	219	189	334	196	193	193	316	866	900

Item	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	12M 2016	12M 2017
Av. sugar price, rub/kg excl. VAT	44.0	41.1	41.7	35.4	33.4	34.4	31.4	25.9	39.4	30.6
Meat Business										
Revenue, million RUB	3,615	4,243	4,635	5,359	4,732	5,305	5,154	5,321	17,851	20,512
Sales volume, thousand tonnes										
livestock	16	18	16	26	21	14	11	12	76	57
processed pork	21	20	23	22	23	30	30	35	86	118
Average sale price, rub/kg excl. VAT										
livestock	82.4	88.2	97.5	96.2	93.9	102.1	97.4	85.8	91.7	94.9
processed pork	111.7	123.3	129.8	130.4	120.1	130.7	135.9	124.9	124.1	127.3
Oil and Fat Business										
Revenue, million RUB	5,748	5,901	2,912	5,304	4,368	5,253	4,596	5,214	19,864	19,431
Sales volume, thousand tonnes										
mayonnaise	14	19	20	25	16	15	13	15	77	59
margarine	10	7	8	12	9	7	8	12	37	36
bottled oil	5	5	4	5	5	3	4	9	18	20
bulk oil	39	47	4	26	24	54	41	31	116	150
meal	70	56	16	59	69	67	46	70	200	253
Average sale price, rub/kg excl. VAT										
mayonnaise	75.7	76.9	77.9	76.2	77.1	82.3	83.6	80.2	76.7	80.5
margarine	69.4	73.0	80.0	79.2	78.1	77.5	77.3	79.5	75.6	78.1
bottled oil	75.6	70.9	78.8	65.3	62.1	57.3	56.3	57.3	71.9	58.8
bulk oil	57.8	51.9	50.1	48.3	44.2	40.9	44.4	42.6	53.0	42.2
meal	18.8	17.0	20.6	18.2	16.2	16.5	15.6	15.4	18.2	16.0
Agriculture Business										
Revenue, million RUB	3,362	1,184	3,632	12,976	3,670	1,336	3,054	10,709	21,155	18,768
Sales volume, thousand tonnes										
barley	12	16	138	212	12	13	55	113	377	193
sugar beet	-	-	909	2,889	452	-	1,033	2,472	3,798	3,957
wheat	87	38	46	242	164	16	124	402	413	710
sunflower	33	-	-	17	18	31	-	35	50	84
soybean	56	21	3	101	31	15	5	118	182	169
corn	40	9	-	41	38	33	3	30	91	105
Average sale price, rub/kg excl. VAT										
barley	10.4	10.0	7.6	7.1	7.1	6.6	6.1	6.1	7.2	6.2
sugar beet	-	-	2.3	2.4	2.1	-	1.8	1.7	2.4	1.8
wheat	8.9	8.5	5.9	6.4	7.4	6.8	5.4	5.8	7.4	6.1
sunflower	23.6	-	-	18.1	16.7	15.1	-	19.1	21.7	17.1
soybean	22.4	20.5	20.0	20.7	19.9	18.9	20.5	20.1	21.2	20.0
corn	8.5	8.6	-	7.6	9.3	8.1	5.3	6.4	8.1	7.9

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