

23 April 2014, Moscow

## ROS AGRO financial results for the year 2013 and Q4 2013

**Moscow, 23 April 2014** – 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 year ended 31 December 2013.

### Year 2013 Highlights

- Sales amounted to RR 36,490 million (US\$ 1,144 million (\*)), an increase of RR 2,426 million compared to 2012;
- Adjusted EBITDA (\*\*) amounted to RR 6,784 million (US\$ 213 million), a decrease of RR 1,997 million compared to 2012;
- Adjusted EBITDA margin declined from 26% to 19%;
- Net profit for the period amounted to RR 3,202 million (US\$ 100 million);
- Net debt position (\*\*\*) as of 31 December 2013 was RR 14,576 million (US\$ 445 million);
- Net Debt/ Adjusted EBITDA (LTM) (\*\*\*\*) as of 31 December 2013 was 2.1x.

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

“2013 was a successful year for the ROS AGRO Group of Companies. Despite some difficulties experienced across all business areas, the Group produced results that were better than expected. The successful efforts of the Group's management and staff in implementing our strategy have laid the foundations for growth in 2014.

With reference to 2013, it is fitting for the company to split the year into two periods. The first six months of the year were difficult, due to negative impact from various external factors (such as the high cost of raw materials and low sugar and pork prices), and the Group demonstrated a loss and a slump in business performance. Over the second six months of the year, these factors ceased to exist and the company achieved very good results. Consequently, revenue for 2013 was up 7% to 36.5 billion rubles, net profit 3.2 billion rubles and EBITDA 6.8 billion rubles. For the first time in several years, the Group has demonstrated a positive free cash flow.”

### Key consolidated financial performance indicators

in RR million	Year ended			Three months ended		
	31 December 2013	31 December 2012	% change	31 December 2013	31 December 2012	% change
<b>Sales</b>	<b>36,490</b>	<b>34,064</b>	7%	<b>13,370</b>	<b>11,360</b>	18%
<b>Gross profit</b>	<b>8,858</b>	<b>10,682</b>	-17%	<b>3,053</b>	<b>1,132</b>	170%
<i>Gross margin, %</i>	24%	31%		23%	10%	
<b>Adjusted EBITDA</b>	<b>6,784</b>	<b>8,781</b>	-23%	<b>3,817</b>	<b>3,065</b>	25%
<i>Adjusted EBITDA margin, %</i>	19%	26%		29%	27%	
<b>Net profit for the period</b>	<b>3,202</b>	<b>4,305</b>	-26%	<b>1,325</b>	<b>(1,027)</b>	229%
<i>Net profit margin %</i>	9%	13%		10%	-9%	

## Key financial performance indicators by segments

in RR million	Year ended			Three months ended		
	31 December 2013	31 December 2012	% change	31 December 2013	31 December 2012	% change
<b>Sales, incl.</b>	<b>36,490</b>	<b>34,064</b>	7%	<b>13,370</b>	<b>11,360</b>	18%
<i>Sugar</i>	16,963	16,176	5%	5,067	5,116	-1%
<i>Meat</i>	7,421	5,627	32%	2,903	1,555	87%
<i>Agriculture</i>	8,529	8,834	-3%	5,566	5,692	-2%
<i>Oil</i>	8,920	9,203	-3%	3,768	2,636	43%
<i>Other</i>	117	230	-49%	19	56	-66%
<i>Eliminations</i>	(5,460)	(6,007)	9%	(3,953)	(3,694)	-7%
<b>Gross profit, incl.</b>	<b>8,858</b>	<b>10,682</b>	-17%	<b>3,053</b>	<b>1,132</b>	170%
<i>Sugar</i>	3,051	3,668	-17%	1,572	1,415	11%
<i>Meat</i>	1,167	1,041	12%	704	(541)	-230%
<i>Agriculture</i>	3,034	3,522	-14%	416	277	50%
<i>Oil</i>	2,352	2,939	-20%	1,123	615	83%
<i>Other</i>	117	230	-49%	19	56	-66%
<i>Eliminations</i>	(864)	(718)	-20%	(782)	(691)	-13%
<b>Adjusted EBITDA, incl.</b>	<b>6,784</b>	<b>8,781</b>	-23%	<b>3,817</b>	<b>3,065</b>	25%
<i>Sugar</i>	1,720	2,149	-20%	1,184	966	23%
<i>Meat</i>	1,726	2,128	-19%	829	329	152%
<i>Agriculture</i>	2,361	2,945	-20%	1,454	1,979	-27%
<i>Oil</i>	1,025	1,830	-44%	659	232	184%
<i>Other</i>	(398)	(233)	-71%	(136)	(74)	-84%
<i>Eliminations</i>	350	(38)	1010%	(174)	(367)	53%
<b>Adjusted EBITDA margin, %</b>	<b>19%</b>	<b>26%</b>		<b>29%</b>	<b>27%</b>	
<i>Sugar</i>	10%	13%		23%	19%	
<i>Meat</i>	23%	38%		29%	21%	
<i>Agriculture</i>	28%	33%		26%	35%	
<i>Oil</i>	11%	20%		17%	9%	

## Sugar Segment

The financial results of the sugar segment for the year 2013 and Q4 2013 compared to the year 2012 and Q4 2012 respectively are presented in the table below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2013	31 December 2012	Units	%	31 December 2013	31 December 2012	Units	%
Sales	16,963	16,176	787	5	5,067	5,116	(49)	(1)
Cost of sales	(14,087)	(12,561)	(1,526)	(12)	(3,546)	(3,710)	165	4
Gains less losses from trading sugar derivatives	175	53	122	231	51	10	41	414
<b>Gross profit</b>	<b>3,051</b>	<b>3,668</b>	<b>(617)</b>	<b>(17)</b>	<b>1,572</b>	<b>1,415</b>	<b>157</b>	<b>11</b>
<i>Gross profit margin</i>	<i>18%</i>	<i>23%</i>	<i>-5%</i>	<i>-</i>	<i>31%</i>	<i>28%</i>	<i>3%</i>	<i>-</i>
Distribution and selling expenses	(1,443)	(1,513)	69	5	(455)	(539)	84	16

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2013	31 December 2012	Units	%	31 December 2013	31 December 2012	Units	%
General and administrative expenses	(765)	(721)	(45)	(6)	(211)	(203)	(8)	(4)
Other operating expenses, net	(235)	(26)	(210)	(816)	(176)	(55)	(120)	(218)
<b>Operating profit</b>	<b>607</b>	<b>1,409</b>	<b>(802)</b>	<b>(57)</b>	<b>731</b>	<b>619</b>	<b>112</b>	<b>18</b>
<b>Adjusted EBITDA</b>	<b>1,720</b>	<b>2,149</b>	<b>(429)</b>	<b>(20)</b>	<b>1,184</b>	<b>966</b>	<b>218</b>	<b>23</b>
<i>Adjusted EBITDA margin</i>	<i>10%</i>	<i>13%</i>	<i>-3%</i>		<i>23%</i>	<i>19%</i>	<i>4%</i>	

Sales in the sugar segment increased as a result of sales volume increase and a slight increase in sale prices.

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

	Year ended		Variance		Three months ended		Variance	
	31 December 2013	31 December 2012	Units	%	31 December 2013	31 December 2012	Units	%
Sugar production volume (in thousand tonnes), incl.	610	604	7	1	352	344	8	2
beet sugar	502	547	(45)	(8)	352	344	8	2
cane sugar	109	57	52	92	-	-	-	-
Sales volume (in thousand tonnes)	653	624	29	5	186	196	(10)	(5)
Sale price (RR per kg, excl. VAT)	24.6	24.5	0.1	0	25.1	23.9	1.2	5

There was a lower sugar beet conversion ratio for the harvest of 2012 compared to the harvest of 2011 and an increase in production volumes of raw cane sugar, which had higher costs per unit than beet sugar. This resulted in an excessive growth in the cost of sales compared to sales growth and decreased profitability of the segment.

The closure of Rzhnevsky Sakharnik, one of the Group's sugar plants in the Belgorod region, and the resulting disposal of the related production assets and write-off of work in progress led to the loss in the amount of RR 236 million, which is included in *Other operating expenses, net*.

## Meat Segment

The financial results of the meat segment for the year 2013 and Q4 2013 compared to the year 2012 and Q4 2012 respectively are presented in the table below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2013	31 December 2012	Units	%	31 December 2013	31 December 2012	Units	%
Sales	7,421	5,627	1,795	32	2,903	1,555	1,349	87
Gain/ (loss) on revaluation of biological assets and agricultural produce	1,821	853	968	114	1,548	(551)	2,099	381
Cost of sales	(8,075)	(5,439)	(2,636)	(48)	(3,747)	(1,544)	(2,203)	(143)

in RR million	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
2013	2012	2013	2012					
<b>Gross profit</b>	<b>1,167</b>	<b>1,041</b>	<b>126</b>	<b>12</b>	<b>704</b>	<b>(541)</b>	<b>1,245</b>	<b>230</b>
<i>Gross profit margin</i>	16%	18%	-3%		24%	-35%	59%	
<i>Gross profit excl. effect of biological assets revaluation</i>	601	1,839	(1,238)	(67)	355	145	210	145
<i>Adjusted gross profit margin</i>	8%	33%	-25%		12%	9%	3%	
Distribution and selling expenses	(32)	(31)	(1)	(4)	(5)	(15)	10	67
General and administrative expenses	(357)	(322)	(35)	(11)	(91)	(80)	(10)	(13)
Other operating income, net	186	32	154	483	2	34	(31)	(93)
<b>Operating profit</b>	<b>964</b>	<b>720</b>	<b>244</b>	<b>34</b>	<b>611</b>	<b>(602)</b>	<b>1,213</b>	<b>202</b>
<b>Adjusted EBITDA</b>	<b>1,726</b>	<b>2,128</b>	<b>(402)</b>	<b>(19)</b>	<b>829</b>	<b>329</b>	<b>500</b>	<b>152</b>
<i>Adjusted EBITDA margin</i>	23%	38%	-15%		29%	21%	7%	

An increase in *Sales* by 32% was driven by opposite dynamics in prices and sales volumes of pork. Sales prices dropped by 15%. The sales volume of pork increased by 68% as a result of the launch of new pig breeding facilities in both the Belgorod and Tambov regions. The subsequent increase in internal consumption of fodder led to the termination of mixed fodder sales to third parties.

Sales volumes by product and the average sales prices per kilogram (excl. VAT) were as follows:

	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
2013	2012	2013	2012					
Sales volume (in thousand tonnes):								
pork	115	69	47	68	43	24	19	80
fodder	-	40	(40)	(100)	-	3	(3)	(100)
Sale prices (RR per kg, excl. VAT):								
pork	63.6	75.0	(11.4)	(15)	66.7	62.2	4.6	7
fodder	-	11.4	n/a	n/a	-	15.3	n/a	n/a

An increase in *Gain on revaluation of biological assets* (pigs) in the year 2013 compared to 2012 is explained by an increase in production volumes that is partly offset by a decrease in market prices for pork and an increase in cost of production. The growth in production costs was in turn driven by an increase in grain prices and by the launch of new pig breeding facilities that had not reached full capacity utilisation and therefore had higher costs per unit of production than established facilities.

*Other operating income, net* in 2013 included mainly Government grants provided for the support of pork producers in market conditions of increased feed costs, in the amount of RR 287 million, compared to RR 2 million in 2012. This income was partly offset by charitable donations and other social costs, which amounted to RR 141 million in 2013, compared to RR 53 million in 2012.

The breakdown of adjusted EBITDA between Belgorod Meat and Tambov Meat is as follows:

in RR million	Year ended 31 December 2013		Year ended 31 December 2012		Three months ended 31 December 2013		Three months ended 31 December 2012	
	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat
Sales to third parties and other segments	4,887	2,535	5,464	163	1,553	1,350	1,397	157
Adjusted EBITDA	1,727	(1)	2,278	(149)	722	107	387	(57)
<i>Adjusted EBITDA margin</i>	<i>35%</i>	<i>0%</i>	<i>42%</i>	<i>-</i>	<i>46%</i>	<i>8%</i>	<i>28%</i>	<i>-</i>

Negative dynamics in profitability and the *Adjusted EBITDA* figure for the meat segment in 2013 as a whole was driven by a decrease in sales prices, accompanied by an increase in feed costs. In the second half of 2013 the situation improved due to an increase in pork market prices and a lower cost of grain from the new harvest. As a result, Belgorodsky Bacon demonstrated 46% of its adjusted EBITDA margin in Q4 2013. By the end of 2013 Tambovsky Bacon had almost compensated for the loss of the first half of the year. A significant growth in sales of Tambovsky Bacon with nearly zero effect on the segment's adjusted EBITDA resulted in a decreased adjusted EBITDA margin for the meat segment as a whole: 23% in 2013, compared to 38% in 2012.

## Agricultural Segment

The segment's area of controlled land now stands at about 460 thousand hectares. The financial results of the agricultural segment for the year 2013 and Q4 2013 compared to the year 2012 and Q4 2012 respectively are presented below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31 December 2013	31 December 2012	Units	%	31 December 2013	31 December 2012	Units	%
Sales	8,529	8,834	(304)	(3)	5,566	5,692	(125)	(2)
Gain/ (loss) on revaluation of biological assets and agricultural produce	1,669	2,130	(462)	(22)	(437)	(753)	316	42
Cost of sales	(7,164)	(7,442)	278	4	(4,713)	(4,662)	(51)	(1)
<b>Gross profit</b>	<b>3,034</b>	<b>3,522</b>	<b>(488)</b>	<b>(14)</b>	<b>416</b>	<b>277</b>	<b>139</b>	<b>50</b>
<i>Gross profit margin</i>	<i>36%</i>	<i>40%</i>	<i>-4%</i>		<i>7%</i>	<i>5%</i>	<i>3%</i>	
<i>Gross profit excl. effect of biological assets and agricultural produce revaluation</i>	<i>3,160</i>	<i>3,340</i>	<i>(180)</i>	<i>(5)</i>	<i>1,912</i>	<i>2,225</i>	<i>(313)</i>	<i>(14)</i>
<i>Adjusted gross profit margin</i>	<i>37%</i>	<i>38%</i>	<i>-1%</i>		<i>34%</i>	<i>39%</i>	<i>-5%</i>	
Distribution and selling expenses	(1,193)	(799)	(393)	(49)	(866)	(646)	(220)	(34)
General and administrative expenses	(659)	(695)	36	5	(180)	(222)	42	19
Other operating income, net	11	162	(152)	(93)	38	167	(129)	(77)
<b>Operating profit/ (loss)</b>	<b>1,193</b>	<b>2,189</b>	<b>(997)</b>	<b>(46)</b>	<b>(593)</b>	<b>(425)</b>	<b>(168)</b>	<b>(40)</b>
<b>Adjusted EBITDA</b>	<b>2,361</b>	<b>2,945</b>	<b>(584)</b>	<b>(20)</b>	<b>1,454</b>	<b>1,979</b>	<b>(525)</b>	<b>(27)</b>
<i>Adjusted EBITDA margin</i>	<i>28%</i>	<i>33%</i>	<i>-6%</i>		<i>26%</i>	<i>35%</i>	<i>-9%</i>	

In 2013 *Sales* decreased by 3% as a result of a decrease in sale prices of grain and sunflower seeds and in the sales volume of sunflower seeds. This was partly offset by an increase in the sales volume of sugar beet and grains.

Sales volumes by product were as follows:

Thousand tonnes	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
	2013	2012			2013	2012		
sugar beet	2,935	2,640	296	11	2,164	1,876	288	15
grain	617	461	156	34	387	226	161	71
incl. sold to Meat segment	208	221	(13)	(6)	200	104	96	92
sunflower seeds	35	55	(20)	(37)	34	49	(15)	(31)
incl. sold to Oil segment	33	-	33	-	33	-	33	-

Sales volumes of grain include sales of wheat, barley, corn, peas and soya beans. All sugar beet is sold to the sugar segment.

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

RR per kilogram, excl. VAT	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
	2013	2012			2013	2012		
wheat	5.9	7.4	(1.5)	(20)	6.0	8.4	(2.4)	(29)
barley	6.2	6.3	(0.1)	(1)	5.1	7.2	(2.1)	(29)
sunflower seeds	9.8	15.7	(5.8)	(37)	9.8	16.2	(6.4)	(39)
peas	8.2	8.3	(0.1)	(1)	8.1	9.1	(1.0)	(11)
corn	4.0	7.2	(3.1)	(44)	4.0	7.6	(3.6)	(47)

Lower market prices, partly compensated by increased yield and resulted higher production volumes, led to a decrease in *Gain on revaluation of agricultural produce* in 2013 compared to 2012.

An increase in *Distribution and selling expenses* came from an increase in bad-debt provisions (RR 136 million in 2013 compared to RR 17 million in 2012) and an increase in transportation and loading services (RR 752 million in 2013, compared to RR 607 million in 2012). The increase in transportation and loading services is linked to higher production volumes, an increase in tariffs and changes in transportation schemes.

In 2012 *Other operating income, net* included RR 85 million of gain from the disposal of one non-core subsidiary engaged in the cultivation of dairy cattle livestock, compared to nil in 2013. Additionally a decrease in *Other operating income, net* in 2013 resulted from an increase in charitable donations and other social costs, which amounted to RR 207 million in 2013, compared to RR 151 million in 2012

## Oil segment

The financial results of the oil segment for the year 2013 and Q4 2013 compared to the year 2012 and Q4 2012 respectively are presented below:

in RR million	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
	2013	2012			2013	2012		
Sales	8,920	9,203	(284)	(3)	3,768	2,636	1,133	43

in RR million	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
	2013	2012			2013	2012		
Cost of sales	(6,567)	(6,265)	(303)	(5)	(2,645)	(2,021)	(624)	(31)
<b>Gross profit</b>	<b>2,352</b>	<b>2,939</b>	<b>(587)</b>	<b>(20)</b>	<b>1,123</b>	<b>615</b>	<b>509</b>	<b>83</b>
<i>Gross profit margin</i>	26%	32%	-6%		30%	23%	6%	
Distribution and selling expenses	(1,266)	(1,041)	(226)	(22)	(454)	(362)	(92)	(25)
General and administrative expenses	(375)	(339)	(36)	(10)	(101)	(90)	(11)	(12)
Other operating expenses, net	(21)	(119)	98	82	(1)	(106)	106	99
<b>Operating profit</b>	<b>689</b>	<b>1,440</b>	<b>(750)</b>	<b>(52)</b>	<b>567</b>	<b>56</b>	<b>511</b>	<b>907</b>
<b>Adjusted EBITDA</b>	<b>1,025</b>	<b>1,830</b>	<b>(805)</b>	<b>(44)</b>	<b>659</b>	<b>232</b>	<b>427</b>	<b>184</b>
<i>Adjusted EBITDA margin</i>	11%	20%	-8%		17%	9%	9%	

The breakdown of *Sales*, *Gross profit* and *Adjusted EBITDA* between the Samara oil plant and Ekaterinburg fat plant is as follows:

in RR million	Year ended 31 December 2013		Year ended 31 December 2012		Three months ended 31 December 2013		Three months ended 31 December 2012	
	Samara oil plant	Ekat. fat plant	Samara oil plant	Ekat. fat plant	Samara oil plant	Ekat. fat plant	Samara oil plant	Ekat. fat plant
	Sales to third parties and other segments	3,341	5,578	4,253	4,951	2,010	1,758	1,179
Internal sales	1,266	-	1,656	-	536	-	648	-
Gross profit	860	1,493	1,594	1,345	620	503	239	376
<i>Gross profit margin</i>	19%	27%	27%	27%	24%	29%	13%	26%
Adjusted EBITDA	623	402	1,084	746	573	86	59	173
<i>Adjusted EBITDA margin</i>	14%	7%	18%	15%	23%	5%	3%	12%

A decrease in consolidated sales of the oil segment comprised a significant decrease in third-party sales of raw oil and meal, which is nearly compensated for by an increase in sales of mayonnaise and margarine. The volume of raw oil and meal sales fell because of the smaller volumes of production that in turn were caused by the overall decrease in the market supply of sunflower seeds and related high prices of seeds in late 2012 and early 2013. The sales of mayonnaise and margarine increased due to both higher sales volumes and higher sale prices.

Sales volumes by product were as follows:

Thousand tonnes	Year ended		Variance		Three months ended		Variance	
	31	31	Units	%	31	31	Units	%
	December	December			December	December		
	2013	2012			2013	2012		
mayonnaise	57	55	2	4	16	15	0	2
margarine	41	36	5	14	14	13	2	14
raw oil, third-party sales	74	99	(26)	(26)	48	22	26	122
raw oil, internal sales	45	49	(4)	(9)	23	18	5	27
meal	121	136	(16)	(12)	71	39	32	82

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	
	31	31	Units	%	31	31	Units	%
	December 2013	December 2012			December 2013	December 2012		
mayonnaise	56.8	53.2	3.6	7	58.4	52.0	6.4	12
margarine	50.8	49.9	0.9	2	50.7	50.1	0.6	1
raw oil, third-party sales	31.5	34.0	(2.5)	(7)	30.6	37.0	(6.4)	(17)
meal	7.8	6.3	1.5	24	7.0	9.6	(2.7)	(28)

High prices for sunflower seeds from the harvest of 2012 and relatively high-prices of raw oil throughout 2013 led to a growth in cost of sales and a decrease in profitability both of the segment as a whole and of the Samara oil plant and Ekaterinburg fat plant in particular. In Q4 2013, after the new harvest, the situation changed, with the price of sunflower seeds and raw oil decreasing. As a result the profitability of the segment significantly recovered in Q4 2013.

*Distribution and selling expenses* increased mainly as the result of an increase in advertising (from RR 95 million in 2012 up to RR 366 million in 2013) linked to investments in marketing and advertising of the Mechta Khozyayki brand. The commencement of amortisation of the trademarks for Mechta Khozyayki was the main reason for the increase in depreciation included in *Distribution and selling expenses* (from RR 16 million in 2012 up to RR 74 million in 2013). These increases were partly offset by a decrease in transportation and loading services (RR 480 million in 2013 compared to RR 611 million in 2012) that mainly resulted from a decrease in the third-party sales volume of raw oil and meal.

In 2013 *Other operating expenses, net* included a loss from writing off a third-party loan in the amount of RR 93 million, gain from the settlement of accounts receivable previously written off in the amount of RR 50 million and RR 23 million of VAT refunded under the court decision. In 2012 *Other operating expenses, net* included RR 94 million of charitable donations and other social costs, compared to RR 4 million in 2013.

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

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

in RR million	Year ended		% change	Three months ended		% change
	31 December 2013	31 December 2012		31 December 2013	31 December 2012	
<b>Net cash from operating activities, incl.</b>	<b>4,780</b>	<b>4,050</b>	<b>18%</b>	<b>(901)</b>	<b>(1,183)</b>	<b>24%</b>
<i>Operating cash flow before working capital changes</i>	5,946	8,178	-27%	3,492	2,796	25%
<i>Working capital changes</i>	(1,042)	(3,506)	70%	(4,339)	(3,754)	-16%
<b>Net cash used in investing activities, incl.</b>	<b>(4,396)</b>	<b>(8,936)</b>	<b>51%</b>	<b>(1,985)</b>	<b>(2,682)</b>	<b>26%</b>
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(4,249)	(8,649)	51%	(1,736)	(2,462)	29%
<b>Net cash from financing activities</b>	<b>248</b>	<b>1,442</b>	<b>-83%</b>	<b>3,748</b>	<b>3,469</b>	<b>8%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>653</b>	<b>(3,438)</b>	<b>119%</b>	<b>869</b>	<b>(400)</b>	<b>318%</b>

(\*) See Appendix 4



The main investments in property, plant and equipment and inventories intended for construction in 2013 were made in the meat segment in the amount of RR 2,501 million (2012: RR 5,887 million) and were related to the finalisation of construction of the new pig-breeding complexes and the fodder plant in Tambov region and the beginning of construction of a slaughter house, also in Tambov region. Significant investments were also made in the agricultural segment in the amount of RR 716 million (2012: RR 1,363 million), representing purchases of machinery and equipment, and in the sugar division in the amount of RR 790 million (2012: RR 1,173 million), related to the modernisation of sugar plants.

## Debt position and liquidity management

in RR million	31 December 2013	31 December 2012	% change
<b>Gross debt</b>	<b>32,513</b>	<b>48,540</b>	-33%
<i>Short-term borrowings</i>	18,144	24,414	-26%
<i>Long-term borrowings</i>	14,369	24,126	-40%
<b>Net debt</b>	<b>14,576</b>	<b>17,257</b>	-16%
<i>Short-term borrowings, net</i>	904	(2,379)	138%
<i>Long-term borrowings, net</i>	13,672	19,636	-30%
<b>Adjusted EBITDA (LTM***)</b>	<b>6,784</b>	<b>8,781</b>	-23%
<b>Net debt/Adjusted EBITDA (LTM)</b>	<b>2.1</b>	<b>2.0</b>	

The Group maintained a healthy debt structure: 38% of net debt relates to amounts with more than three years' maturity.

## Net finance expense

in RR million	Year ended			Three months ended		
	31 December 2013	31 December 2012	% change	31 December 2013	31 December 2012	% change
<b>Net interest expense</b>	<b>(1,380)</b>	<b>(1,060)</b>	-30%	<b>73</b>	<b>(460)</b>	116%
<i>Gross interest expense</i>	(3,624)	(2,317)	-56%	(906)	(742)	-22%
<i>Reimbursement of interest expense</i>	2,244	1,257	79%	979	282	247%
<b>Interest income</b>	<b>2,023</b>	<b>1,254</b>	61%	<b>419</b>	<b>389</b>	8%
<b>Other financial expenses, net</b>	<b>(56)</b>	<b>(220)</b>	75%	<b>3</b>	<b>(115)</b>	103%
<b>Total net finance expense</b>	<b>587</b>	<b>(26)</b>	2358%	<b>495</b>	<b>(186)</b>	366%

In 2013 the Group continued to enjoy benefits from the state agriculture subsidies programme. RR 2,244 million of subsidies received covered 62% of gross interest expense.

(\*)The exchange rates used for translation of RR amounts into USD represent average Central Bank official exchange rate for the respective year for income, expenses and profits and year-end Central Bank official exchange rate for balance figures.

(\*\*) Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation, (ii) other operating income, net (other than reimbursement of operating costs (government grants)), (iii) the difference between gain on revaluation of biological assets and agricultural produce recognised during the period and the gain on initial recognition of agricultural produce attributable to realised agricultural produce together with revaluation of biological assets attributable to realised biological assets included in cost of sales for the period (iv) provision/(reversal of provision) for net realizable value, (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. You should not consider it 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.*

*(\*\*\*) The Group determines the net debt as short-term borrowings and long-term borrowings less cash and cash equivalents, bank deposits and bank promissory notes within short-term and long-term investments.*

*(\*\*\*\*) 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 six production sites from both sugar beets and raw cane sugar. We produce white cube sugar and white packaged sugar sold under the brands Chaikofsky, Russkii Sakhar, 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.

*Meat:*

Our pig breeding project was launched in 2006 and, according to the National Union of Pig Breeders, is currently the fifth largest pig breeding complex in Russia. 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 approximately 460 thousand hectares of land under our control located in the highly fertile Black Earth region of Russia, in the Belgorod, Tambov and Voronezh regions. 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:*

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 2013 financial results for investors and analysts.

*Details of call:*

Date	23 April 2013
Time	5:00 PM (Moscow) / 2:00 PM (London) / 9:00 AM (New-York) at the same day
Subject	ROS AGRO PLC 2013 Financial Results
UK Toll Free	0800-358-5236
UK Local Line	44-20-7190-1595
USA Toll Free	1-877-941-1469
USA Local Line	1-480-629-9678
Russia Toll Free	7-495-662-57-93
Conference ID	<b>4679880</b>

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**Appendix 1. Consolidated statement of comprehensive income for the year ended 31 December 2013 (in RR thousand)**

	<b>Year ended 31 December 2013</b>	<b>Year ended 31 December 2012</b>
Sales	36,489,827	34,063,917
Gain on revaluation of biological assets and agricultural produce	3,489,463	2,983,032
Cost of sales	(31,296,627)	(26,417,531)
Gains less losses from trading sugar derivatives	175,407	53,046
<b>Gross profit</b>	<b>8,858,070</b>	<b>10,682,464</b>
Distribution and selling expenses	(2,992,953)	(2,784,509)
General and administrative expenses	(2,623,918)	(2,489,669)
Share-based remuneration	(178,280)	(386,248)
Other operating (expenses) / income, net	(116,537)	12,420
<b>Operating profit</b>	<b>2,946,382</b>	<b>5,034,458</b>
Interest expense	(1,380,376)	(1,059,914)
Interest income	2,022,986	1,253,747
Other financial expenses, net	(56,272)	(219,941)
<b>Profit before income tax</b>	<b>3,532,720</b>	<b>5,008,350</b>
Income tax expense	(330,963)	(703,092)
<b>Profit for the year</b>	<b>3,201,757</b>	<b>4,305,258</b>
<b>Total comprehensive income for the year</b>	<b>3,201,757</b>	<b>4,305,258</b>
<b>Profit is attributable to:</b>		
Owners of ROS AGRO PLC	3,201,534	4,083,631
Non-controlling interest	223	221,627
<b>Profit for the year</b>	<b>3,201,757</b>	<b>4,305,258</b>
<b>Total comprehensive income is attributable to:</b>		
Owners of ROS AGRO PLC	3,201,534	4,083,631
Non-controlling interest	223	221,627
<b>Total comprehensive income for the year</b>	<b>3,201,757</b>	<b>4,305,258</b>
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	135.67	172.43

**Appendix 2. Segment information for the year ended 31 December 2013 (in RR thousand)**

<b>2013</b>	<b>Sugar</b>	<b>Meat</b>	<b>Other agriculture</b>	<b>Oil</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	16,962,740	7,421,338	8,529,185	8,919,552	117,486	(5,460,474)	36,489,827
Gain on revaluation of biological assets and agriculture produce	-	1,820,756	1,668,707	-	-	-	3,489,463
Cost of sales <i>incl. Depreciation</i>	(14,087,051) (799,937)	(8,074,897) (1,214,092)	(7,163,924) (680,016)	(6,567,290) (220,076)	-	4,596,535 (72,889)	(31,296,627) (2,987,010)
Gains less losses from trading sugar derivatives	175,407	-	-	-	-	-	175,407
<b>Gross profit</b>	<b>3,051,096</b>	<b>1,167,197</b>	<b>3,033,968</b>	<b>2,352,262</b>	<b>117,486</b>	<b>(863,939)</b>	<b>8,858,070</b>
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(2,208,689) (107,587)	(389,437) (13,165)	(1,852,068) (91,572)	(1,641,364) (94,316)	(532,865) (17,788)	1,007,552 40,577	(5,616,871) (283,851)
Share-based remuneration	-	-	-	-	(178,280)	-	(178,280)
Other operating income/(expenses), net <i>incl. Reimbursement of operating costs (government grants)</i>	(235,436) -	186,377 287,450	10,750 281,186	(21,443) -	2,883,643 -	(2,940,428) -	(116,537) 568,636
<b>Operating profit</b>	<b>606,971</b>	<b>964,137</b>	<b>1,192,650</b>	<b>689,455</b>	<b>2,289,984</b>	<b>(2,796,815)</b>	<b>2,946,382</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	907,524	1,227,256	771,588	314,392	17,788	32,313	3,270,861
Other operating (income) /expenses, net	235,436	(186,377)	(10,750)	21,443	(2,883,643)	2,940,428	116,537
Share-based remuneration	-	-	-	-	178,280	-	178,280
Reimbursement of operating costs (government grants)	-	287,450	281,186	-	-	-	568,636
Gain on revaluation of biological assets and agriculture produce	-	(1,820,756)	(1,668,707)	-	-	-	(3,489,463)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	1,773,091	-	-	173,585	1,946,676
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	1,254,131	22,063	-	-	-	1,276,194
Reversal of provision for net realisable value	(30,090)	-	-	-	-	-	(30,090)
<b>Adjusted EBITDA*</b>	<b>1,719,841</b>	<b>1,725,841</b>	<b>2,361,121</b>	<b>1,025,290</b>	<b>(397,591)</b>	<b>349,511</b>	<b>6,784,013</b>

\* Non-IFRS measure

**Appendix 2 (continued). Segment information for the year ended 31 December 2013 (in RR thousand)**

<b>2012</b>	<b>Sugar</b>	<b>Meat</b>	<b>Other agriculture</b>	<b>Oil</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
Sales	16,176,116	5,626,770	8,833,647	9,203,487	230,441	(6,006,544)	34,063,917
Gain on revaluation of biological assets and agriculture produce	-	852,736	2,130,296	-	-	-	2,983,032
Cost of sales <i>incl. Depreciation</i>	(12,561,030) (697,087)	(5,438,586) (654,985)	(7,442,180) (764,098)	(6,264,710) (229,100)	-	5,288,975 (54,874)	(26,417,531) (2,400,144)
Gains less losses from trading sugar derivatives	53,046	-	-	-	-	-	53,046
<b>Gross profit</b>	<b>3,668,132</b>	<b>1,040,920</b>	<b>3,521,763</b>	<b>2,938,777</b>	<b>230,441</b>	<b>(717,569)</b>	<b>10,682,464</b>
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(2,233,427) (73,948)	(353,056) (19,072)	(1,494,879) (69,006)	(1,380,194) (42,347)	(482,232) (18,994)	669,610 23,785	(5,274,178) (199,582)
Share-based remuneration	-	-	-	-	(386,248)	-	(386,248)
Other operating income/(expenses), net <i>incl. Reimbursement of operating costs (government grants)</i>	(25,692) -	31,987 1,641	162,311 267,838	(118,992) -	8,085,700 -	(8,122,894) -	12,420 269,479
<b>Operating profit</b>	<b>1,409,013</b>	<b>719,851</b>	<b>2,189,195</b>	<b>1,439,591</b>	<b>7,447,661</b>	<b>(8,170,853)</b>	<b>5,034,458</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	771,034	674,058	833,104	271,447	18,994	31,089	2,599,726
Other operating (income) /expenses, net	25,692	(31,987)	(162,311)	118,992	(8,085,700)	8,122,894	(12,420)
Share-based remuneration	-	-	-	-	386,248	-	386,248
Reimbursement of operating costs (government grants)	-	1,641	267,838	-	-	-	269,479
Gain on revaluation of biological assets and agriculture produce	-	(852,736)	(2,130,296)	-	-	-	(2,983,032)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	1,937,529	-	-	(21,538)	1,915,991
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	1,650,874	11,466	-	-	-	1,662,340
Provision/ (Reversal of provision) for net realisable value	(56,551)	(33,549)	(1,442)	-	-	-	(91,542)
<b>Adjusted EBITDA*</b>	<b>2,149,188</b>	<b>2,128,152</b>	<b>2,945,083</b>	<b>1,830,030</b>	<b>(232,797)</b>	<b>(38,408)</b>	<b>8,781,248</b>

\* Non-IFRS measure

**Appendix 3. Consolidated statement of financial position as at 31 December 2013 (in RR thousand)**

	<b>31 December 2013</b>	<b>31 December 2012</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,672,764	2,019,867
Short-term investments	15,266,561	25,532,275
Trade and other receivables	1,771,235	1,811,768
Prepayments	824,622	538,480
Current income tax receivable	45,433	128,881
Other taxes receivable	1,487,408	2,585,889
Inventories	13,865,425	13,441,518
Short-term biological assets	2,212,805	1,244,129
<b>Total current assets</b>	<b>38,146,253</b>	<b>47,302,807</b>
<b>Non-current assets</b>		
Property, plant and equipment	28,365,116	27,453,447
Inventories intended for construction	36,600	1,160,022
Goodwill	1,175,578	1,175,578
Advances paid for property, plant and equipment	2,334,610	1,199,625
Advances paid for intangible assets	2,580	246,010
Long-term biological assets	1,553,595	1,352,059
Long-term investments	870,815	4,721,083
Deferred income tax assets	353,674	237,838
Other intangible assets	289,058	56,553
Restricted cash	2,404	91,111
<b>Total non-current assets</b>	<b>34,984,030</b>	<b>37,693,326</b>
<b>Total assets</b>	<b>73,130,283</b>	<b>84,996,133</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	18,144,254	24,413,533
Trade and other payables	2,352,775	2,615,403
Current income tax payable	346,980	59,735
Other taxes payable	1,327,263	1,274,876
<b>Total current liabilities</b>	<b>22,171,272</b>	<b>28,363,547</b>
<b>Non-current liabilities</b>		
Long-term borrowings	14,368,799	24,126,365
Government grants	1,735,151	722,617
Deferred income tax liability	290,028	337,524
<b>Total non-current liabilities</b>	<b>16,393,978</b>	<b>25,186,506</b>
<b>Total liabilities</b>	<b>38,565,250</b>	<b>53,550,053</b>
<b>Equity</b>		
Share capital	9,734	9,734
Treasury shares	(461,847)	(461,847)
Share premium	10,557,573	10,557,573
Share-based payment reserve	1,236,775	1,058,495
Retained earnings	23,214,348	20,211,049
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>34,556,583</b>	<b>31,375,004</b>
Non-controlling interest	8,450	71,076
<b>Total equity</b>	<b>34,565,033</b>	<b>31,446,080</b>
<b>Total liabilities and equity</b>	<b>73,130,283</b>	<b>84,996,133</b>

**Appendix 4. Consolidated statement of cash flows for the year ended 31 December 2013 according to the Group's management accounts (in RR thousand) – NOT IFRS PRESENTATION**

	Year ended 31 December 2013	Year ended 31 December 2012
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>3,532,720</b>	<b>5,008,350</b>
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	3,270,861	2,599,726
Interest expense	3,623,968	2,316,806
Government grants	(2,918,386)	(1,655,486)
Interest income	(2,022,986)	(1,253,747)
Loss/(gain) on disposal of property, plant and equipment	169,518	(7,914)
Loss/(gain) on initial recognition of agricultural produce, net	237,660	(240,206)
Change in provision for net realisable value of inventory	(30,090)	(91,542)
Revaluation of biological assets, net	(504,253)	835,506
Change in provision for impairment of receivables and prepayments	126,144	107,931
Unrealised foreign exchange (gain)/loss	(37,534)	53,888
Share based remuneration	178,280	386,248
Write-off of work in progress	55,229	-
Lost harvest write-off	31,071	59,511
Change in provision for impairment of advances paid for property, plant and equipment	18,714	43,774
Loss on other investments	191,480	31,995
Loss on discounting of promissory notes and loans given	-	71,077
Gain on disposal of subsidiaries, net	-	(84,693)
Other non-cash and non-operating expenses, net	23,228	(3,000)
<b>Operating cash flow before working capital changes</b>	<b>5,945,624</b>	<b>8,178,224</b>
Change in trade and other receivables and prepayments	(779,457)	411,923
Change in other taxes receivable	1,117,390	(1,107,633)
Change in inventories	(406,568)	(2,724,161)
Change in biological assets	(605,257)	(1,522,626)
Change in trade and other payables	(265,517)	661,388
Change in other taxes payable	(102,899)	775,567
<b>Cash generated from operations</b>	<b>4,903,316</b>	<b>4,672,682</b>
Income tax paid	(123,602)	(622,347)
<b>Net cash from operating activities</b>	<b>4,779,714</b>	<b>4,050,335</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(4,232,694)	(7,432,546)
Purchases of other intangible assets	(96,904)	(284,838)
Proceeds from sales of property, plant and equipment	72,300	41,107
Purchases of inventories intended for construction	(16,335)	(1,216,554)
Loans given	(1,122,198)	(115,807)
Loans repaid	907,674	5,348
Movement in restricted cash	88,708	34,037
Dividends received	18	2,575
Proceeds from sales of other investments	3,289	30,729
Proceeds from sale of subsidiaries, net of cash disposed	-	(98)
<b>Net cash used in investing activities</b>	<b>(4,396,141)</b>	<b>(8,936,048)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	16,157,846	36,274,244
Repayment of borrowings	(31,891,024)	(19,692,676)
Interest paid	(4,127,094)	(2,862,323)
Proceeds from cash withdrawals from deposits*	32,345,354	11,882,985
Deposits placed with banks*	(18,346,112)	(26,498,409)
Purchases of promissory notes*	(2,900,000)	(2,900,000)
Proceeds from sales of promissory notes*	3,068,267	2,840,395
Interest received*	2,152,715	886,772
Purchases of non-controlling interest	(261,084)	(219,104)
Dividends paid	(107)	(106)
Proceeds from government grants	4,049,217	1,888,070
Purchases of treasury shares	-	(158,097)
<b>Net cash from financing activities</b>	<b>247,979</b>	<b>1,441,752</b>
Net effect of exchange rate changes on cash and cash equivalents	21,347	6,261
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>652,897</b>	<b>(3,437,700)</b>
Cash and cash equivalents at the beginning of the year	2,019,867	5,457,567
<b>Cash and cash equivalents at the end of the year</b>	<b>2,672,764</b>	<b>2,019,867</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.*