

30 August 2013, Moscow

## Ros Agro financial results for 1H 2013 and Q2 2013

**Moscow, 30 August 2013** – 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 six months ended 30 June 2013.

### 1H 2013 Highlights

- Sales amounted to RR 14,343 million rubles (US\$ 462 million), an increase of RR 283 million compared to 1H 2012;
- Adjusted EBITDA (\*) amounted to RR 1,580 million (US\$ 51 million), a decrease of RR 2,398 million compared to 1H 2012;
- Adjusted EBITDA margin amounted to 11%;
- Net loss for the period amounted to RR 283 million (US\$ 9 million);
- Net debt position (\*\*) as of 30 June 2013 was RR 15,170 million (US\$ 464 million);
- Net Debt/ EBITDA (LTM) (\*\*\*) as of 30 June 2013 was 2.4x.

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

“In the 2<sup>nd</sup> quarter Rusagro returned to profitability. Sugar, meat and oil divisions continued to show weak performance due to the lack/quality of raw material and weakness in prices. We expect these divisions to improve results in 3Q as the new agricultural season starts in Russia.”

### Key consolidated financial performance indicators

in RR million	Six months ended			Three months ended		
	30 June 2013	30 June 2012	% change	30 June 2013	30 June 2012	% change
<b>Sales</b>	<b>14,343</b>	<b>14,060</b>	2%	<b>7,926</b>	<b>7,758</b>	2%
<b>Gross profit</b>	<b>2,094</b>	<b>5,014</b>	-58%	<b>1,265</b>	<b>2,852</b>	-56%
<i>Gross margin, %</i>	<i>15%</i>	<i>36%</i>		<i>16%</i>	<i>37%</i>	
<b>Adjusted EBITDA</b>	<b>1,580</b>	<b>3,978</b>	-60%	<b>1,039</b>	<b>2,491</b>	-58%
<i>Adjusted EBITDA margin, %</i>	<i>11%</i>	<i>28%</i>		<i>13%</i>	<i>32%</i>	
<b>Net (loss)/profit for the period</b>	<b>(283)</b>	<b>1,917</b>	-115%	<b>295</b>	<b>1,360</b>	-78%
<i>Net profit margin %</i>	<i>-2%</i>	<i>14%</i>		<i>4%</i>	<i>18%</i>	

## Key financial performance indicators by segments

in RR million	Six months ended		% change	Three months ended		% change
	30 June 2013	30 June 2012		30 June 2013	30 June 2012	
<b>Sales, incl.</b>	<b>14,343</b>	<b>14,060</b>	2%	<b>7,926</b>	<b>7,758</b>	2%
<i>Sugar</i>	7,374	6,383	16%	4,596	3,565	29%
<i>Meat</i>	2,508	2,625	-4%	1,434	1,402	2%
<i>Agriculture</i>	1,201	1,071	12%	349	272	28%
<i>Oil</i>	3,536	4,359	-19%	1,585	2,536	-37%
<i>Other</i>	77	143	-46%	38	54	-30%
<i>Eliminations</i>	(352)	(522)	-33%	(76)	(71)	7%
<b>Gross profit, incl.</b>	<b>2,094</b>	<b>5,014</b>	-58%	<b>1,265</b>	<b>2,852</b>	-56%
<i>Sugar</i>	944	1,957	-52%	559	1,224	-54%
<i>Meat</i>	108	1,184	-91%	228	628	-64%
<i>Agriculture</i>	211	149	42%	56	(42)	-232%
<i>Oil</i>	829	1,527	-46%	385	900	-57%
<i>Other</i>	77	143	-46%	38	54	-30%
<i>Eliminations</i>	(75)	54	-238%	(0)	87	-100%
<b>Adjusted EBITDA, incl.</b>	<b>1,580</b>	<b>3,978</b>	-60%	<b>1,039</b>	<b>2,491</b>	-58%
<i>Sugar</i>	292	1,236	-76%	213	877	-76%
<i>Meat</i>	455	1,215	-63%	406	659	-38%
<i>Agriculture</i>	380	21	1696%	157	(111)	-241%
<i>Oil</i>	249	1,020	-76%	6	627	-99%
<i>Other</i>	(148)	(83)	77%	(42)	(38)	13%
<i>Eliminations</i>	352	570	-38%	299	477	-37%
<b>Adjusted EBITDA margin, %</b>	<b>11%</b>	<b>28%</b>		<b>13%</b>	<b>32%</b>	
<i>Sugar</i>	4%	19%		5%	25%	
<i>Meat</i>	18%	46%		28%	47%	
<i>Agriculture</i>	32%	2%		45%	-41%	
<i>Oil</i>	7%	23%		0%	25%	

## Sugar Segment

Financial results of the sugar segment for 1H 2013 and Q2 2013 compared to 1H 2012 and Q2 2012 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
Sales	7,374	6,383	991	16	4,596	3,565	1,031	29
Cost of sales	(6,552)	(4,470)	(2,082)	47	(4,070)	(2,384)	(1,686)	71
Gains less losses from trading sugar derivatives	123	44	79	181	32	44	(11)	(26)
<b>Gross profit</b>	<b>944</b>	<b>1,957</b>	<b>(1,012)</b>	<b>(52)</b>	<b>559</b>	<b>1,224</b>	<b>(666)</b>	<b>(54)</b>
<i>Gross profit margin</i>	<i>13%</i>	<i>31%</i>	<i>-18%</i>	<i>-</i>	<i>12%</i>	<i>34%</i>	<i>-22%</i>	<i>-</i>
Distribution and selling expenses	(617)	(593)	(24)	4	(351)	(322)	(29)	9
General and administrative expenses	(363)	(318)	(46)	14	(154)	(127)	(28)	22

Other operating (expenses)/ income, net	(61)	15	(77)	(501)	(65)	5	(71)	(1,295)
<b>Operating (loss)/profit</b>	<b>(97)</b>	<b>1,062</b>	<b>(1,159)</b>	<b>(109)</b>	<b>(11)</b>	<b>781</b>	<b>(793)</b>	<b>(101)</b>
<b>Adjusted EBITDA</b>	<b>292</b>	<b>1,236</b>	<b>(943)</b>	<b>(76)</b>	<b>213</b>	<b>877</b>	<b>(664)</b>	<b>(76)</b>
<i>Adjusted EBITDA margin</i>	<i>4%</i>	<i>19%</i>	<i>-15%</i>		<i>5%</i>	<i>25%</i>	<i>-20%</i>	

Sales in sugar segment increased as a result of sales volume increase which was partially offset by decrease in sales prices.

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

	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
Sugar production volume (in thousand tons) , incl.	142	112	31	28	109	49	60	121
beet sugar	34	62	(28)	(45)	-	-	-	-
cane sugar	108	49	59	120	108	49	59	120
Sales volume (in thousand tons)	291	245	45	19	179	133	46	34
Sale price (rubles per kg, excl. VAT)	24	25	(1)	(4)	24	26	(1)	(5)

Cost of sales increased by 47% due to the following main factors:

- increase in sales volume;
- increase in production volume of raw cane sugar that has higher costs per unit comparing to beet sugar;
- decreased sugar beet conversion ratio for the harvest of 2012 comparing to the harvest of 2011.

Exceeded growth in cost of sales in comparison with sales resulted in decreased profitability of the segment.

## Meat Segment

Financial results of meat segment for 1H 2013 and Q2 2013 compared to 1H 2012 and Q2 2012 respectively are presented in the table below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
Sales	2,508	2,625	(118)	(4)	1,434	1,402	32	2
(Loss)/gain on revaluation of biological assets	(58)	1,076	(1,134)	(105)	190	580	(390)	(67)
Cost of sales	(2,342)	(2,517)	176	(7)	(1,396)	(1,354)	(42)	3
<b>Gross profit</b>	<b>108</b>	<b>1,184</b>	<b>(1,076)</b>	<b>(91)</b>	<b>228</b>	<b>628</b>	<b>(400)</b>	<b>(64)</b>
<i>Gross profit margin</i>	<i>4%</i>	<i>45%</i>	<i>-41%</i>		<i>16%</i>	<i>45%</i>	<i>-29%</i>	
<i>Gross profit excl. effect of biological assets revaluation</i>	(21)	1,115	(1,136)	(102)	(38)	583	(621)	(106)

<i>Adjusted gross profit margin</i>	-1%	42%	-43%		-3%	42%	-44%	
Distribution and selling expenses	(15)	(10)	(6)	58	(5)	6	(11)	(182)
General and administrative expenses	(174)	(158)	(15)	10	(83)	(79)	(4)	5
Other operating income/(expenses), net	202	(59)	261	(440)	201	(80)	282	(351)
<b>Operating profit</b>	<b>120</b>	<b>956</b>	<b>(836)</b>	<b>(87)</b>	<b>341</b>	<b>475</b>	<b>(133)</b>	<b>(28)</b>
<b>Adjusted EBITDA</b>	<b>455</b>	<b>1,215</b>	<b>(760)</b>	<b>(63)</b>	<b>406</b>	<b>659</b>	<b>(253)</b>	<b>(38)</b>
<i>Adjusted EBITDA margin</i>	18%	46%	-28%		28%	47%	-19%	

Decrease in *Sales* by 4% was driven by opposing dynamics in prices and sales volumes of pork. Sales prices dropped by 25%. Sales volume of pork more than doubled as a result of launching new pig breeding facilities in both the Belgorod and Tambov regions. Resulted increase in internal consumption of the 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:

	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
Sales volume (in thousand tons):								
pork	44	29	15	52	24	15	9	60
fodder	-	26	(26)	(100)	-	14	(14)	(100)
Sale prices (rubles per kg, excl. VAT):								
pork	57	82	(25)	(31)	58	83	(24)	(29)
fodder	-	11	(11)	(100)	-	11	(11)	(100)

Minor *Loss on revaluation of biological assets* (pigs) in 1H 2013 compared to significant profit in 1H 2012 is explained by drop in pork market prices and increase in cost of production. This increase was in turn driven by an increase in grain prices and by the launch of new pig breeding facilities which had not reached full capacity utilization and therefore had higher costs per unit of production as compared to established facilities.

*Other operating income, net* in 1H 2013 mainly comprised of the government grants provided in Belgorod region for support of pork producers in market conditions of increased feed costs. The total government grants included in other operating income of the segment in 1H 2013 amounted to RR 248 million compared to RR 2 million in 1H 2012.

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

in RR million	Six months ended 30 June 2013		Six month ended 30 June 2012		Three months ended 30 June 2013		Three months ended 30 June 2012	
	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat
Sales to 3rd parties and other segments	2,014	494	2,624	1	1,155	279	1,401	1
Adjusted EBITDA	621	(167)	1,264	(49)	472	(66)	698	(38)
<i>Adjusted EBITDA margin</i>	31%	-34%	48%	-	41%	-24%	50%	-

Negative dynamics in profitability and *Adjusted EBITDA* figure for the meat segment was driven by a decrease in sales prices accompanied by an increase in feed costs. Increase in losses of Tambov Bacon, that started sales of consumable livestock only in Q4 2012, had an additional negative impact on the *Adjusted EBITDA* for the segment.

## Agricultural Segment

The area of controlled land of the segment now stands at 454 thousand hectares. Financial results of the agricultural segment for 1H 2013 and Q2 2013 compared to 1H 2012 and Q2 2012 respectively are presented below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
Sales	1,201	1,071	130	12	349	272	77	28
Cost of sales	(990)	(922)	(68)	7	(293)	(315)	21	(7)
<b>Gross profit/(loss)</b>	<b>211</b>	<b>149</b>	<b>62</b>	<b>42</b>	<b>56</b>	<b>(42)</b>	<b>98</b>	<b>(232)</b>
<i>Gross profit margin</i>	18%	14%	4%		16%	-16%	32%	
<i>Gross profit excl. effect of biological assets revaluation attributable to realized crops included in Cost of sales</i>	563	298	265	89	142	(33)	174	(533)
<i>Adjusted gross profit margin</i>	47%	28%	19%		41%	-12%	53%	
Distribution and selling expenses	(155)	(100)	(55)	54	(41)	10	(51)	(536)
General and administrative expenses	(290)	(322)	33	(10)	(128)	(167)	39	(23)
Other operating income/(expenses), net	48	(37)	85	(228)	51	(23)	74	(317)
<b>Operating loss</b>	<b>(185)</b>	<b>(311)</b>	<b>125</b>	<b>(40)</b>	<b>(64)</b>	<b>(224)</b>	<b>160</b>	<b>(72)</b>
<b>Adjusted EBITDA</b>	<b>380</b>	<b>21</b>	<b>359</b>	<b>1,696</b>	<b>157</b>	<b>(111)</b>	<b>269</b>	<b>(241)</b>
<i>Adjusted EBITDA margin</i>	32%	2%	30%		45%	-41%	86%	

Sales increased by 12% as the result of an increase in sales prices and grain sales volumes, partially offset by a decrease in the sales volume of sugar beet. Sales volumes by product were as follows:

thousand tons	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
sugar beet	76	163	(87)	(54)	-	-	-	-
grain	108	98	10	10	30	27	3	12
incl. sold to Meat segment	8	1	7	604	-	-	-	-
sunflower seeds	-	4	(4)	(100)	-	-	-	-
incl. sold to Meat segment	-	-	-	-	-	-	-	-

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	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
wheat	8.2	4.6	3.6	80	8.2	5.6	2.6	46
barley	7.4	4.7	2.7	57	7.3	4.7	2.6	54
sunflower seeds	14.7	9.0	5.7	63	-	-	-	-
peas	8.5	6.3	2.2	35	8.4	6.2	2.2	35
corn	2.4	4.8	(2.4)	(50)	2.4	4.6	(2.2)	(47)

## Oil segment

Financial results of the oil segment for 1H 2013 and Q2 2013 compared to 1H 2012 and Q2 2012 respectively are presented below:

in RR million	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
Sales	3,536	4,359	(824)	(19)	1,585	2,536	(951)	(37)
Cost of sales	(2,707)	(2,832)	125	(4)	(1,201)	(1,636)	435	(27)
<b>Gross profit</b>	<b>829</b>	<b>1,527</b>	<b>(699)</b>	<b>(46)</b>	<b>385</b>	<b>900</b>	<b>(516)</b>	<b>(57)</b>
<i>Gross profit margin</i>	<i>23%</i>	<i>35%</i>	<i>-12%</i>		<i>24%</i>	<i>35%</i>	<i>-11%</i>	
Distribution and selling expenses	(539)	(469)	(70)	15	(366)	(264)	(103)	39
General and administrative expenses	(189)	(174)	(15)	9	(89)	(79)	(10)	12
Other operating income/(expenses), net	76	(12)	88	(743)	41	(3)	44	(1,574)
<b>Operating profit/(loss)</b>	<b>177</b>	<b>873</b>	<b>(696)</b>	<b>(80)</b>	<b>(30)</b>	<b>555</b>	<b>(584)</b>	<b>(105)</b>
<b>Adjusted EBITDA</b>	<b>249</b>	<b>1,020</b>	<b>(771)</b>	<b>(76)</b>	<b>6</b>	<b>627</b>	<b>(622)</b>	<b>(99)</b>
<i>Adjusted EBITDA margin</i>	<i>7%</i>	<i>23%</i>	<i>-16%</i>		<i>0%</i>	<i>25%</i>	<i>-24%</i>	

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

in RR million	Six months ended 30 June 2013		Six month ended 30 June 2012		Three months ended 30 June 2013		Three months ended 30 June 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 3rd parties and other segments	1,087	2,449	2,072	2,287	283	1,303	1,362	1,174
Internal sales	642	-	752	-	307	-	428	-
Gross profit	196	633	874	653	42	342	566	334
<i>Gross profit margin</i>	<i>11%</i>	<i>26%</i>	<i>31%</i>	<i>29%</i>	<i>7%</i>	<i>26%</i>	<i>32%</i>	<i>28%</i>
Adjusted EBITDA	29	220	625	394	(90)	95	420	207
<i>Adjusted EBITDA margin</i>	<i>2%</i>	<i>9%</i>	<i>22%</i>	<i>17%</i>	<i>-15%</i>	<i>7%</i>	<i>23%</i>	<i>18%</i>

Consolidated sales of the segments decreased as a result of a significant decrease in 3<sup>rd</sup> parties sales volumes at the Samara oil plant. The volume of the 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 effect of raw oil sales decrease was partly offset by an increase in sales volumes at the Ekaterinburg fat plant and increase in sales prices of the segment.

Sales volumes by product were as follows:

thousand tons	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
mayonnaise	26	25	1	3	15	14	0	3
margarine	17	16	2	11	8	7	2	25
raw oil, 3rd parties sales	22	55	(34)	(61)	5	36	(30)	(85)
raw oil, internal sales	19	24	(5)	(19)	9	14	(4)	(32)
meal	39	71	(32)	(45)	11	39	(28)	(71)

The average sale prices per kilogram (excl. VAT) for sales to third parties were as follows:

RR per kilogram, excl. VAT	Six months ended		Variance		Three months ended		Variance	
	30 June 2013	30 June 2012	Units	%	30 June 2013	30 June 2012	Units	%
mayonnaise	55.9	54.0	2	3	56.1	54.0	2	4
margarine	50.5	49.8	1	1	51.1	50.2	1	2
raw oil, 3rd parties sales	33.8	32.4	1	4	33.5	33.1	0	1
meal	9.1	4.1	5	124	9.4	4.6	5	103

Cost of sales decreased insignificantly, but this change comprised of the two significant and opposed dynamics: a decrease as a result of the Samara oil plant's reduction in sales volumes and an increase as a result of sunflower seed prices increase.

The rise in sunflower seeds market prices together with a reduction of the share of raw oil used in production of mayonnaise and margarine and produced internally led to the decrease in the segment's profitability.

### Key consolidated cash flow indicators

in RR million	Six months ended		% change	Three months ended		% change
	30 June 2013	30 June 2012		30 June 2013	30 June 2012	
<b>Net cash from operating activities, incl.</b>	<b>3,472</b>	<b>3,256</b>	<b>7%</b>	<b>2,154</b>	<b>1,333</b>	<b>62%</b>
<i>Operating cash flow before working capital changes</i>	1,153	3,839	-70%	567	2,371	-76%
<i>Working capital changes</i>	2,483	(381)	-752%	1,648	(934)	-277%
<b>Net cash from/ (used) in investing activities, incl.</b>	<b>6,788</b>	<b>(2,951)</b>	<b>330%</b>	<b>4,533</b>	<b>(3,637)</b>	<b>225%</b>
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(1,693)	(3,601)	53%	(1,178)	(2,303)	49%
<i>Investments in financial assets related to financing activities(*)</i>	8,441	793	965%	5,741	(1,143)	602%
<b>Net cash (used in) / from financing activities</b>	<b>(10,341)</b>	<b>(4,436)</b>	<b>133%</b>	<b>(5,835)</b>	<b>1,806</b>	<b>-423%</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(65)</b>	<b>(4,115)</b>	<b>-98%</b>	<b>860</b>	<b>(475)</b>	<b>-281%</b>

(\*) See Appendix 4

The main investments in property, plant and equipment and inventories intended for construction in 1H 2013 were made in the meat segment in the amount of RR 775 million (1H 2012: RR 2,661 million) and were related to the construction of a new pig-breeding complex and a fodder plant in Tambov region. Significant investments were also made in the agricultural segment in the amount of RR 527 million (1H 2012: RR 557 million), representing purchases of machinery and equipment, and in the sugar division in the amount of RR 266 million (1H 2012: RR 339 million).

## Debt position and liquidity management

in RR million	30 June 2013	31 December 2012	% change
<b>Gross debt</b>	<b>38,920</b>	<b>48,540</b>	-20%
<i>Short term borrowings</i>	19,565	24,414	-20%
<i>Long term borrowings</i>	19,355	24,126	-20%
<b>Net debt</b>	<b>15,170</b>	<b>17,257</b>	-12%
<i>Short term borrowings, net</i>	(2,858)	(2,379)	20%
<i>Long term borrowings, net</i>	18,027	19,636	-8%
<b>Adjusted EBITDA (LTM***)</b>	<b>6,384</b>	<b>8,781</b>	-27%
<b>Net debt/Adjusted EBITDA (LTM)</b>	<b>2.4</b>	<b>2.0</b>	

The Group maintained a healthy debt structure; 58% of net debt relates to amounts with more than 3 years maturity.

## Net finance expense

in RR million	Six months ended			Three months ended		
	30 June 2013	30 June 2012	% change	30 June 2013	30 June 2012	% change
<b>Net interest expense</b>	<b>(1,140)</b>	<b>(530)</b>	115%	<b>(403)</b>	<b>(191)</b>	111%
<i>Gross interest expense</i>	(1,903)	(1,022)	86%	(915)	(499)	83%
<i>Reimbursement of interest expense</i>	763	492	55%	512	308	66%
<b>Interest income</b>	<b>1,160</b>	<b>533</b>	118%	<b>580</b>	<b>266</b>	118%
<b>Other financial expenses, net</b>	<b>(6)</b>	-	-	-	<b>133</b>	-100%
<b>Total net finance expense</b>	<b>14</b>	<b>3</b>	367%	<b>177</b>	<b>208</b>	-15%

In 1H 2013 the Group continued to enjoy benefits from the state agriculture subsidies program. RR 763 million of subsidies received had covered 40% of gross interest expense.

(\*) *Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation, (ii) other operating income, net (other than reimbursement of fuel and fertilizers and feed costs (government grants)), (iii) the difference between gain on revaluation of biological assets and agricultural produce recognized during the period and the gain on initial recognition of agricultural produce attributable to realized agricultural produce together with revaluation of biological assets attributable to realized 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 454 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 Q1 2013 financial results for investors and analysts.

*Details of call:*

Date	30 August 2013
Time	5:00 PM (Moscow) / 2:00 PM (London) / 9:00 AM (New-York) at the same day
Subject	ROS AGRO PLC 6M 2013 Financial Results
UK Toll Free	0800-358-5271
UK Local Line	44-20-7190-1595
USA Toll Free	1-877-941-6013
USA Local Line	1-480-629-9822
Russia Toll Free	7 (495) 580 9543
Conference ID	4636810

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**Appendix 1. Unaudited consolidated statement of comprehensive income for the six months ended 30 June 2013 (in RR thousand)**

	Six months ended 30 June:		Three months ended 30 June:	
	2013	2012	2013	2012
Sales	14,343,130	14,059,739	7,926,342	7,758,205
Gain on revaluation of biological assets and agriculture produce	(58,114)	1,075,972	189,901	579,683
Cost of sales	(12,313,854)	(10,165,445)	(6,883,565)	(5,529,965)
Gains less losses from trading sugar derivatives	122,839	43,754	32,294	43,597
<b>Gross profit</b>	<b>2,094,001</b>	<b>5,014,020</b>	<b>1,264,972</b>	<b>2,851,519</b>
Distribution and selling expenses	(1,272,763)	(1,122,783)	(763,387)	(569,316)
General and administrative expenses	(1,214,433)	(1,167,844)	(520,371)	(530,911)
Share-based remuneration	(125,773)	(258,391)	(63,234)	(129,195)
Other operating income/ (expenses), net	264,300	(103,948)	224,758	(99,494)
<b>Operating profit</b>	<b>(254,668)</b>	<b>2,361,054</b>	<b>142,738</b>	<b>1,522,603</b>
Interest expense	(1,140,934)	(529,926)	(403,171)	(191,600)
Interest income	1,160,340	533,405	579,851	265,859
Other financial (expenses)/ income, net	(6,336)	275	(95)	133,410
<b>(Loss)/ profit before taxation</b>	<b>(241,598)</b>	<b>2,364,808</b>	<b>319,323</b>	<b>1,730,272</b>
Income tax expense	(41,031)	(447,403)	(24,011)	(370,501)
<b>(Loss)/ profit for the period</b>	<b>(282,629)</b>	<b>1,917,405</b>	<b>295,312</b>	<b>1,359,771</b>
<b>Total comprehensive (loss)/ income for the period</b>	<b>(282,629)</b>	<b>1,917,405</b>	<b>295,312</b>	<b>1,359,771</b>
<b>(Loss)/ profit is attributable to:</b>				
Owners of ROS AGRO PLC	(282,686)	1,789,872	298,315	1,269,646
Non-controlling interest	57	127,533	(3,003)	90,125
<b>(Loss)/ profit for the period</b>	<b>(282,629)</b>	<b>1,917,405</b>	<b>295,312</b>	<b>1,359,771</b>
<b>Total comprehensive (loss)/ income is attributable to:</b>				
Owners of ROS AGRO PLC	(282,686)	1,789,872	298,315	1,269,646
Non-controlling interest	57	127,533	(3,003)	90,125
<b>Total comprehensive (loss)/ income for the period</b>	<b>(282,629)</b>	<b>1,917,405</b>	<b>295,312</b>	<b>1,359,771</b>
Earnings per ordinary share for (loss)/ profit attributable to the equity holders of ROS AGRO PLC, basic and diluted (in RR per share)	(11.98)	75.39	12.64	53.48

**Appendix 2. Unaudited segment information for the six months ended 30 June 2013 (in RR thousand)**

<b>Six months ended 30 June 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	7,373,742	2,507,609	1,201,269	3,535,521	76,608	(351,619)	14,343,130
Gain on revaluation of biological assets and agriculture produce	-	(58,114)	-	-	-	-	(58,114)
Cost of sales <i>incl. Depreciation</i>	(6,552,127) (304,881)	(2,341,898) (408,508)	(989,930) (97,505)	(2,706,800) (115,276)	(20) -	276,920 (18,400)	(12,313,854) (944,570)
Gains less losses from trading sugar derivatives	122,839	-	-	-	-	-	122,839
<b>Gross profit</b>	<b>944,454</b>	<b>107,598</b>	<b>211,339</b>	<b>828,722</b>	<b>76,588</b>	<b>(74,699)</b>	<b>2,094,000</b>
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(980,009) (52,836)	(189,115) (6,721)	(444,465) (17,724)	(727,578) (32,646)	(234,474) (10,269)	88,446 1,244	(2,487,196) (118,951)
Share-based remuneration	-	-	-	-	(125,773)	-	(125,773)
Other operating income/(expenses), net <i>incl. Reimbursement of fuel and fertilisers and feed costs (government grants)</i>	(61,359) -	201,608 248,456	47,760 146,305	75,846 -	998,255 -	(997,810) -	264,300 394,760
<b>Operating profit</b>	<b>(96,915)</b>	<b>120,090</b>	<b>(185,366)</b>	<b>176,989</b>	<b>714,596</b>	<b>(984,063)</b>	<b>(254,669)</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	357,717	415,228	115,229	147,921	10,269	17,156	1,063,521
Other operating (income) /expenses, net	61,359	(201,608)	(47,760)	(75,846)	(998,255)	997,810	(264,300)
Share-based remuneration	-	-	-	-	125,773	-	125,773
Reimbursement of fuel and fertilisers and feed costs (government grants)	-	248,456	146,305	-	-	-	394,760
Gain on revaluation of biological assets and agriculture produce	-	58,114	-	-	-	-	58,114
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	330,780	-	-	321,376	652,157
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	(186,672)	20,617	-	-	-	(166,055)
Provision/ (Reversal) for net realizable value costs	(30,090)	1,083	-	-	-	-	(29,006)
<b>Adjusted EBITDA*</b>	<b>292,072</b>	<b>454,693</b>	<b>379,804</b>	<b>249,065</b>	<b>(147,618)</b>	<b>352,280</b>	<b>1,580,296</b>

\* Non-IFRS measure

**Appendix 2 (continued). Unaudited segment information for the six months ended 30 June 2012 (in RR thousand)**

<b>Six months ended 30 June 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	6,383,109	2,625,321	1,071,036	4,359,350	142,803	(521,880)	14,059,739
Gain on revaluation of biological assets and agriculture produce	-	1,075,972	-	-	-	-	1,075,972
Cost of sales <i>incl. Depreciation</i>	(4,470,157) (241,570)	(2,517,429) (284,736)	(921,905) (106,722)	(2,831,905) (115,011)	-	575,952 (14,440)	(10,165,444) (762,480)
Gains less losses from trading sugar derivatives	43,754	-	-	-	-	-	43,754
<b>Gross profit</b>	<b>1,956,706</b>	<b>1,183,863</b>	<b>149,131</b>	<b>1,527,445</b>	<b>142,803</b>	<b>54,072</b>	<b>5,014,021</b>
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(910,297) (34,228)	(168,104) (8,891)	(422,604) (25,513)	(642,780) (20,102)	(231,077) (4,960)	84,236 -	(2,290,626) (93,695)
Share-based remuneration	-	-	-	-	(258,391)	-	(258,391)
Other operating income/(expenses), net <i>incl. Reimbursement of fuel and fertilisers and feed costs (government grants)</i>	15,315 -	(59,302) 1,641	(37,224) 13,814	(11,794) -	5,287 -	(16,230) -	(103,948) 15,455
<b>Operating profit</b>	<b>1,061,724</b>	<b>956,457</b>	<b>(310,697)</b>	<b>872,871</b>	<b>(341,378)</b>	<b>122,078</b>	<b>2,361,055</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	275,799	293,628	132,235	135,113	4,960	14,440	856,175
Other operating (income) /expenses, net	(15,315)	59,302	37,224	11,794	(5,287)	16,230	103,948
Share-based remuneration	-	-	-	-	258,391	-	258,391
Reimbursement of fuel and fertilisers and feed costs (government grants)	-	1,641	13,814	-	-	-	15,455
Gain/ (loss) on revaluation of biological assets and agriculture produce	-	(1,075,972)	-	-	-	-	(1,075,972)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	148,569	-	-	417,105	565,674
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	1,006,733	-	-	-	-	1,006,733
Provision/ (Reversal) for net realizable value costs	(86,641)	(26,846)	-	-	-	-	(113,487)
<b>Adjusted EBITDA*</b>	<b>1,235,567</b>	<b>1,214,944</b>	<b>21,144</b>	<b>1,019,778</b>	<b>(83,314)</b>	<b>569,854</b>	<b>3,977,973</b>

\* Non-IFRS measure

**Appendix 3. Unaudited consolidated statement of financial position as at 30 June 2013 (in RR thousand)**

	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,955,038	2,019,867
Short-term investments	21,424,982	25,532,275
Trade and other receivables	1,632,090	1,811,768
Prepayments	429,714	538,480
Current income tax receivable	157,473	128,881
Other taxes receivable	1,325,361	2,585,889
Inventories	7,279,713	13,441,518
Short-term biological assets	5,836,760	1,244,129
<b>Total current assets</b>	<b>40,041,131</b>	<b>47,302,807</b>
<b>Non-current assets</b>		
Property, plant and equipment	28,509,300	27,453,447
Inventories intended for construction	401,702	1,160,022
Goodwill	1,175,578	1,175,578
Advances paid for property, plant and equipment	1,053,094	1,199,625
Advances paid for intangible assets	155,145	246,010
Long-term biological assets	1,604,034	1,352,059
Long-term investments	1,562,425	4,721,083
Deferred income tax assets	193,650	237,838
Other intangible assets	130,977	56,553
Restricted cash	53,460	91,111
<b>Total non-current assets</b>	<b>34,839,366</b>	<b>37,693,326</b>
<b>Total assets</b>	<b>74,880,497</b>	<b>84,996,133</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	19,564,534	24,413,533
Trade and other payables	2,786,459	2,615,403
Current income tax payable	20,684	59,735
Other taxes payable	1,017,442	1,274,876
<b>Total current liabilities</b>	<b>23,389,118</b>	<b>28,363,547</b>
<b>Non-current liabilities</b>		
Long-term borrowings	19,355,148	24,126,365
Government grants	870,678	722,617
Deferred income tax liability	237,412	337,524
<b>Total non-current liabilities</b>	<b>20,463,239</b>	<b>25,186,506</b>
<b>Total liabilities</b>	<b>43,852,357</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	1,184,268	1,058,495
Retained earnings	19,729,852	20,211,049
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>31,019,581</b>	<b>31,375,004</b>
Non-controlling interest	8,559	71,076
<b>Total equity</b>	<b>31,028,140</b>	<b>31,446,080</b>
<b>Total liabilities and equity</b>	<b>74,880,497</b>	<b>84,996,133</b>

**Appendix 4. Unaudited consolidated statement of cash flows for the six months ended 30 June 2013 (in RR thousand)**

	Six months ended 30 June 2013	Six months ended 30 June 2012
<b>Cash flows from operating activities</b>		
(Loss)/ profit before taxation	(241,598)	2,364,808
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,063,521	856,175
Interest expense	1,903,463	1,022,176
Government grants	(1,207,686)	(554,060)
Interest income	(1,160,340)	(533,405)
Gain on initial recognition of agricultural produce, net	652,157	565,674
Change in provision for net realisable value of inventory	(29,006)	(113,487)
Revaluation of biological assets, net	(107,941)	(69,238)
Change in provision for impairment of receivables and prepayments	121,121	13,199
Unrealised foreign exchange (gain) / loss	(22,201)	(57,700)
Share based remuneration	125,773	258,391
Lost harvest write-off	13,798	30,212
Change in provision for impairment of advances paid for property, plant and equipment	18,806	37,262
Other non-cash and non-operating expenses, net	23,428	19,066
<b>Operating cash flow before working capital changes</b>	<b>1,153,295</b>	<b>3,839,073</b>
Change in trade and other receivables and prepayments	109,096	(81,423)
Change in other taxes receivable	1,260,529	(141,258)
Change in inventories	6,204,710	3,087,587
Change in biological assets	(4,753,757)	(4,167,814)
Change in trade and other payables	(80,035)	1,109,910
Change in other taxes payable	(257,434)	(188,048)
<b>Cash generated from operations</b>	<b>3,636,404</b>	<b>3,458,027</b>
Income tax paid	(164,599)	(201,727)
<b>Net cash from operating activities</b>	<b>3,471,804</b>	<b>3,256,300</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(1,671,141)	(2,883,064)
Purchases of other intangible assets	(7,023)	(3,705)
Proceeds from sales of property, plant and equipment	39,477	15,393
Purchases of inventories intended for construction	(22,240)	(718,238)
Change in promissory notes*	-	(292,236)
Change in cash on bank deposits*	7,467,954	718,532
Loans given	(37,500)	(113,923)
Loans repaid	5,906	3,894
Interest received*	973,279	366,627
Movement in restricted cash	39,527	(44,175)
<b>Net cash from/ (used in) investing activities</b>	<b>6,788,238</b>	<b>(2,950,894)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	4,161,443	11,306,418
Repayment of borrowings	(13,734,516)	(14,863,114)
Interest paid	(2,172,356)	(1,300,932)
Purchases of non-controlling interest	(11,084)	(182,617)
Dividends paid	(107)	-
Proceeds from government grants	1,415,939	604,047
<b>Net cash used in financing activities</b>	<b>(10,340,682)</b>	<b>(4,436,198)</b>
Net effect of exchange rate changes on cash and cash equivalents	15,810	16,148
<b>Net decrease in cash and cash equivalents</b>	<b>(64,830)</b>	<b>(4,114,644)</b>
Cash and cash equivalents at the beginning of the period	2,019,867	5,457,567
<b>Cash and cash equivalents at the end of the period</b>	<b>1,955,038</b>	<b>1,342,923</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.