



30 August 2012, Moscow

Ros Agro financial results 1st half of the year 2012

Moscow, August 30, 2012 – Today ROS AGRO PLC, Holding Company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations, has announced the financial results for the period ended 30 June 2012.

1st half of the year 2012 Highlights

- Sales amounted to 14,060 mln rubles (460 mln USD), a decrease of 4,783 mln rubles compared to 1st half of the year 2011;
- Adjusted EBITDA (*) amounted to 3,978 mln rubles (130 mln USD), an increase of 2,477 mln rubles compared to 1st half of the year 2011;
- Adjusted EBITDA margin achieved is 28 %;
- Net profit for the period of 1,917 mln rubles (63 mln USD), an increase of 1,989 mln rubles compared to 1st half of the year 2011;
- Net debt position (**) on 30 June 2012 of 12,809 mln rubles (390 mln USD);
- Net Debt/ Adjusted EBITDA (LTM) (***) on 30 June 2012 1.7x.

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

Looking at the 1st half of the year 2012 results we are pleased to highlight that they are better than 2011 results both in profit and profitability. The company has the best first half year EBITDA in its history.

Product price dynamics in the first half were positive. Our decision to accumulate sugar inventory in 2H 2011 for sale in 2012 proved to be right.

The EBITDA growth was driven mainly by the Oil division which has reached record results of 1,020 mln rubles. In the Meat division we continue to have high EBITDA margin of 46%. All our investment projects are progressing on time and in budget. Moreover we made a decision to increase our Tambov project by another 16 thousand tons and to build a slaughterhouse there. Despite the huge CAPEX program our net debt is well-balanced in terms of maturity and remains on the comfortable level for investors.

The accession to WTO will have diversified effect for the company – positive in Sugar due to increase protection of local market, neutral for Oil and Agricultural and possibly negative for Meat if veterinary ban for livestock import is removed. Furthermore the Company does not expect decrease in state support for the sector, though support may be redistributed among existing and new instruments.

The Group is looking to the future with optimism as we continue to believe that our strategy, management team and low-cost production assets will allow the Company to sustainably increase profits.

Consolidated Income statement, key indicators

in mln Roubles	Six months ended			Three months ended		
	30 June 2012	30 June 2011	% change	30 June 2012	30 June 2011	% change
Sales	14,060	18,843	-25%	7,758	12,783	-39%
Gross profit	5,014	2,933	71%	2,852	2,049	39%
<i>Gross margin, %</i>	36%	16%		37%	16%	
Adjusted EBITDA	3,978	1,501	165%	2,491	1,237	101%
<i>Adjusted EBITDA margin, %</i>	28%	8%		32%	10%	
Net profit for the period	1,917	(72)	2764%	1,360	(43)	3254%
<i>Net profit margin %</i>	14%	0%		18%	0%	

Key financial indicators as per divisions

in mln Roubles	Six months ended			Three months ended		
	30 June 2012	30 June 2011	% change	30 June 2012	30 June 2011	% change
Sales, incl.	14,060	18,843	-25%	7,758	12,783	-39%
<i>Sugar</i>	6,383	13,804	-54%	3,565	9,960	-64%
<i>Meat</i>	2,625	2,400	9%	1,402	1,295	8%
<i>Agriculture</i>	1,071	204	425%	272	129	111%
<i>Oil & Fats</i>	4,359	2,501	74%	2,536	1,450	75%
<i>Other</i>	143	137	4%	54	79	-32%
<i>Eliminations</i>	(522)	(203)	-157%	(71)	(130)	45%
Gross profit, incl.	5,014	2,933	71%	2,852	2,049	39%
<i>Sugar</i>	1,957	1,800	9%	1,224	1,360	-10%
<i>Meat</i>	1,184	730	62%	628	437	44%
<i>Agriculture</i>	149	57	164%	(42)	50	-186%
<i>Oil & Fats</i>	1,527	305	401%	900	192	369%
<i>Other</i>	143	137	4%	54	79	-32%
<i>Eliminations</i>	54	(95)	157%	87	(68)	228%
Adjusted EBITDA, incl.	3,978	1,501	165%	2,491	1,237	101%
<i>Sugar</i>	1,236	1,085	14%	877	852	3%
<i>Meat</i>	1,215	855	42%	659	501	32%
<i>Agriculture</i>	21	(258)	108%	(111)	(111)	0%
<i>Oil & Fats</i>	1,020	(81)	1358%	627	0	-
<i>Other</i>	(83)	(47)	-79%	(38)	40	-195%
<i>Eliminations</i>	570	(53)	1170%	477	(44)	1192%
Adjusted EBITDA margin, %	28%	8%		32%	10%	
<i>Sugar</i>	19%	8%		25%	9%	
<i>Meat</i>	46%	36%		47%	39%	
<i>Agriculture</i>	2%	-126%		-41%	-86%	
<i>Oil & Fats</i>	23%	-3%		25%	0%	

SUGAR DIVISION

During the reported period our sugar processing plants have produced 112 thousand tons of sugar (2Q 2012: 49 thousand tons of sugar), 79% less than in 1H 2011. Production volumes decreased due to record Russian beet sugar production in 2011 and lower cane import into Russia. By the same reason for 6M 2012 sales volume was 245 thousand tons (49% less than in 6M 2011) (2Q 2012: 133 thousand tons, 63% less than in 2Q 2011). Sales volume for 6M 2012 included only beet sugar, whereas 6M 2011 sales volume included 57 thousand tons of beet sugar and 425 thousand tons of cane sugar (2Q 2012: 133 thousand tons of beet sugar compared 362 thousand tons of cane sugar in 2Q 2011).

Sales of Sugar division during the reported period has decreased by 54% to 6,383 mln rubles (209 mln USD), average sale price was 24.95 rubles per kilogram excl. VAT (28.42 rubles per kilogram excl. VAT for 6M 2011) (2Q 2012: 25.63 rubles per kilogram compared 27.26 rubles per kilogram in 2Q 2011). While performing the B2C expansion strategy, the Group continued to increase the refined packed cube sugar market share.

General and administrative expenses in Sugar segment decreased by 13% from 363 million rubles in 6M 2011 to 318 million rubles in 6M 2012 primarily due to reduction in Bank services expenses by 45 million rubles. Distribution and selling expenses increased by 5%. Basically this increase is explained by growth in storage services expenses due to significant stock balance of white sugar and increasing in depreciation in connection with beginning operating of new warehouses in 6M 2012.

Division EBITDA was 1,236 mln rubles (40 mln USD), 14% more than in 6M 2011. Lack of cane sugar in sales structure in 6M 2012 resulted in favorable changes in Adjusted EBITDA margin amounted to 19% in 6M 2012 (8% in 6M 2011) primary due to lower cost of sales of beet sugar comparing to cost of sales of cane sugar.

MEAT DIVISION

During 6M 2012 Meat segment sales have increased by 9% to 2,625 mln rubles (86 mln USD) primarily due to increased pork price. The meat sales volume during the reported period was 28.8 thousand tons, which was 4% more than in comparable period of the previous year (2Q2012: 15.1 thousand tons, which was 7% more than in 2Q2011). At the same time mixed fodder sales volume has decreased by 21% to 26.0 thousand tons (2Q2012: decreased by 30% to 14.3 thousand tons). The average pork sale prices increased from 73.12 rubles per kilogram excl. VAT in 6M 2011 to 81.67 rubles per kilogram excl. VAT in 6M 2012 (2Q2012: increased from 74.68 rubles per kilogram excl. VAT in 2Q 2011 to 82.96 rubles per kilogram excl. VAT in 2Q 2012), average fodder sale prices decreased from 10.75 rubles per tons excl. VAT in 6M 2011 to 10.28 rubles per tons excl. VAT in 6M 2012 (2Q: decreased from 10.46 rubles per tons excl. VAT in 2Q 2011 to 10.23 rubles per tons excl. VAT in 2Q 2012).

Key production efficiency figures such as total mortality and culling pork, number of live pigs per farrowing sow were better than in 6M of the previous year.

EBITDA has increased by 42% to 1,215 mln rubles (40 mln USD) with EBITDA margin of 46% due to high pork price and production efficiency.

The Group's major capital expenditure projects in Tambov and Belgorod region are progressing in accordance with the plan.

AGRICULTURAL DIVISION

The Group increased the area of controlled land to 440.5 thousand hectares. Sales have increased by 425% to 1,071 mln rubles (35 mln USD). The sales volume of grains amounted to 97 thousand tons, sunflower seeds to 4 thousand tons, sugar beets to 163 thousand tons in the 1H 2012 (2Q2012: grains - 26 thousand tons). The average sale prices per tonne (excl. VAT) in 6M 2012 were as follows: 4.57 thousand rubles for wheat, 4.71 thousand rubles for barley, 9.04 thousand rubles for sunflower seeds, 6.25 thousand rubles for peas, 4.76 thousand rubles for corn (2Q2012: 5.63 thousand rubles for wheat, 4.74 thousand rubles for barley, 13.18 thousand rubles for sunflower seeds, 6.24 thousand rubles for peas, 4.55 thousand rubles for corn).

EBITDA has increased by 279 mln rubles from 258 mln rubles of loss for 6M 2011 to 21 mln rubles of profit for 6M 2012 (0.7 mln USD), with EBITDA margin of 2%.

OIL&FAT DIVISION

Division Sales increased by 74% to 4,359 mln rubles (143 mln USD), with average margarine sale price of 49.83 rubles per kilogram excl. VAT (+7%) for 6M 2012 (46.47 rubles per kilogram for 6M 2011) (2Q 2012: 50.22 rubles per kilogram; 2Q2011: 47.60 rubles per kilogram), mayonnaise sale price of 54.05 rubles per kilogram excl. VAT (+2%) for 6M 2012 (52.89 rubles per kilogram for 6M 2011) (2Q 2012: 54.01 rubles per kilogram; 2Q 2011: 53.62 rubles per kilogram) and selling raw oil prices 32.04 rubles per kilogram excl. VAT (-13%) for 6M 2012 (36.91 rubles per kilogram for 6M 2011) (2Q 2012: 32.68 rubles per kilogram; 2Q 2011: 36.90 rubles per kilogram).

The expansion of business through acquisition of oil extraction plant Samaraagroprompererabotka in March 2011 was the main reason for 19% increase in General and administrative expenses and 46% increase in Distribution and selling expenses.

Division EBITDA increased to 1,020 mln rubles (33 mln USD), comparing the negative result in the amount of 81 mln rubles in 6M 2011. Adjusted EBITDA margin in 6M 2012 amounted to 23%.

OTHER

Share-based remuneration to the CEO included in segment Other for the purpose of segment information amounted 258 mln rubles for 6M 2012 that is 28% lower compared to 6M 2011. The shares were provided to CEO before IPO by main shareholder and not by the Company, but according to IFRS this transaction has to be accounted as expense by the Company. The main reason for decrease is 86 mln rubles of expenses recognized in the statement of comprehensive income for 6M 2011 under the share-purchase agreement that provided for immediate transfer of shares to the CEO without any vesting conditions. So the difference between the fair value of the shares granted under this agreement and cash paid for them in the amount of 86 mln rubles was expensed immediately at the grant date. That was not the case in 6M 2012. The remaining decrease in share-based remuneration for 6M 2012 compared to 6M 2011 relates to the second share-purchase agreement under which the expenses are recognized according to graded vesting schedule that results in gradual decrease of the expenses recognized during the vesting period. For more details of the respective transactions and its accounting treatment please see the Group's audited consolidated financial statement for 2011 (note 24).

In 6M 2011 Other operating income of holding companies included 1,050 million rubles of intercompany dividends (6M 2012: nil) that is netted out of our consolidated results owing to inter-segment eliminations.

ELIMINATIONS

Increase in white sugar stocks at the end of 2011 compared to 2010 gave reason for significant unrealized gain as at 31 December 2011, aroused on sales of sugar beet from Agro segment to Sugar segment, and unrealized fair value revaluation of sugar beet produced in 2011. Sales of 245 thousand tons of beet sugar in 6M 2012 resulted in realization of major portion of this intercompany gain and lead to the positive effect of inter-segment elimination on Adjusted EBITDA figure in 6M 2012 in the amount of 570 mln rubles.

Consolidated Statement of cash flows – key indicators

in mln Roubles	Six months ended			Three months ended		
	30 June 2012	30 June 2011	% change	30 June 2012	30 June 2011	% change
Net cash from / (used in) operating activities, incl.	2,576	(2,498)	203%	965	(1,335)	172%
<i>Operating cash flow before working capital changes</i>	3,839	1,527	151%	2,371	1,327	79%
<i>Working capital changes</i>	(1,062)	(3,861)	73%	(1,301)	(2,505)	48%
Net cash used in investing activities, incl.	(2,270)	(17,676)	87%	(3,270)	(16,412)	80%
<i>Purchases of property, plant and equipment</i>	(2,921)	(6,159)	53%	(1,936)	(3,985)	51%
Net cash (used in) / from financing activities	(4,436)	17,920	-125%	1,806	18,543	-90%
Net decrease in cash and cash equivalents	(4,115)	(2,251)	-83%	(475)	796	-160%

Net cash from operating activities in 6M 2012 totaled 2,576 million rubles comparing to net cash used in operating activities in 6M 2011 of 2,498 million.

CAPEX investments in 6M 2012 totaled 2,921 million rubles, 53% lower than in the 6M 2011. The main investments in 6M 2012 were made in Meat division in the amount of 1,982 million rubles (2Q 2012: 1,256 million rubles) in connection with construction of new pig-breeding complex in Tambov region and expansion of pig-breeding facilities in Belgorod region. Significant investments were also made in Agricultural division in the amount of 557 million rubles (2Q 2012: 426 million rubles) and Sugar division 338 million rubles (2Q 2012: 226 million rubles).

Major investments in 6M 2011 were made in Agricultural division in the amount of 3,619 million rubles due to purchases of land and machinery and equipment. Investments in Meat division totaled 1,765 million rubles and 644 million rubles investments were made in Sugar division.

For the capital expenditure financing purposes the Group uses both its own resources and long-term loans (typically with maturities of seven years) with the partial rebates of the interest expenses incurred provided by the State.

Debt position and liquidity management

in mln Rubles	30 June 2012	31 December 2011	% change
Gross debt	28,380	31,972	-11%
Short term borrowings	11,341	17,129	-34%
Long term borrowings	17,039	14,843	15%
Net debt	12,809	11,877	8%
Short term borrowings, net	(3,371)	(2,563)	-32%
Long term borrowings, net	16,180	14,440	12%
Adjusted EBITDA (LTM)	7,631	5,154	48%
Net debt/ Adjusted EBITDA (LTM)	1.7	2.3	

Net finance expense:

in mln Roubles	Six months ended			Three months ended		
	30 June 2012	30 June 2011	% change	30 June 2012	30 June 2011	% change
Net interest expense	(530)	(317)	-67%	(192)	(149)	-28%
Gross interest expense	(1,022)	(875)	-17%	(499)	(464)	-8%
Reimbursement of interest expense	492	558	-12%	308	315	-2%
Interest income	533	298	79%	266	161	65%
Other financial income, net	-	24	-100%	133	49	173%
Total net finance income	3	5	-41%	208	60	244%

The Group Net Debt increased by 8% compared to the beginning of the year mainly due to bank borrowings attracted in Meat segment to finance the investment program. Leverage ratio with Net Debt / Adjusted EBITDA (LTM) was held at comfortable level about 1.7x in spite of huge CAPEX program 2011 and 2012.

Net debt is well balanced by maturity and demonstrates the stable financial position of the Group. Group Treasury aims to maintain low currency risk in deposit and credit portfolio thereby all our borrowings and basically all our bank deposits are nominated in Russian Rubles.

On 30 June 2012 the Group has kept committed credit lines available in the amount over 24 billion rubles. As an agricultural producer Rusagro benefits from government support in the form of government grants for repayment of interest paid. All gross debt excluding trade financing as at 30 June 2012 can be subsidized.

(*) Adjusted EBITDA is defined as operating profit before taking into account (i) depreciation, (ii) other operating income, net (other than reimbursement of fuel and fertilisers and feed costs (government grants)), (iii) the difference between gain on revaluation of biological assets and agriculture produce recognised in the year and the gain on initial recognition of agricultural produce attributable to realized agricultural produce for the year and revaluation of biological assets attributable to realised biological assets and included in cost of sales (iv) provision/(reversal) for net realisable value, (v) share-based remuneration. Adjusted EBITDA is not a measure of financial performance under IFRS. You should not consider it an alternative to profit for the year 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 of the Group 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”.

(****) SG&A – Distribution and Selling, General and administrative expenses.

Note:

ROS AGRO PLC (LSE: AGRO) – Holding Company of Rusagro Group, a leading Russian diversified food producer with vertically integrated operations in the following divisions:

Sugar:

We are a leading Russian sugar producer, producing sugar on seven production sites from both sugar beets and raw cane sugar. We produce white cube sugar and white packaged sugar branded under the brands Chaikofsky, Russkii Sakhara, Brauni. Our Sugar division is vertically integrated with the sugar beet cultivation in our Agriculture division, 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 the best practices regarding 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 440.5 thousand hectares of land currently 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 that we are a leading Russian sugar beet producer, producing also winter wheat and barley, sunflower products and soybeans. These products are partially consumed by the meat division, supporting and developing the synergic effect and lowering the price change risk.

Oil&Fat:

We are a leading producer of mayonnaise and consumer margarine in Russia, such as Provansal EZhK and Schedroe Leto. In addition, in March 2011, we acquired control of an oil extraction plant located in Samara, through which we expect to be able to control the source of 100% of the vegetable oil required by our oil and fats production plant.

Our sales in 2011 amounted to 39,715 mln. rubles (1,351 mln. USD), adjusted EBITDA amounted to 5,154 mln rubles, (175 mln USD), Net profit amounted to 2,420 mln rubles (82 mln USD). An average growth rate on Sales shows more than 30 % for the last four years and more than 25 % on Adjusted EBITDA.

Forward-looking statements

This announcement includes statements that are, or may be deemed to be forward-looking statements. These forward-looking statements can be identified, that they do not relate to the historical or current events, or relate 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 policy 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 organizes the presentation on conference call for investors and analytics

Details of call:

Date	30 August 2012
Time	4:00 PM (Moscow) / 1:00 PM (London) / 8:00 AM (New-York) at the same day
Subject	ROS AGRO PLC 2 nd Quarter
UK Toll Free	0800-358-5256
UK Local Line	44-20-7190-1596
USA Toll Free	1-877-941-1469
USA Local Line	1-480-629-9678
Russia Toll Free	810-8002-198-4011
Conference ID	4561588

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Appendix 1. Unaudited consolidated statement of comprehensive income for the six months ended 30 June 2012 (in thousand rubles)

	Six month ended 30 June:		Three month ended 30 June:	
	2012	2011	2012	2011
Sales	14,059,739	18,842,755	7,758,205	12,782,641
Gain on revaluation of biological assets and agriculture produce	1,075,972	717,936	579,683	465,411
Cost of sales	(10,165,445)	(17,085,368)	(5,529,965)	(11,623,314)
Gains less losses from trading sugar derivatives	43,754	457,633	43,597	424,571
Gross profit	5,014,020	2,932,956	2,851,519	2,049,309
Distribution and selling expenses	(1,122,783)	(981,201)	(569,316)	(622,560)
General and administrative expenses	(1,167,844)	(1,139,731)	(530,911)	(520,983)
Share-based remuneration	(258,391)	(359,719)	(129,195)	(228,526)
Other operating expenses, net	(103,948)	(14,985)	(99,494)	(10,285)
Operating profit/ (loss)	2,361,054	437,319	1,522,603	666,955
Interest expense	(529,926)	(316,790)	(191,600)	(149,201)
Interest income	533,405	297,782	265,859	160,734
Other financial income, net	275	23,878	133,410	48,900
Unrealised gains less losses from trading sugar derivatives	-	(508,253)	-	(747,099)
Profit/ (loss) before taxation	2,364,808	(66,063)	1,730,272	(19,711)
Income tax expense	(447,403)	(5,911)	(370,501)	(23,401)
Profit for the period	1,917,405	(71,974)	1,359,771	(43,112)
Total comprehensive income for the period	1,917,405	(71,974)	1,359,771	(43,112)
Profit/ (loss) is attributable to:				
Owners of ROS AGRO PLC	1,789,872	(43,109)	1,269,646	(18,165)
Non-controlling interest	127,533	(28,866)	90,125	(24,948)
Profit for the period	1,917,405	(71,974)	1,359,771	(43,113)
Total comprehensive income/ (loss) is attributable to:				
Owners of ROS AGRO PLC	1,789,872	(43,109)	1,269,646	(18,165)
Non-controlling interest	127,533	(28,866)	90,125	(24,948)
Total comprehensive income/ (loss) for the period	1,917,405	(71,975)	1,359,771	(43,113)
Earnings per ordinary share for profit / (loss) attributable to the equity holders of ROS AGRO PLC, basic and diluted (in RR per share)	75.39	(1.98)	53.48	(0.77)

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

Six months ended 30 June 2012	Sugar	Meat	Other agriculture	Oil	Other	Eliminations	Total
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
Gross profit	1,956,706	1,183,863	149,131	1,527,445	142,803	54,072	5,014,021
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
Operating profit/ (loss)	1,061,724	956,457	(310,697)	872,871	(341,378)	122,078	2,361,055
Adjustments:							
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 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	(86,641)	(26,846)	-	-	-	-	(113,487)
Adjusted EBITDA*	1,235,567	1,214,944	21,144	1,019,778	(83,314)	569,854	3,977,973

* Non-IFRS measure

Appendix 2 (continued). Unaudited segment information for the six months ended 30 June 2011 (in thousand rubles)

Six months ended 30 June 2011	Sugar	Meat	Other agriculture	Oil	Other	Eliminations	Total
Sales	13,804,056	2,400,268	204,137	2,500,566	136,961	(203,232)	18,842,755
Gain/ (loss) on revaluation of biological assets and agriculture produce	-	717,936	-	-	-	-	717,936
Cost of sales	(12,461,384)	(2,388,393)	(147,631)	(2,195,958)	-	107,999	(17,085,368)
<i>incl. Depreciation</i>	<i>(196,004)</i>	<i>(331,632)</i>	<i>(43,944)</i>	<i>(67,843)</i>	-	<i>(11,291)</i>	<i>(650,714)</i>
Gains less losses from trading sugar derivatives	457,633	-	-	-	-	-	457,633
Gross profit	1,800,304	729,811	56,506	304,607	136,961	(95,234)	2,932,955
General and administrative expenses, Distribution and selling expenses	(926,733)	(203,467)	(367,691)	(468,097)	(185,625)	30,681	(2,120,932)
<i>incl. depreciation</i>	<i>(15,474)</i>	<i>(3,027)</i>	<i>(10,656)</i>	<i>(14,557)</i>	<i>(2,028)</i>	-	<i>(45,742)</i>
Share-based remuneration	-	-	-	-	(359,719)	-	(359,719)
Other operating income, net	15,645	(456)	25,703	(4,687)	1,021,102	(1,072,291)	(14,985)
<i>incl. Reimbursement of fuel and fertilisers (government grants)</i>	<i>-</i>	<i>-</i>	<i>15,031</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>15,031</i>
Operating profit	889,216	525,888	(285,483)	(168,176)	612,718	(1,136,843)	437,319
Adjustments:							
Depreciation included in Operating Profit	211,478	334,659	54,600	82,400	2,028	11,291	696,456
Other operating income, net	(15,645)	456	(25,703)	4,687	(1,021,102)	1,072,291	14,985
Share-based remuneration	-	-	-	-	359,719	-	359,719
Reimbursement of fuel and fertilisers (government grants)	-	-	15,031	-	-	-	15,031
Gain/ (loss) on revaluation of biological assets and agriculture produce	-	(717,936)	-	-	-	-	(717,936)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	(16,052)	-	-	-	(16,052)
Revaluation of biological assets of previous years attributable to realised biological assets and included in cost of sales	-	711,583	-	-	-	-	711,583
Adjusted EBITDA	1,085,049	854,650	(257,606)	(81,089)	(46,636)	(53,261)	1,501,106

Appendix 3. Unaudited consolidated statement of financial positions as at 30 June 2012 (in thousand rubles)

	30 June 2012	31 December 2011
ASSETS		
Current assets		
Cash and cash equivalents	1,342,923	5,457,567
Restricted cash	11	29,618
Short-term investments	14,044,750	14,670,667
Trade and other receivables	1,923,036	2,315,475
Prepayments	962,106	507,009
Current income tax receivable	21,974	32,161
Other taxes receivable	1,621,697	1,480,439
Inventories	8,029,482	10,402,449
Short-term biological assets	4,946,729	1,145,562
Total current assets	32,892,707	36,040,947
Non-current assets		
Property, plant and equipment	24,023,026	21,537,127
Goodwill	1,175,578	1,175,578
Advances paid for property, plant and equipment	1,051,387	1,762,301
Long-term biological assets	1,293,746	880,048
Long-term investments	979,434	487,681
Deferred income tax assets	123,978	474,577
Other intangible assets	39,808	49,640
Restricted cash	175,985	101,432
Total non-current assets	28,862,942	26,468,384
Total assets	61,755,649	62,509,331
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	11,340,500	17,129,130
Trade and other payables	3,008,739	1,889,143
Current income tax payable	92,723	80,049
Other taxes payable	311,866	499,915
Total current liabilities	14,753,829	19,598,237
Non-current liabilities		
Long-term borrowings	17,039,063	14,842,960
Government grants	539,349	512,998
Deferred income tax liability	248,666	376,451
Other non-current liabilities	49,538	46,659
Total non-current liabilities	17,876,615	15,779,068
Total liabilities	32,630,444	35,377,305
Equity		
Share capital	9,734	9,734
Treasury shares	(303,750)	(303,750)
Share premium	10,557,573	10,557,573
Share-based payment reserve	930,638	672,247
Retained earnings	17,877,698	15,851,492
Equity attributable to owners of ROS AGRO PLC	29,071,893	26,787,296
Non-controlling interest	53,311	344,730
Total equity	29,125,204	27,132,026
Total liabilities and equity	61,755,649	62,509,331

Appendix 4. Unaudited consolidated statement of cash flows for the six months ended 30 June 2012 (in thousand rubles)

	Six months ended 30 June 2012	Six months ended 30 June 2011
Cash flows from operating activities		
Profit / (loss) before taxation	2,364,808	(66,063)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	856,175	696,456
Interest expense	1,022,176	874,601
Government grants	(554,060)	(619,748)
Interest income	(533,405)	(297,782)
Loss on disposal of property, plant and equipment	10,459	3,894
Unrealised losses from trading sugar derivatives	-	508,253
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	565,674	(16,052)
Change in provision for net realisable value of inventory	(113,487)	-
Revaluation of biological assets, net	(69,238)	(6,353)
Change in provision for impairment of receivables and prepayments	13,199	65,579
Unrealised foreign exchange gain	(57,700)	(42,756)
Write-off of trade and other receivables	-	20,503
Share based remuneration	258,391	359,719
Lost harvest write-off	30,212	13,974
Change in provision for impairment of advances paid for property, plant and equipment	37,262	38,259
Other non-cash and non-operating expenses, net	8,607	(5,120)
Operating cash flow before working capital changes	3,839,073	1,527,363
Change in trade and other receivables and prepayments	(81,423)	(1,674,265)
Change in other taxes receivable	(141,258)	(1,024,811)
Change in inventories	2,407,055	870,984
Change in biological assets	(4,167,814)	(3,442,448)
Change in trade and other payables	1,109,910	1,434,046
Change in other taxes payable	(188,048)	(24,954)
Cash generated from / (used in) operations	2,777,495	(2,334,084)
Income tax paid	(201,727)	(82,580)
Cash flow from trading sugar derivatives related to unrealised positions	-	(81,649)
Net cash from / (used in) operating activities	2,575,768	(2,498,314)
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,920,769)	(6,159,042)
Purchases of other intangible assets	(3,705)	(11,469)
Proceeds from sales of property, plant and equipment	15,393	15,917
Investments in subsidiaries, net of cash acquired	-	(2,418)
Change in promissory notes	(292,236)	(212,913)
Proceeds from sales of other investments	-	110
Change in cash on bank deposits	718,532	(9,705,222)
Loans given	(113,923)	(1,339,078)
Loans repaid	3,894	229,178
Interest received	366,627	242,151
Movement in restricted cash	(44,175)	(733,124)
Net cash used in investing activities	(2,270,362)	(17,675,910)
Cash flows from financing activities		
Proceeds from borrowings	11,306,418	18,054,452
Repayment of borrowings	(14,863,114)	(7,907,984)
Interest paid	(1,300,932)	(870,442)
Purchases of non-controlling interest	(182,617)	(104,983)
Proceeds from government grants	604,047	591,564
Proceeds from issue of own shares, net of transaction cost	-	8,173,831
Lease payments	-	(16,146)
Net cash (used in) / from financing activities	(4,436,198)	17,920,291
Net effect of exchange rate changes on cash and cash equivalents	16,148	2,807
Net decrease in cash and cash equivalents	(4,114,644)	(2,251,126)
Cash and cash equivalents at the beginning of the period	5,457,567	5,120,208
Cash and cash equivalents at the end of the period	1,342,923	2,869,082