

**ROS AGRO PLC**

**Investor presentation**

**1H 2016 and Q2 2016**



**26 August 2016**

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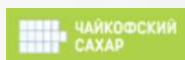
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# Section 1

## Summary Key Indicators (IFRS)

1H 2016 and Q2 2016 vs 1H 2015 and Q2 2015



# Net revenue, Adjusted EBITDA: Actual 1H 2016 vs Actual 1H 2015

## Comments

Net Revenue increased by RR 5,621 million (+17%):

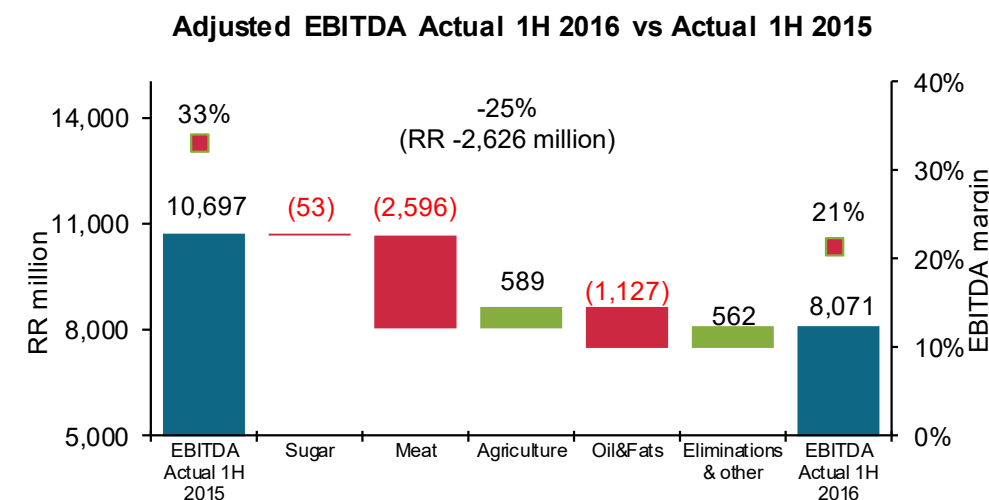
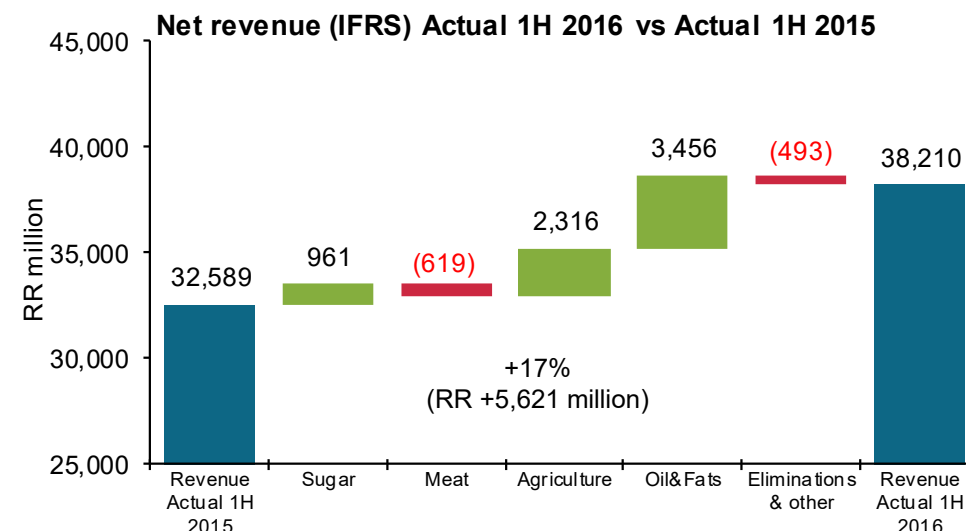
- Sugar sales increased by RR 961 million (+7%) thanks to sales price growth.
- Meat sales decreased by RR 619 million (-7%) mainly due to a decrease in sale price of livestock pigs and processed pork.
- Agriculture sales increased by RR 2,316 million (+104%) mainly as a result of an increase in sales volume of soy, corn and sunflower, which was partly offset by a decrease in sales volume of barley.
- Oil & Fats sales increased by RR 3,456 million (+42%) mainly as a result of an increase in sales volume of sunflower oil, soybean oil and soybean meal and higher sale prices of all main products of the segment (except for sunflower meal).

Adjusted EBITDA margin decreased from 33% in 1H 2015 to 21% in 1H 2016.

Adjusted EBITDA decreased by RR 2,626 million or 25%.

All divisions except for Agriculture division showed a decrease in Adjusted EBITDA.

For more details, refer to "Business overview by divisions" section



# Net revenue, Adjusted EBITDA: Actual Q2 2016 vs Actual Q2 2015

## Comments

Net Revenue increased by RR 2,006 million (+11%):

- Sugar sales decreased by RR 117 million (-1%) due to decrease in sales volumes, which was partly compensated by an increase in sales price.
- Meat sales decreased by RR 281 million (-6%) mainly due to a decrease in sales price of livestock pigs and processed pork.
- Agriculture sales increased by RR 528 million (+80%) mainly as a result of an increase in sales volume of soy and corn, which was partly offset by a decrease in sales volume of wheat and barley.
- Oil & Fats sales increased by RR 1,788 million (+43%) mainly as a result of an increase in sales volume of mayonnaise, sunflower oil and soybean oil and higher sale prices of all main products of the segment.

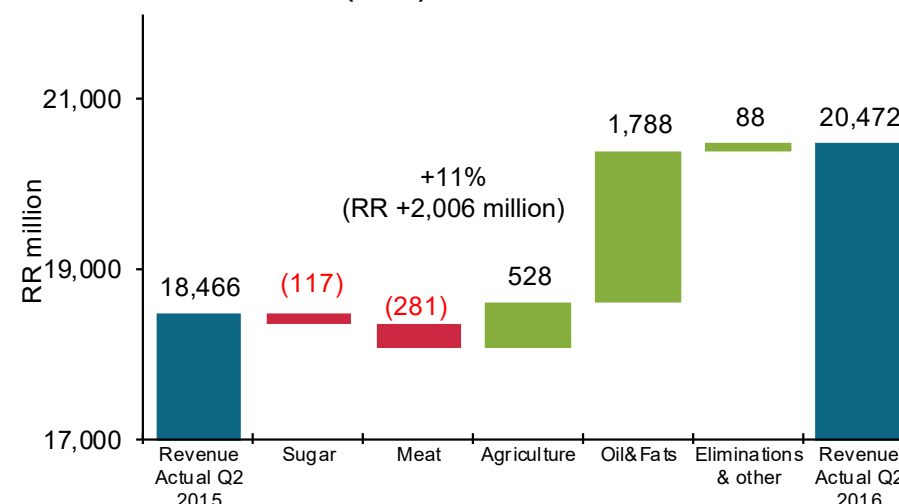
Adjusted EBITDA margin decreased from 30% in Q2 2015 to 16% in Q2 2016.

Adjusted EBITDA decreased by RR 2,390 million or 43%.

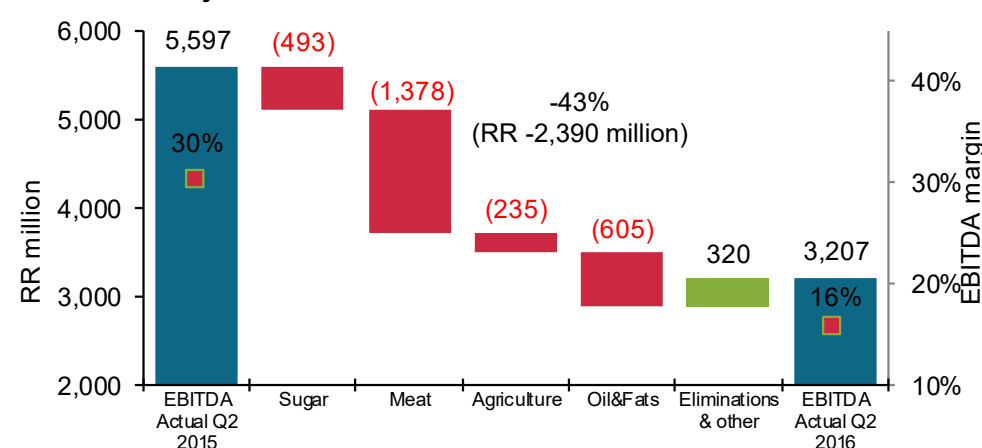
All divisions showed a decrease in Adjusted EBITDA.

For more details, refer to "Business overview by divisions" section

## Net revenue (IFRS) Actual Q2 2016 vs Actual Q2 2015



## Adjusted EBITDA Actual Q2 2016 vs Actual Q2 2015



# Debt profile (as of 30 June 2016)

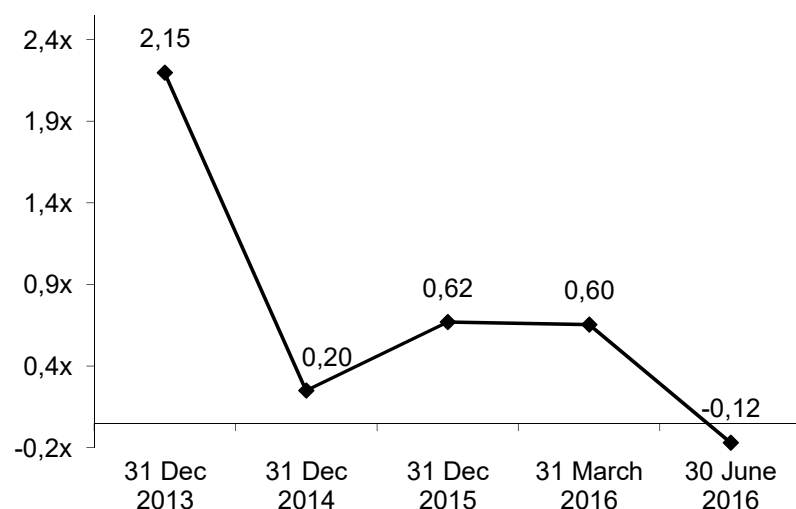
## Comments

- Gross debt decreased by RR 6,097 million (-12%) to RR 43,801 million
- Net debt decreased by RR 17,719 million to RR -2,573 million.
- 68% of total gross debt is subsidized.
- Major banks and their ratio in the Group's credit portfolio (excl. non-bank loans and state budget loans): Vnesheconombank (32%), Alfa bank (46%), Sberbank (19%). The shares are calculated taken into account the fair value adjustments made according to IFRS requirements for the purpose of financial statements.

Net finance income/ (expenses) RR -188 million:

- RR -868 million in net interest expense, incl. RR 889 million on the Vnesheconombank loan. RR 692 million of subsidies received in H1 2016 covered 26.6% of gross interest expense (1H 2015: 37,3%).
- RR +1,567 million in interest income, incl. RR 887 million on the Vnesheconombank deposit.
- RR -650 million in net gain from bonds held for trading: RR 13 million of loss in 1H 2016 vs. RR 637 million of gain in 1H 2015.
- RR - 208 million in net foreign exchange gain/ (loss). Forex losses in 1H 2016 relates to devaluation of foreign currency deposits and current bank accounts.

## Net debt / LTM EBITDA



## Debt position and liquidity management

in RR million	30 June 2016	31 December 2015	Variance	
			Units	%
<b>Gross debt</b>	<b>43,801</b>	<b>49,898</b>	<b>(6,097)</b>	<b>(12)</b>
Short-term borrowings	18,896	25,860	(6,964)	(27)
Long-term borrowings	24,905	24,038	868	4
<b>Net debt</b>	<b>(2,573)</b>	<b>15,147</b>	<b>(17,719)</b>	-
Short-term borrowings, net	(10,697)	5,823	(16,521)	-
Long-term borrowings, net	8,124	9,323	(1,199)	(13)
<b>Adjusted EBITDA (LTM)</b>	<b>21,797</b>	<b>24,423</b>	<b>(2,626)</b>	<b>(11)</b>
<b>Net debt/ Adjusted EBITDA (LTM)</b>	<b>(0.12)</b>	<b>0.62</b>	<b>(0.74)</b>	

## Net finance income/ (expense)

in RR million	1H 2016	1H 2015	Variance	
			Units	%
<b>Net interest expense</b>	<b>(1,902)</b>	<b>(1,034)</b>	<b>(868)</b>	<b>(84)</b>
Gross interest expense	(2,594)	(1,650)	(944)	(57)
Reimbursement of interest expense	692	616	76	12
<b>Interest income</b>	<b>2,033</b>	<b>466</b>	<b>1,567</b>	<b>336</b>
<b>Net gain / (loss) from bonds held for trading</b>	<b>(13)</b>	<b>637</b>	<b>(650)</b>	-
<b>Other financial income, net</b>	<b>(1,036)</b>	<b>(800)</b>	<b>(237)</b>	<b>(30)</b>
Net foreign exchange gain / (loss)	(1,021)	(813)	(208)	(26)
Other financial expenses, net	(16)	14	(29)	-
<b>Total net finance income</b>	<b>(919)</b>	<b>(730)</b>	<b>(188)</b>	<b>(26)</b>



# Cash Flows:

## Actual 1H 2016 vs Actual 1H 2015



### Comments

In 1H 2016 cash and cash equivalents increased by RR 6,064 million from RR 4,402 million to RR 10,466 million.

Main variances in cash flow statement line items between 1H 2016 and 1H 2015:

Net cash from operating activities:

- RR -2,405 million decrease in operating cash flow before working capital changes mainly due to decrease in operating profit;
- RR -3,063 million change in trade and other payables. There was RR 2,976 million of an increase of trade payables in Sugar segment in 1H 2015, incl. payables for raw cane sugar (RR 2,011 million) and advances received from Gosrezerv (RR 584 million). This was not the case in 1H 2016;
- RR +1,261 million change in biological assets.

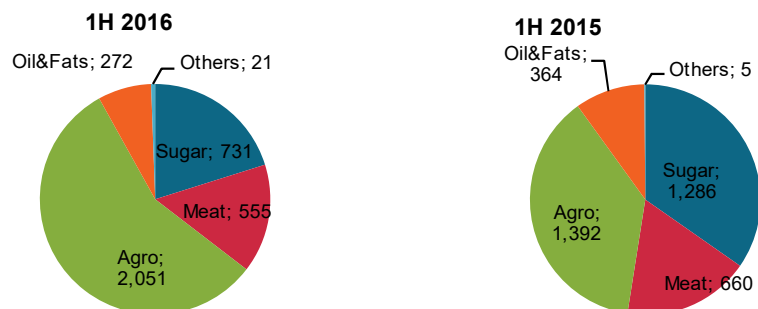
Net cash from investing activities:

- RR -8,693 million investments in subsidiaries (paid for share capital of sugar plant's, Agro and other company's);
- RR + 138 million movement in restricted cash in Sugar.

Net cash from financing activities:

- RR -10,952 million net changes in borrowings, due to repayment of borrowing in Sugar, Agriculture and Meat;
- RR +15,920 million investment in financial assets, due to repayment in 1H 2016 of loans given to Razguliya Group, and change in cash on bank deposits.
- RR +16,301 million proceeds from issue of own shares due to SPO in 1H 2016;
- RR -2,389 million of an increase in dividends paid to owners of Ros Agro PLC in 1H 2016 vs. 1H 2015.

CAPEX\* 1H 2016 vs 1H 2015, RR million



(\*) CAPEX figures include cash outflows for purchases of property, plant and equipment and inventories intended for construction.

### Cash Flows according to Management view (Not IFRS presentation)\*\*

	Actual 1H 2016	Actual 1H 2015	Variances	
			Units	%
<b>Cash flows from operating activities</b>				
Profit before income tax	2,105	7,954	(5,849)	(74)
Adjustments for non-cash and non-operating (income)/expenses, net	5,723	2,279	3,443	151
<b>Operating cash flow before working capital changes</b>	<b>7,828</b>	<b>10,233</b>	<b>(2,405)</b>	<b>(24)</b>
Change in trade and other receivables and prepayments	1,036	(1,088)	2,124	-
Change in other taxes receivable	(1,040)	(981)	(59)	(6)
Change in inventories	5,237	4,768	469	10
Change in biological assets	(5,240)	(6,501)	1,261	19
Change in trade and other payables	854	3,917	(3,063)	(78)
Change in other taxes payable	406	626	(220)	(35)
<b>Cash generated from operations</b>	<b>9,081</b>	<b>10,975</b>	<b>(1,894)</b>	<b>(17)</b>
Income tax paid	(594)	(1,213)	619	51
<b>Net cash from operating activities</b>	<b>8,487</b>	<b>9,762</b>	<b>(1,275)</b>	<b>(13)</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment and inventories intended for construction	(3,631)	(3,707)	76	2
Investments in subsidiaries, net of cash acquired	(8,688)	5	(8,693)	-
Movement in restricted cash	63	(75)	138	-
Purchases of other intangible assets	(115)	(59)	(56)	(94)
Other investing activities	48	11	36	318
<b>Net cash from investing activities</b>	<b>(12,324)</b>	<b>(3,825)</b>	<b>(8,498)</b>	<b>(222)</b>
<b>Cash flows from financing activities</b>				
Net cash flow s on borrowings, incl. interest paid	(9,693)	1,259	(10,952)	-
Net cash flow s on financial assets related to financial activities, incl. interest received*	6,845	(9,075)	15,920	-
Proceeds from government grants	1,546	926	621	67
Purchases of non-controlling interest	-	(4)	4.11	-
Proceeds from issue of own shares, net of transaction cost	16,301	-	16,301	-
Dividends paid to owners Ros Agro PLC	(5,149)	(2,760)	(2,389)	-
Other financial activities	15	(11)	25	-
<b>Net cash from financing activities</b>	<b>9,865</b>	<b>(9,666)</b>	<b>19,530</b>	<b>-</b>
Net effect of exchange rate changes on cash and cash equivalents	37	(1,269)	1,306	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>6,064</b>	<b>(4,998)</b>	<b>11,062</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	4,402	10,316	(5,915)	(57)
<b>Cash and cash equivalents at the end of the period</b>	<b>10,466</b>	<b>5,318</b>	<b>5,148</b>	<b>97</b>

(\*\*) For the purpose of conformity with the methodology of the Group's net debt calculation, cash flows on financial assets related to financial activities (bank deposits, bonds, promissory notes, loans given) are reclassified to Cash flows from financing activities in the Group's management accounts.

## Section 2

### Business Overview by division (IFRS)

1H 2016 and Q2 2016 vs 1H 2015 and Q2 2015





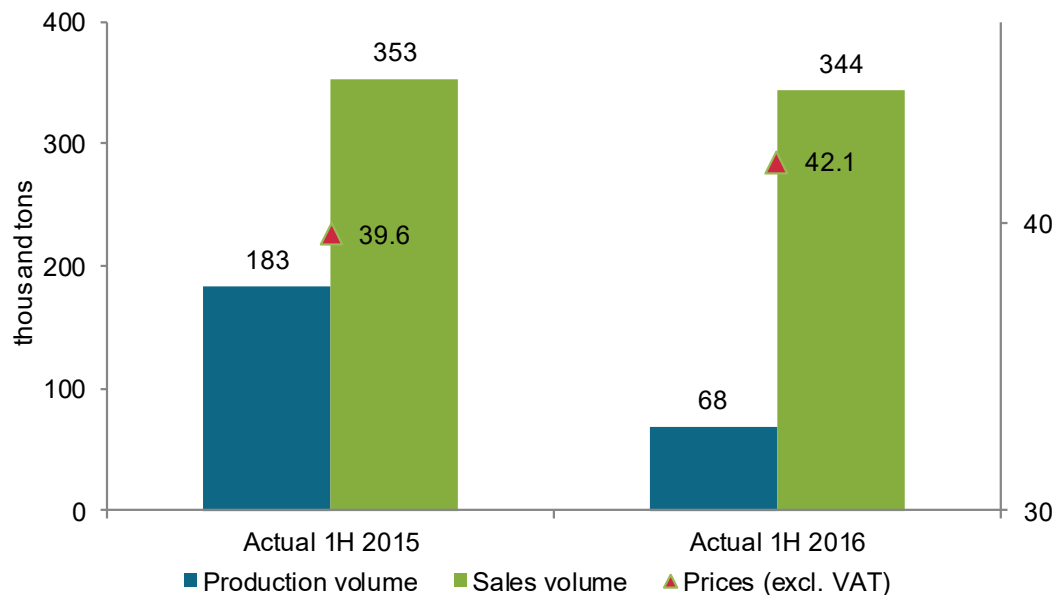
### Comments

Sales (RR +961 million, +7%):

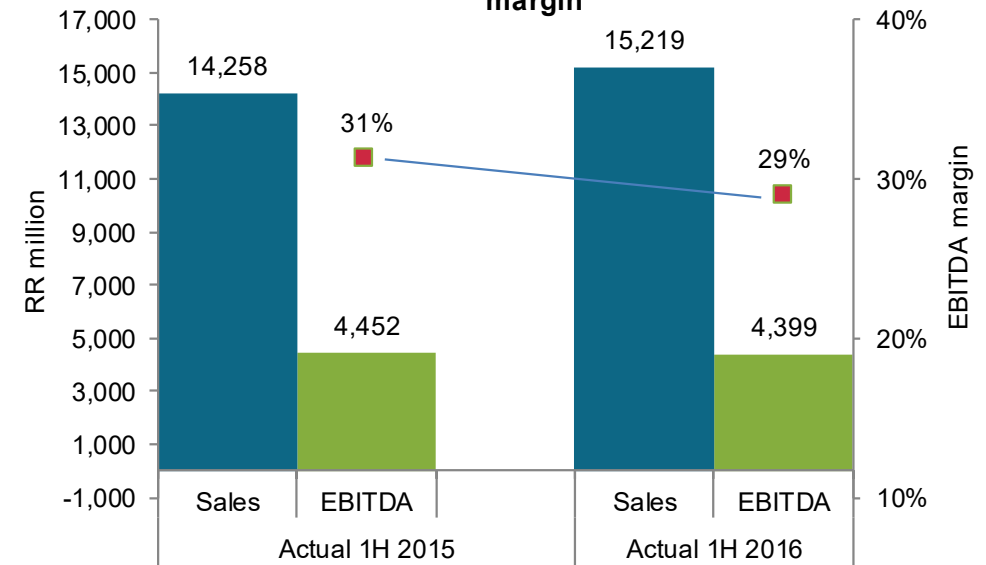
- The increase in sales is caused by growth in sales prices from 39.6 ths rub/tn up to 42.1 ths rub/tn (excl. VAT) (+6%), that was partly offset by decrease in sales volume from 353 ths tn to 344 ths tn (-3%).

Adjusted EBITDA (RR -53 million, -1%, margin -2%).

### Sugar: volumes and prices



### Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



Item	Production volumes, in thousand tons			
	Actual 1H		Variances	
	2016	2015	Units	%
<b>Total production</b>	<b>68</b>	<b>183</b>	<b>(115)</b>	<b>(63)</b>
Beet sugar	6	-	6	-
Cane sugar	63	183	(120)	(66)

### Comments

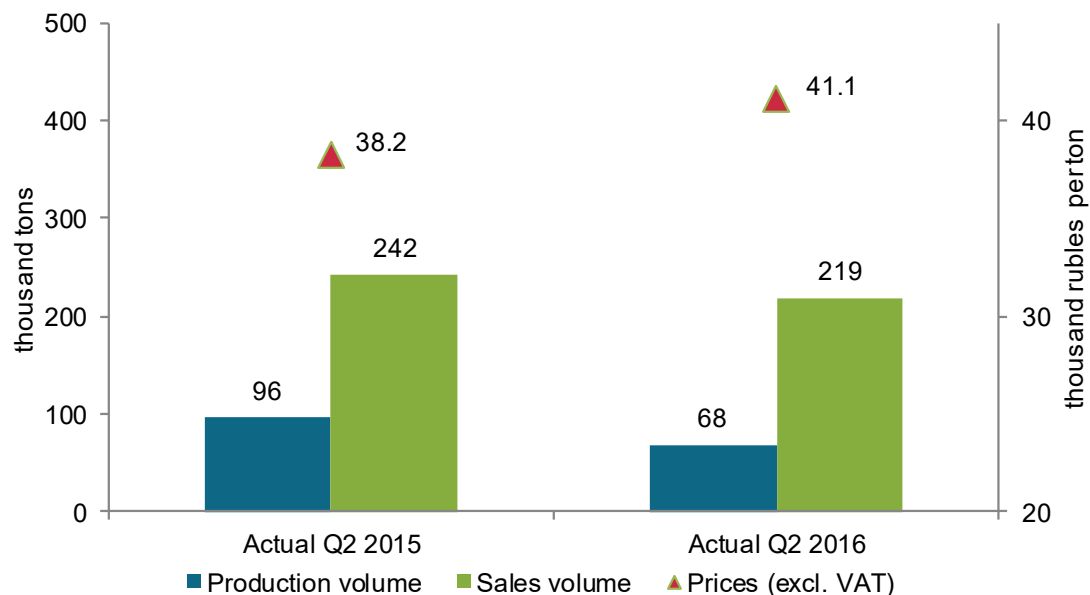
Sales (RR -117 million, -1%):

- The main factor is a decrease in sales volume (-23 ths tn, -10%) that was partly offset by an increase in sales prices (2.9 ths rub/tn, +8%)

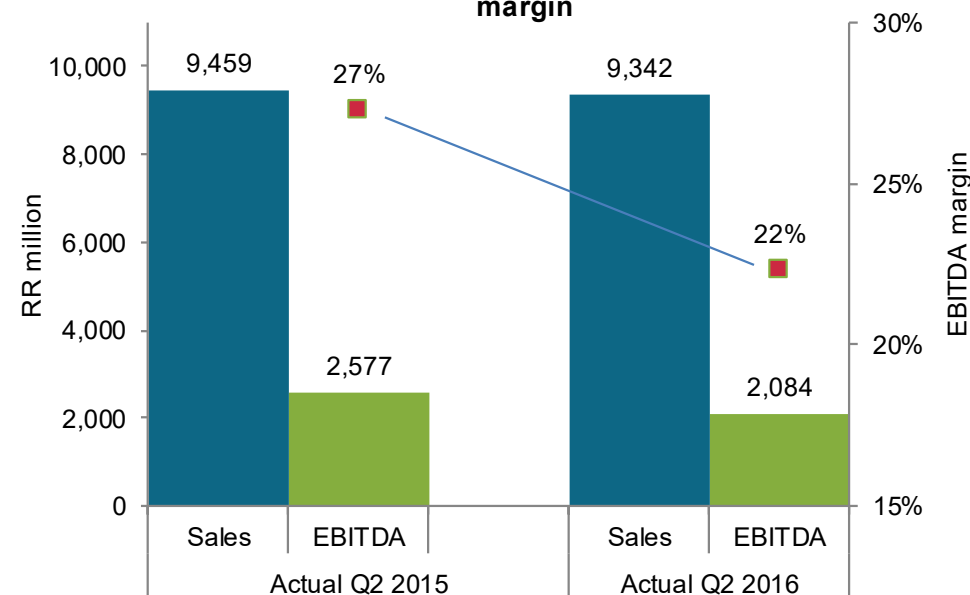
Adjusted EBITDA (RR -493 million, -19%, margin -5%):

- the main factor is an increase in cost of sales (RR 170 million, +3%), decrease in sales (RR 117 million, -1%), increase in SG&A, incl. transportation and logistics expenses (RR 80 million), payroll cost (RR 30 million) and rent cost (RR 30 million).

### Sugar: volumes and prices



### Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



Item	Production volumes, in thousand tons			
	Actual Q2 2016	Actual Q2 2015	Variances	
			Units	%
<b>Total production</b>	<b>68</b>	<b>96</b>	<b>(28)</b>	<b>(29)</b>
Beet sugar	6	-	6	-
Cane sugar	63	96	(33)	(35)

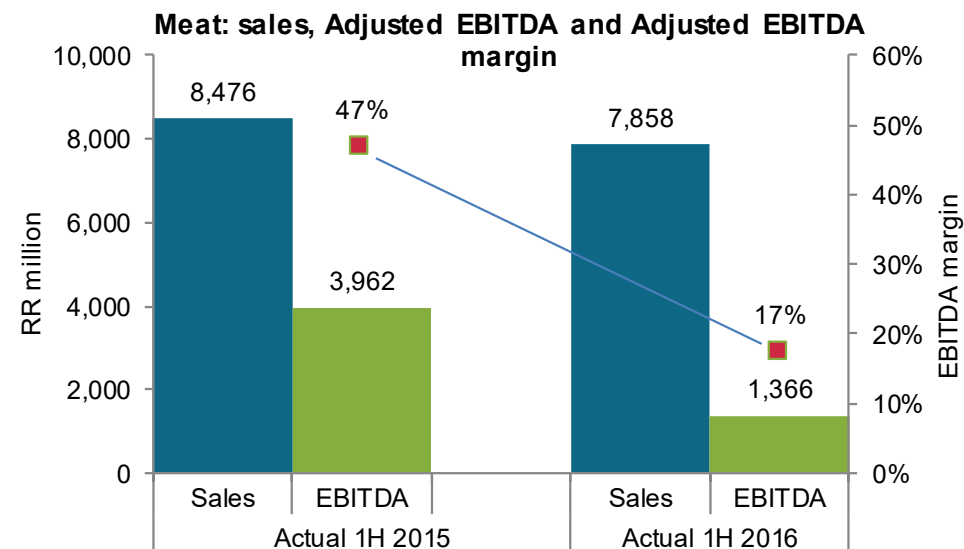
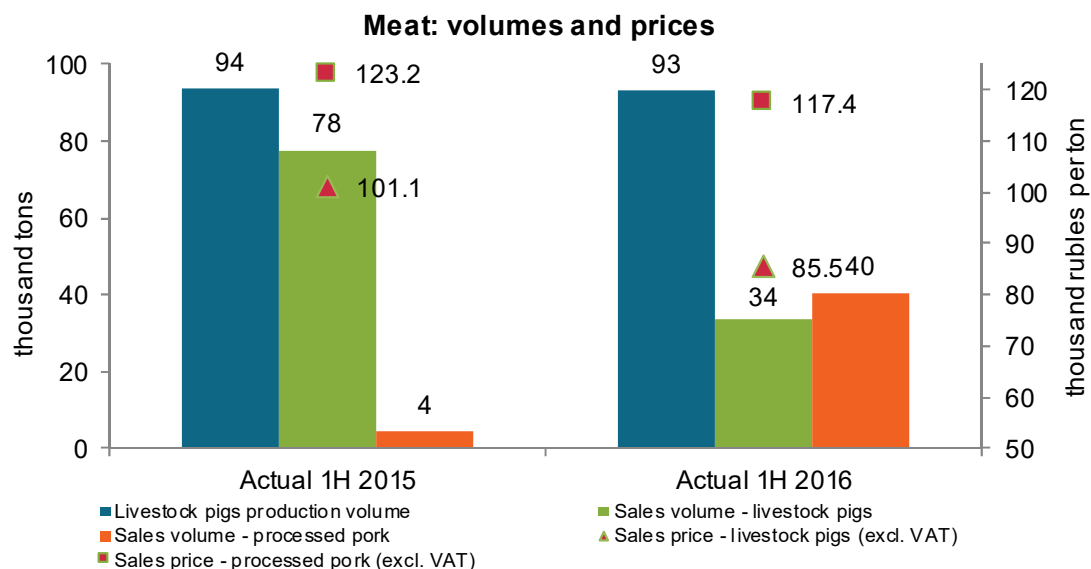
### Comments

Sales (RR -619 million, -7 %):

- sales volume of livestock pigs decreased by 44 ths tn (-57%) from 78 ths tn to 34 ths tn;
- sales volume of processed pork rose by 36 ths tn (+830%) from 4 ths tn up to 40 ths tn;
- livestock pigs sale price decreased by 15.7 ths rur/tn (-15%) from 101.1 ths rur/tn to 85.5 ths rur/tn (excl. VAT);
- processed pork sale price decreased by 5.8 ths rur/tn (-5%) from 123.2 ths rur/tn to 117.4 ths rur/tn (excl. VAT);

Adjusted EBITDA (RR -2,596 million, -66%, margin -29%) mainly due to:

- RR -2,488 million a decrease in gross profit (excl. revaluation of pigs and depreciation) mainly due to an increase in feed costs and a decrease in sale price of livestock pigs;
- RR -139 million an decrease in government grants for partial reimbursement of operating costs.



## Comments

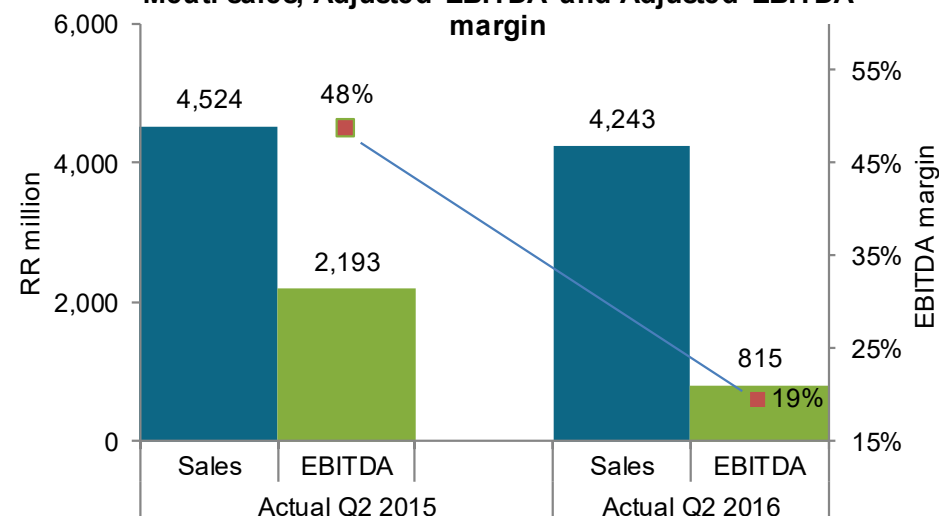
Sales (RR -281 million, -6 %):

- sales volume of livestock pigs decreased by 20 ths tn (-53%) from 38 ths tn to 18 ths tn;
- sales volume of processed pork rose by 17 ths tn (+613%) from 3 ths tn up to 20 ths tn;
- livestock pigs sale price decreased by 19.5 ths rur/tn (-18%) from 107.6 ths rur/tn to 88.2 ths rur/tn (excl. VAT);
- processed pork sale price decreased by 2.1 ths rur/tn (-2%) from 125.4 ths rur/tn to 123.3 ths rur/tn (excl. VAT);

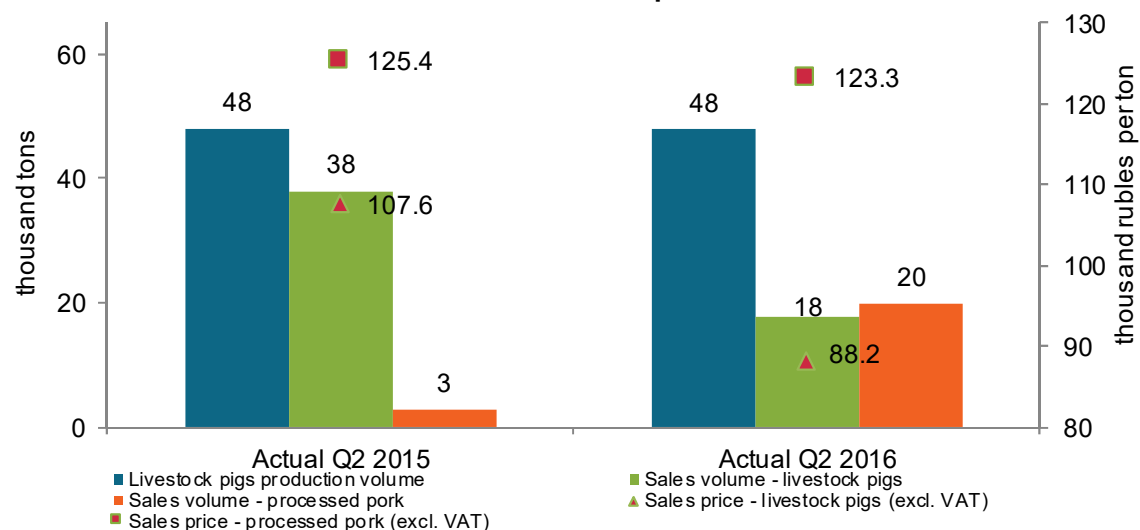
Adjusted EBITDA (RR -1,378 million, -63%, margin -29%) mainly due to:

- RR -1,198 million a decrease in gross profit (excl. revaluation of pigs and depreciation) mainly due to an increase in feed costs and a decrease in sale price of livestock pigs;
- RR -193 million an decrease in government grants for partial reimbursement of operating costs.

Meat: sales, Adjusted EBITDA and Adjusted EBITDA margin



Meat: volumes and prices



### Comments

Sales (RR +2,316 million, +104%):

The major positive factors are:

- an increase in sales volumes of soy, corn and sunflower

The major negative factor is:

- a decrease in sales volume of barley (-70%)

Adjusted EBITDA (RR +589 million, +56%, margin -11%):

- RR +886 million of an increase in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) mainly as a result of sales volumes increase
- RR -347 million of an increase in SG&A mainly as the result of sales volume increase

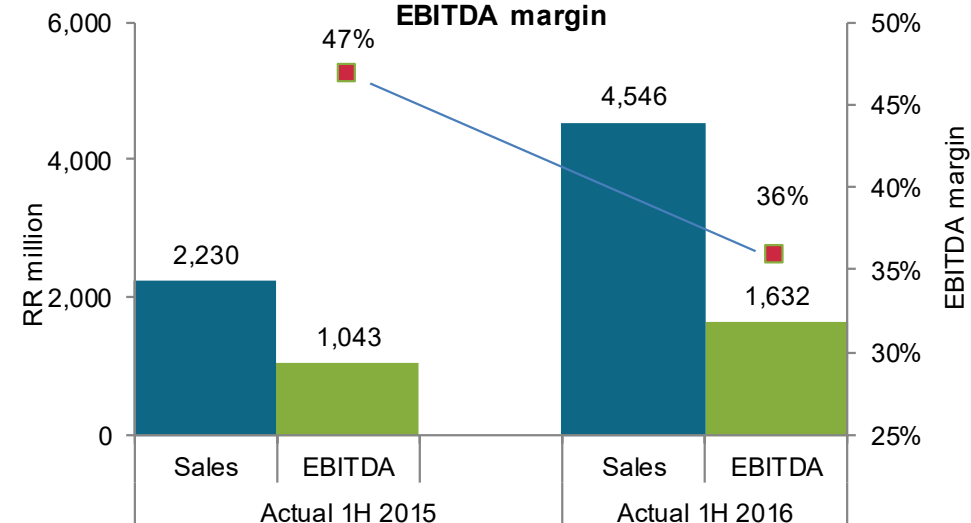
As at 30 June 2016 the Group's area of controlled land stands at 610 thousand ha of land (523 thousand ha of cultivated land and 87 thousand ha of other land).

As at 30 June 2015 the Group's area of controlled land stands at 500 thousand ha of land (401 thousand ha of cultivated land and 99 thousand ha of other land).

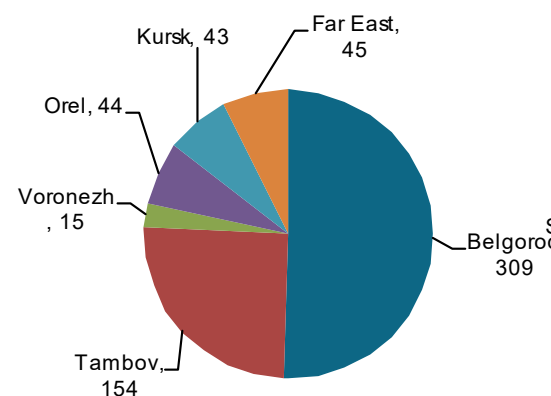
### Agriculture: sales volume and prices breakdown by products

Item	Sales volume, thousand tons				Average price (excl. VAT), ths rub/tn			
	Actual 1H		Variances		Actual		Variances	
	2016	2015	Units	%	1H 2016	1H 2015	Units	%
wheat	124	129	(4)	(3)	8.8	8.4	0.4	5
barley	27	89	(62)	(70)	10.1	9.3	0.9	9
sunflower	33	1	32	2,984	23.6	20.9	2.8	13
pea	-	5	n/a	-	-	11.1	n/a	-
corn	50	6	44	726	8.5	7.0	1.5	22
soy	77	2	75	3,228	21.9	22.1	(0.2)	(1)
other	0.4	1	(1)	(60)	11.5	5.3	6.2	115

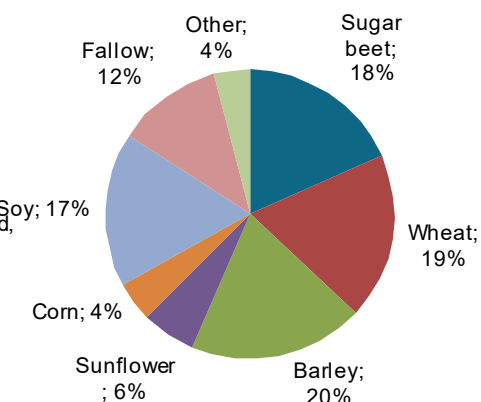
### Agriculture: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Total land resources by region as of 30 June 2016, ths ha



### Arable land structure - harvest of 2016





### Comments

Sales (RR +528 million, +80%):

The major positive factors are:

- an increase in sales volumes of soy and corn.

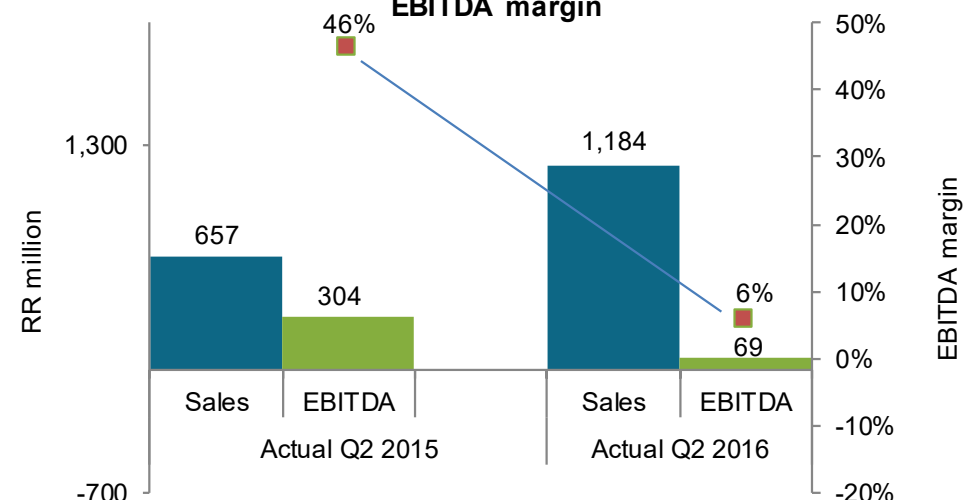
The major negative factor is:

- a decrease in sales volume of barley (-31%) and wheat (-24%)

Adjusted EBITDA (RR -235 million, -77%, margin -40%):

- RR +10 million of an increase in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation)
- RR -233 million of an increase in SG&A, incl. higher distribution and selling costs derived from higher volumes of crops sold, increase of administrative expenses from implementation of SAP and respective training provided to the personnel, and also contribution of new companies merged into the Group from 1 June 2016

Agriculture: sales, Adjusted EBITDA and Adjusted EBITDA margin



### Agriculture: sales volume and prices breakdown by products

Item	Sales volume, thousand tons				Average price (excl. VAT), ths rur/tn			
	Actual Q2 2016	Actual Q2 2015	Variances		Actual Q2 2016	Actual Q2 2015	Variances	
			Units	%			Units	%
wheat	38	50	(12)	(24)	8.5	7.4	1.2	16
barley	16	23	(7)	(31)	10.0	7.4	2.6	35
sunflower	0.13	0.11	0.02	21	21.2	19.8	1.4	7
pea	-	2	n/a	-	-	9.2	n/a	-
corn	9	6	3	57	8.6	7.0	1.6	23
soy	21	1	21	3,038	20.5	20.6	(0.1)	(0.4)
other	0.1	0.5	(0.4)	(87)	7.1	3.4	3.7	111

### Comments

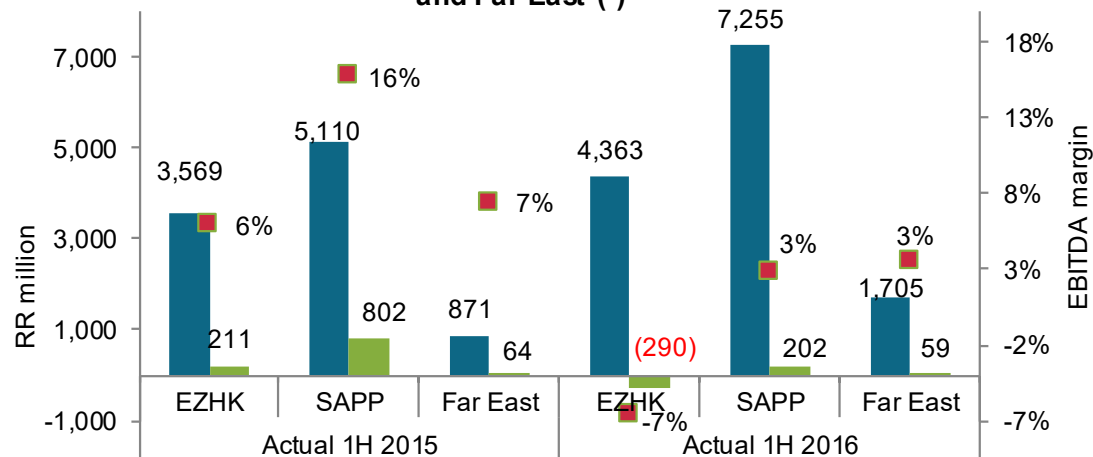
Sales (RR +3,456 million, +42%: EZHK RR +794 million, +22%; SAPP RR +2,145 million, +42%; Far East RR +835 million, +96% and Eliminations RR -319 million).

Sales increase is attributed to an increase in sales volume of sunflower oil, soybean oil and soybean meal and higher sale prices of all main products of the segment (except for sunflower meal). For detailed information about sales and prices refer to the next slide.

Adjusted EBITDA (RR -1,127 million, margin -14%: EZHK RR -501 million, -237%; SAPP RR -601 million, -75%; Far East RR -5 million, -8%; Eliminations RR -21 million):

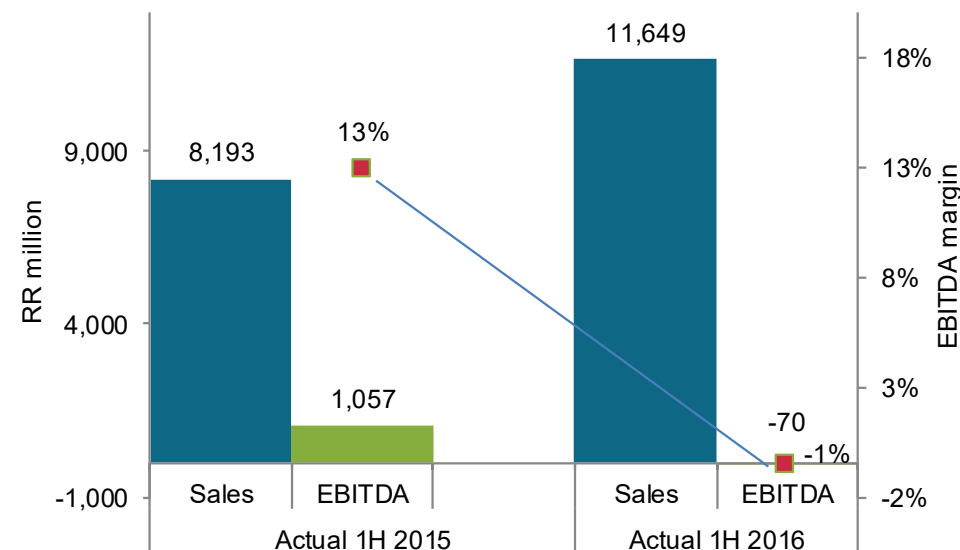
- EZHK: an increase in sales prices, which was offset by 26% increase in cost of raw oil;
- SAPP: an increase in cost of sunflower seeds per unit by 44%, which was partly compensated by an increase in sales prices.

Oil & Fats: sales and Adjusted EBITDA EZHK, SAPP and Far East (\*)



■ Sales to 3rd parties and other segments ■ Adjusted EBITDA ■ Adjusted EBITDA margin

Oil & Fats: sales, Adjusted EBITDA and Adjusted EBITDA margin



(\*) Excluding elimination adjustments for intra-segment transactions.

In 1H 2016 the effect of elimination adjustments for Sales within Oil & Fats segment amounted to RR -1,675 million (1H 2015: RR -1,357 million), the effect of elimination adjustments for Adjusted EBITDA amounted to RR -41 million (1H 2015 : RR -20 million).

### Comments

#### Sales and prices in Yekaterinburg fat plant (EZHK):

- sales volume of mayonnaise increased by 5.8 ths tn (+21%) with 7% increase in price;
- sales volume of margarine decreased by 2 ths tn (-12%) with 7% increase in price;
- sales volume of processed sunflower oil increased by 3 ths tn (+139%) with 42% increase in price

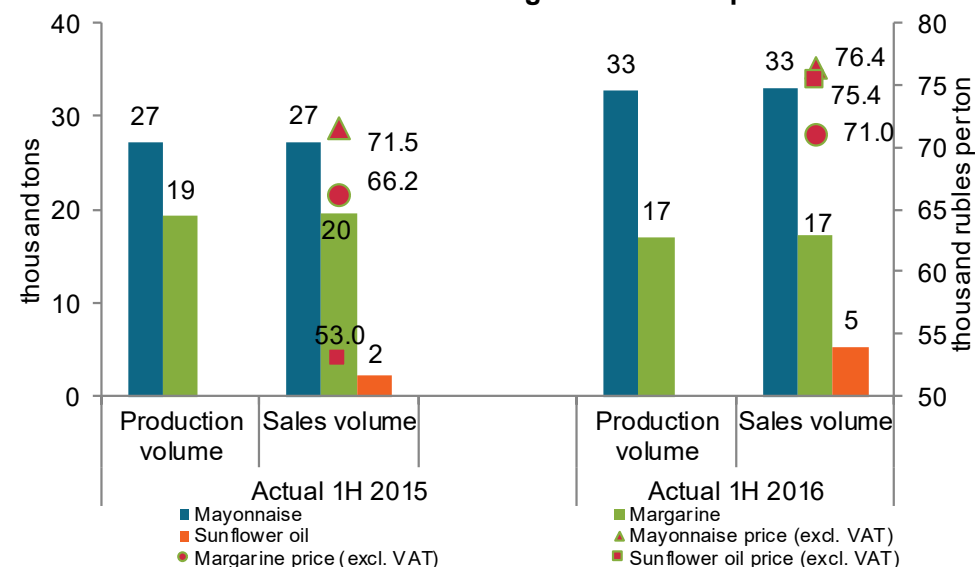
#### Sales and prices in Samara oil plant (SAPP):

- sales volume of sunflower oil to 3rd parties and other segments increased by 28 ths tn (+47%) from 58 ths tn to 86 ths tn (oil sales to EZHK decreased by 12% from 32 ths tn to 28 ths tn);
- price of sunflower oil to 3rd parties increased by 21% up to 54.5 ths rur/tn (excl. VAT);
- sales volume of sunflower meal decreased by 1 ths tn (-1%) with 5% decrease in price from 13.1 to 12.5 ths rur/tn (excl. VAT).

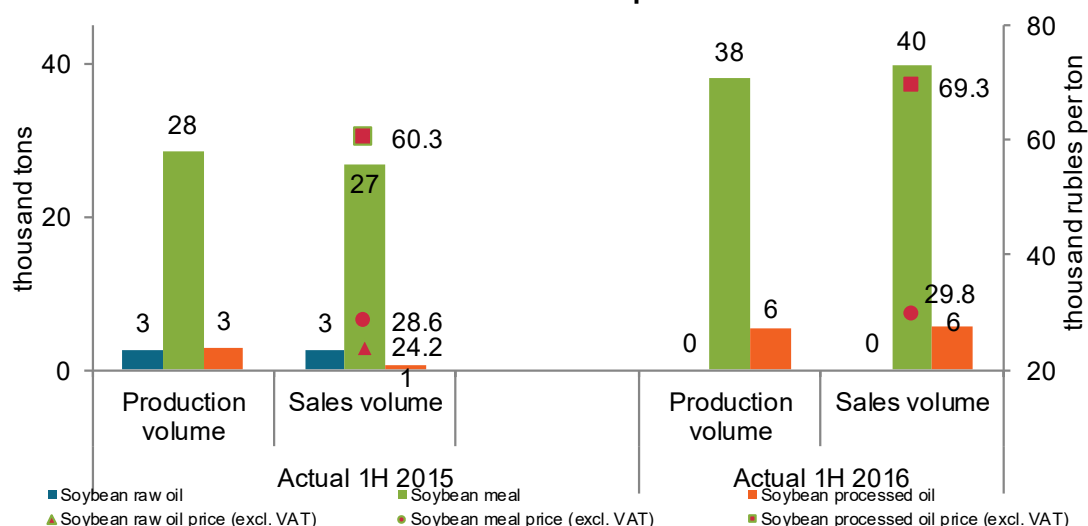
#### Sales and prices in Far East region:

- sales volume of soybean raw oil decreased by 2.6 ths tn (-100%);
- sales volume of soybean processed oil increased by 5.1 ths tn with 15% increase in price from 60.3 to 69.3 ths rur/tn;
- sales volume of soybean meal increased by 13 ths tn (+49%) from 27 ths tn to 40 ths tn with 4% increase in price from 28.6 to 29.8 ths rur/tn (excl. VAT).

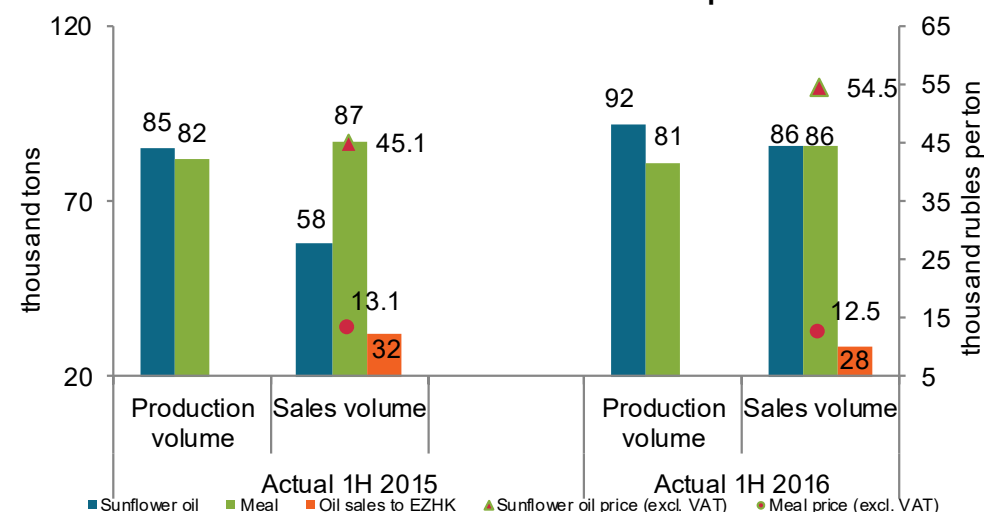
### Oil & Fats Yekaterinburg: volume and prices



### Far East: volume and prices



### Oil & Fats Samara: volume and prices



### Comments

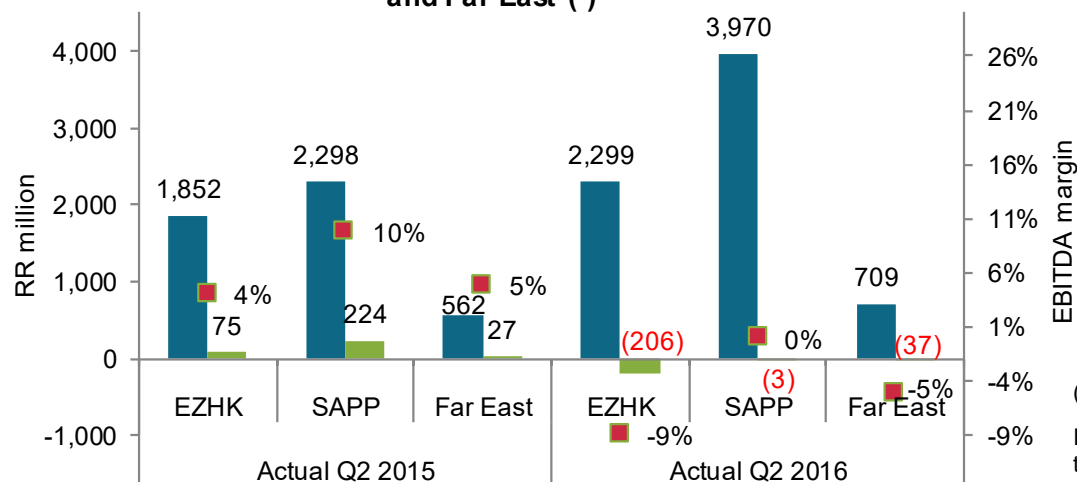
Sales (RR +1,788 million, +43%: EZHK RR +446 million, +24%; SAPP RR +1,673 million, +73%; Far East RR +147 million, +26% and Eliminations RR -478 million).

Sales increase is attributed to an increase in sales volume of mayonnaise, sunflower oil and soybean oil and higher sale prices of all main products of the segment. For detailed information about sales and prices refer to the next slide.

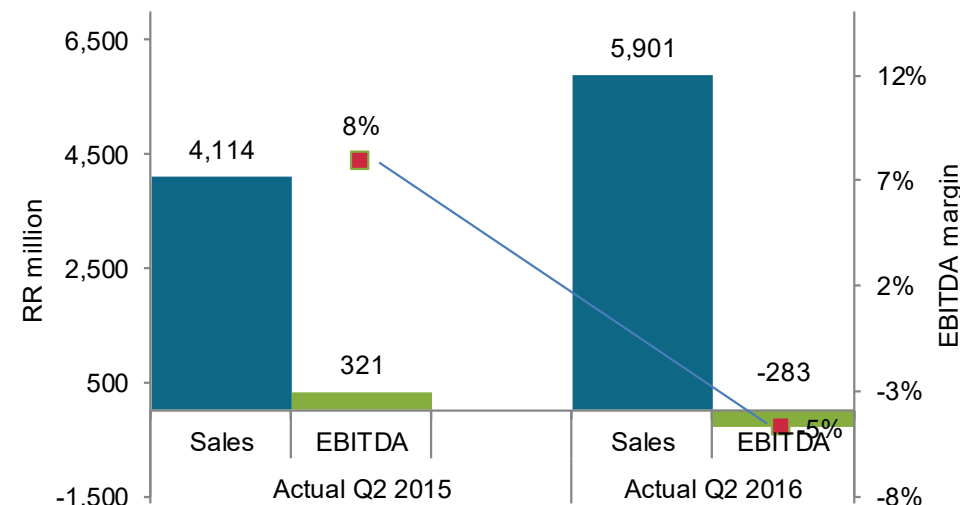
Adjusted EBITDA (RR -605 million, margin -13%: EZHK RR -281 million; SAPP RR -227 million; Far East RR -64 million; Eliminations RR -33 million):

- EZHK: an increase in sales prices, which was offset by 26% increase in cost of raw oil;
- SAPP: an increase in cost of sunflower seeds per unit by 36%, which was partly compensated by an increase in sales prices.

**Oil & Fats: sales and Adjusted EBITDA EZHK, SAPP and Far East (\*)**



**Oil & Fats: sales, Adjusted EBITDA and Adjusted EBITDA margin**



(\*) Excluding elimination adjustments for intra-segment transactions.

In Q2 2016 the effect of elimination adjustments for Sales within Oil & Fats segment amounted to RR -1,076 million (Q2 2015: RR -598 million), the effect of elimination adjustments for Adjusted EBITDA amounted to RR -38 million (Q2 2015 : RR -5 million).

■ Sales to 3rd parties and other segments ■ Adjusted EBITDA ■ Adjusted EBITDA margin

### Comments

#### Sales and prices in Yekaterinburg fat plant (EZHK):

- sales volume of mayonnaise increased by 3.6 ths tn (+24%) with 4% increase in price;
- sales volume of margarine decreased by 1 ths tn (-9%) with 16% increase in price;
- sales volume of processed sunflower oil increased by 0.3 ths tn with 44% increase in price

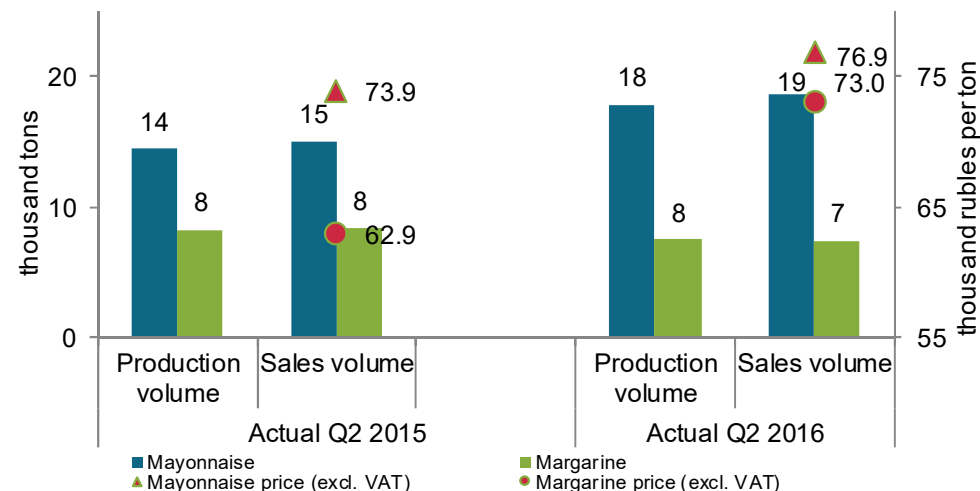
#### Sales and prices in Samara oil plant (SAPP):

- sales volume of sunflower oil to 3rd parties and other segments increased by 19 ths tn (+69%) from 28 ths tn to 47 ths tn (oil sales to EZHK increased by 25% from 15 ths tn to 18 ths tn);
- price of sunflower oil to 3rd parties increased by 24% up to 51.9 ths rur/tn (excl. VAT);
- sales volume of sunflower meal decreased by 1 ths tn (-3%) with 7% increase in price from 12.1 to 12.9 ths rur/tn (excl. VAT)

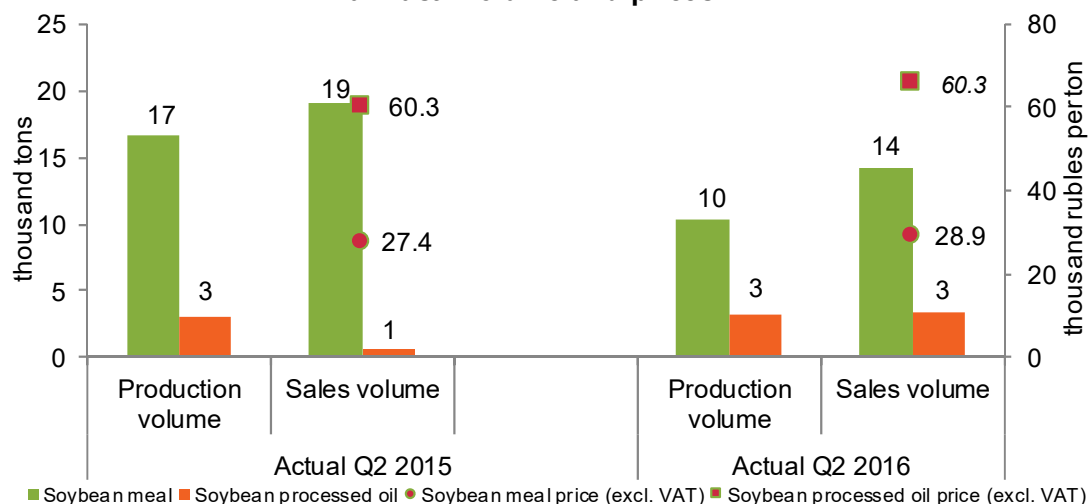
#### Sales and prices in Far East region:

- sales volume of soybean processed oil increased by 2.7 ths tn (+377%) with 9% increase in price from 60.3 to 65.6 ths rur/tn;
- sales volume of soybean meal decreased by 5 ths tn (-25%) with 6% increase in price from 27.4 to 28.9 ths rur/tn (excl. VAT).

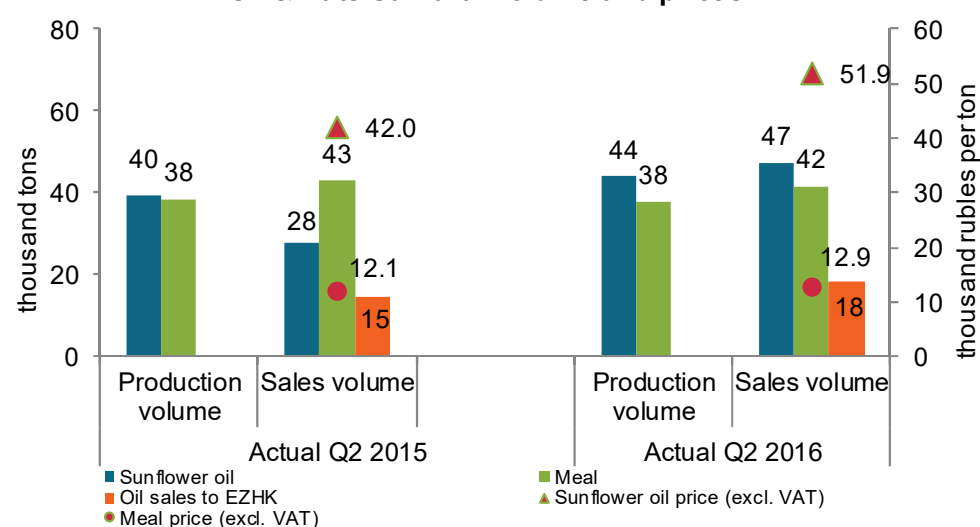
### Oil & Fats Yekaterinburg: volume and prices



### Far East: volume and prices



### Oil & Fats Samara: volume and prices





## **Section 3**

Additional information



# Statement of Comprehensive income (IFRS)

## ROS AGRO PLC



Item	Actual 1H 2016	Actual 1H 2015 (*)	RR million	
			Variances	
			Units	%
<b>Sales</b>	<b>38,210</b>	<b>32,589</b>	<b>5,621</b>	<b>17</b>
Net gain on revaluation of biological assets and agricultural produce (*)	(3,351)	(528)	(2,822)	(534)
Cost of sales (*)	(27,078)	(19,673)	(7,405)	(38)
Net gain/ (loss) from trading derivatives	337	225	113	50
<b>Gross profit</b>	<b>8,118</b>	<b>12,612</b>	<b>(4,494)</b>	<b>(36)</b>
Distribution and selling expenses	(3,201)	(2,271)	(930)	(41)
General and administrative expenses	(2,491)	(2,074)	(417)	(20)
Other operating income, net	598	415	183	44
<b>Operating profit</b>	<b>3,024</b>	<b>8,685</b>	<b>(5,661)</b>	<b>(65)</b>
Interest expense	(1,902)	(1,034)	(868)	(84)
Interest income	2,033	466	1,567	336
Net gain/ (loss) from bonds held for trading	(13)	637	(650)	(102)
Other financial expenses, net	(1,036)	(800)	(237)	(30)
<b>Profit before taxation</b>	<b>2,105</b>	<b>7,954</b>	<b>(5,849)</b>	<b>(74)</b>
Income tax expense	(72)	(735)	662	90
<b>Profit for the period</b>	<b>2,033</b>	<b>7,220</b>	<b>(5,187)</b>	<b>(72)</b>
Change in value of available-for-sale financial assets	(190)	-	(190)	-
Income tax relating to other comprehensive income	38	-	38	-
<b>Total comprehensive income for the period</b>	<b>1,881</b>	<b>7,220</b>	<b>(5,338)</b>	<b>(74)</b>
<b>Profit is attributable to:</b>				
Owners of ROS AGRO PLC	2,034	7,221	(5,187)	(72)
Non-controlling interest	(1)	(1)	0	29
<b>Profit for the period</b>	<b>2,033</b>	<b>7,220</b>	<b>(5,187)</b>	<b>(72)</b>
<b>Total comprehensive income is attributable to:</b>				
Owners of ROS AGRO PLC	1,882	7,221	(5,339)	(74)
Non-controlling interest	(1)	(1)	0	29
<b>Total comprehensive income for the period</b>	<b>1,881</b>	<b>7,220</b>	<b>(5,338)</b>	<b>(74)</b>

(\*) In 2015 full-year financial statements the Group changed the way of presentation of gain/ loss on initial recognition of agricultural produce and gain/ loss on revaluation of biological assets in the consolidated statement of comprehensive income. In the interim financial statements for 2015 and in the financial statements for 2014 and earlier periods gain/ loss arising from initial recognition of biological assets and agricultural produce and from changes in fair-value-less-cost-to-sell of biological assets was included in statement of comprehensive income within a separate line "Gain/ (loss) on revaluation of biological assets and agricultural produce" above the gross profit line. In 1H 2015 and Q2 2015 "Gain/ (loss) on revaluation of biological assets and agricultural produce" amounted to RR 4,178,852 thousand and RR 2,522,842 thousand respectively. Gain recorded on initial recognition of agricultural produce attributable to the realized agricultural produce and the result of revaluation of biological assets attributable to the realized biological assets was included within the line "Cost of sales" and amounted to RR 4,707,028 in 1H 2015 and RR 2,566,097 million in Q2 2015. Starting the full-year financial statements for 2015 these gains/ losses are included within "Net gain/ (loss) on revaluation of biological assets and agricultural produce" line above the gross profit line.

For further details refer to note 2 "Summary of significant accounting policies" of the audited consolidated financial statements for the year ended 31 December 2015.

# Adjusted EBITDA 1H 2016 (IFRS) Breakdown by divisions

## ROS AGRO PLC



							RR million
1H 2016	Sugar	Meat	Agriculture	Oil and Fat	Other	Elimination	Total
Sales	15,219	7,858	4,546	11,649	50	(1,112)	38,210
Net gain / (loss) on revaluation of biological assets and agricultural produce	-	(472)	(1,278)	-	-	(1,601)	(3,351)
Cost of sales	(10,211)	(7,156)	(2,544)	(9,894)	-	2,727	(27,078)
<i>incl. Depreciation</i>	(466)	(926)	(274)	(120)	-	(4)	(1,791)
Net gain/ (loss) from trading derivatives	337	-	1	-	-	-	337
<b>Gross profit</b>	<b>5,345</b>	<b>229</b>	<b>725</b>	<b>1,754</b>	<b>50</b>	<b>14</b>	<b>8,118</b>
Distribution and Selling, General and administrative expenses	(1,470)	(384)	(900)	(2,007)	(1,083)	151	(5,692)
General and administrative expenses	(530)	(267)	(334)	(364)	(1,081)	85	(2,491)
Distribution and selling expenses	(940)	(117)	(566)	(1,643)	(2)	66	(3,201)
<i>incl. Depreciation</i>	(57)	(14)	(62)	(62)	(11)	3	(203)
Dep in General and administrative expenses	(7)	(14)	(34)	(18)	(11)	-	(84)
Dep in Distribution and selling expenses	(50)	(0)	(28)	(44)	-	3	(119)
Other operating income/(expenses), net	107	229	102	122	7,127	(7,090)	598
<i>incl. Reimbursement of operating costs (government grants)</i>	-	108	192	-	-	-	300
<b>Operating profit</b>	<b>3,983</b>	<b>75</b>	<b>(73)</b>	<b>(130)</b>	<b>6,093</b>	<b>(6,925)</b>	<b>3,024</b>
<b>Adjustments:</b>					-	-	-
Depreciation included in Operating Profit	523	940	337	183	11	1	1,994
Other operating (income) /expenses, net	(107)	(229)	(102)	(122)	(7,127)	7,090	(598)
Reimbursement of operating costs (government grants)	-	108	192	-	-	-	300
Net gain / (loss) on revaluation of biological assets and agricultural produce	-	472	1,278	-	-	1,601	3,351
<b>Adjusted EBITDA</b>	<b>4,399</b>	<b>1,366</b>	<b>1,632</b>	<b>(70)</b>	<b>(1,023)</b>	<b>1,767</b>	<b>8,071</b>

# Adjusted EBITDA 1H 2015 (IFRS) Breakdown by divisions

## ROS AGRO PLC



							RR million
1H 2015	Sugar	Meat	Agriculture	Oil and Fat	Other	Elimination	Total
Sales	14,258	8,476	2,230	8,193	19	(588)	32,589
Net gain / (loss) on revaluation of biological assets and agricultural produce	-	600	(366)	-	-	(762)	(528)
Cost of sales	(9,393)	(4,961)	(946)	(5,827)	-	1,455	(19,673)
<i>incl. Depreciation</i>	(462)	(601)	(107)	(106)	-	(29)	(1,304)
Net gain/ (loss) from trading derivatives	225	-	-	-	-	-	225
<b>Gross profit</b>	<b>5,090</b>	<b>4,115</b>	<b>919</b>	<b>2,366</b>	<b>19</b>	<b>105</b>	<b>12,612</b>
Distribution and Selling, General and administrative expenses	(1,155)	(412)	(553)	(1,480)	(814)	70	(4,345)
General and administrative expenses	(401)	(365)	(253)	(275)	(812)	32	(2,074)
Distribution and selling expenses	(755)	(47)	(301)	(1,205)	(2)	39	(2,271)
<i>incl. Depreciation</i>	(56)	(12)	(39)	(66)	(12)	0	(185)
Dep in General and administrative expenses	(8)	(11)	(21)	(20)	(12)	-	(73)
Dep in Distribution and selling expenses	(47)	(0)	(18)	(46)	-	0	(112)
Other operating income/(expenses), net	266	298	7	90	10,709	(10,953)	417
<i>incl. Reimbursement of operating costs (government grants)</i>	-	247	166	-	-	-	413
<b>Operating profit</b>	<b>4,200</b>	<b>4,000</b>	<b>373</b>	<b>975</b>	<b>9,914</b>	<b>(10,778)</b>	<b>8,685</b>
<b>Adjustments:</b>							
Depreciation included in Operating Profit	517	612	146	172	12	29	1,489
Other operating (income) /expenses, net	(266)	(298)	(7)	(90)	(10,709)	10,953	(417)
Reimbursement of operating costs (government grants)	-	247	166	-	-	-	413
Net gain / (loss) on revaluation of biological assets and agricultural produce	-	(600)	366	-	-	762	528
<b>Adjusted EBITDA</b>	<b>4,452</b>	<b>3,962</b>	<b>1,043</b>	<b>1,057</b>	<b>(783)</b>	<b>965</b>	<b>10,697</b>

# Statement of cash flows (IFRS)

## ROS AGRO PLC



	Actual 1H 2016	Actual 1H 2015	RR million	
			Variances	
			Units	%
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>2,105</b>	<b>7,954</b>	<b>(5,849)</b>	<b>(74)</b>
<i>Adjustments for non-cash and non-operating (income)/expenses, net:</i>				
Depreciation and amortization	1,994	1,489	505	34
Interest expense	2,594	1,650	944	57
Government grants	(1,151)	(1,096)	(55)	(5)
Interest income	(2,033)	(466)	(1,567)	(336)
Loss/ (gain) on disposal of property, plant and equipment	50	36	13	37
Net loss on revaluation of biological assets and agricultural produce	3,351	528	2,822	534
Change in provision for net realisable value of inventory	119	(1)	121	-
Foreign exchange loss, net	999	580	419	72
Lost harvest write-off	-	117	(117)	-
Net loss/ (gain) from bonds held for trading	13	(637)	650	-
Change in provision for impairment of other taxes receivables	(260)	-	(260)	-
Other non-cash and non-operating expenses, net	47	80	(33)	(41)
<b>Operating cash flow before working capital changes</b>	<b>7,828</b>	<b>10,233</b>	<b>(2,405)</b>	<b>(24)</b>
Change in trade and other receivables and prepayments	1,036	(1,088)	2,124	-
Change in other taxes receivable	(1,040)	(981)	(59)	(6)
Change in inventories	5,237	4,768	469	10
Change in biological assets	(5,240)	(6,501)	1,261	19
Change in trade and other payables	854	3,917	(3,063)	(78)
Change in other taxes payable	406	626	(220)	(35)
<b>Cash generated from operations</b>	<b>9,081</b>	<b>10,975</b>	<b>(1,894)</b>	<b>(17)</b>
Income tax paid	(594)	(1,213)	619	51
<b>Net cash from operating activities</b>	<b>8,487</b>	<b>9,762</b>	<b>(1,275)</b>	<b>(13)</b>



# Statement of cash flows (IFRS) - continuance

## ROS AGRO PLC



	Actual 1H 2016	Actual 1H 2015	RR million	
			Variances	
			Units	%
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(3,616)	(3,707)	91	2
Purchases of other intangible assets	(115)	(59)	(56)	(94)
Proceeds from sales of property, plant and equipment	48	11	36	316
Purchases of inventories intended for construction	(15)	(0.1)	(15)	(10,736)
Investments in subsidiaries, net of cash acquired	(8,688)	5	(8,693)	-
Change in cash on bank deposits*	(4,301)	(16,353)	12,052	74
Purchases of bonds*	(2,197)	-	(2,197)	-
Proceeds from sales of bonds*	3,318	7,568	(4,249)	(56)
Loans given*	(1,211)	(901)	(310)	(34)
Loans repaid*	9,212	314	8,897	2,829
Interest received*	2,024	297	1,727	582
Movement in restricted cash	63	(75)	138	-
Proceeds from sale of subsidiaries, net of cash disposed	-	(0.05)	0.05	-
<b>Net cash from investing activities</b>	<b>(5,479)</b>	<b>(12,900)</b>	<b>7,421</b>	<b>58</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	13,107	16,518	(3,411)	(21)
Repayment of borrowings	(20,656)	(13,832)	(6,824)	(49)
Interest paid	(2,144)	(1,427)	(717)	(50)
Proceeds from issue of own shares, net of transaction cost	16,301	-	16,301	-
Dividends paid to owners Ros Agro PLC	(5,149)	(2,760)	(2,389)	(87)
Purchases of non-controlling interest	-	(4)	4.11	-
Proceeds from government grants	1,546	926	621	67
Other financial activities	15	(11)	25	-
<b>Net cash from financing activities</b>	<b>3,020</b>	<b>(591)</b>	<b>3,610</b>	<b>-</b>
Net effect of exchange rate changes on cash and cash equivalents	37	(1,269)	1,306	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>6,064</b>	<b>(4,998)</b>	<b>11,062</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	4,402	10,316	(5,915)	(57)
<b>Cash and cash equivalents at the end of the period</b>	<b>10,466</b>	<b>5,318</b>	<b>5,148</b>	<b>97</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.

# Statement of cash flows according to Management view (Not IFRS presentation) ROS AGRO PLC



	Actual 1H 2016	Actual 1H 2015	RR million	
			Variances Units	%
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>2,105</b>	<b>7,954</b>	<b>(5,849)</b>	<b>(74)</b>
<i>Adjustments for non-cash and non-operating (income)/expenses, net:</i>				
Depreciation and amortization	1,994	1,489	505	34
Interest expense	2,594	1,650	944	57
Government grants	(1,151)	(1,096)	(55)	(5)
Interest income	(2,033)	(466)	(1,567)	(336)
Loss/ (gain) on disposal of property, plant and equipment	50	36	13	37
Net loss on revaluation of biological assets and agricultural produce	3,351	528	2,822	534
Change in provision for net realisable value of inventory	119	(1)	121	-
Foreign exchange loss, net	999	580	419	72
Lost harvest w rite-off	-	117	(117)	-
Net loss/ (gain) from bonds held for trading	13	(637)	650	-
Change in provision for impairment of other taxes receivables	(260)	-	(260)	-
Other non-cash and non-operating expenses, net	47	80	(33)	(41)
<b>Operating cash flow before working capital changes</b>	<b>7,828</b>	<b>10,233</b>	<b>(2,405)</b>	<b>(24)</b>
Change in trade and other receivables and prepayments	1,036	(1,088)	2,124	-
Change in other taxes receivable	(1,040)	(981)	(59)	(6)
Change in inventories	5,237	4,768	469	10
Change in biological assets	(5,240)	(6,501)	1,261	19
Change in trade and other payables	854	3,917	(3,063)	(78)
Change in other taxes payable	406	626	(220)	(35)
<b>Cash generated from operations</b>	<b>9,081</b>	<b>10,975</b>	<b>(1,894)</b>	<b>(17)</b>
Income tax paid	(594)	(1,213)	619	51
<b>Net cash from operating activities</b>	<b>8,487</b>	<b>9,762</b>	<b>(1,275)</b>	<b>(13)</b>

# Statement of cash flows according to Management view (Not IFRS presentation) – continuance ROS AGRO PLC



RR million

	Actual 1H 2016	Actual 1H 2015	Variances	
			Units	%
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(3,616)	(3,707)	91	2
Purchases of other intangible assets	(115)	(59)	(56)	(94)
Proceeds from sales of property, plant and equipment	48	11	36	316
Purchases of inventories intended for construction	(15)	(0.1)	(15)	(10,736)
Investments in subsidiaries, net of cash acquired	(8,688)	5	(8,693)	-
Movement in restricted cash	63	(75)	138	-
Proceeds from sale of subsidiaries, net of cash disposed	-	(0.05)	0.05	-
<b>Net cash from investing activities</b>	<b>(12,324)</b>	<b>(3,825)</b>	<b>(8,498)</b>	<b>(222)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	13,107	16,518	(3,411)	(21)
Repayment of borrowings	(20,656)	(13,832)	(6,824)	(49)
Interest paid	(2,144)	(1,427)	(717)	(50)
Proceeds from issue of own shares, net of transaction cost	16,301	-	16,301	-
Dividends paid to owners Ros Agro PLC	(5,149)	(2,760)	(2,389)	-
Change in cash on bank deposits*	(4,301)	(16,353)	12,052	74
Purchases of bonds*	(2,197)	-	(2,197)	-
Proceeds from sales of bonds*	3,318	7,568	(4,249)	(56)
Loans given*	(1,211)	(901)	(310)	(34)
Loans repaid*	9,212	314	8,897	2,829
Interest received*	2,024	297	1,727	582
Purchases of non-controlling interest	-	(4)	4.11	-
Proceeds from government grants	1,546	926	621	67
Other financial activities	15	(11)	25	-
<b>Net cash from financing activities</b>	<b>9,865</b>	<b>(9,666)</b>	<b>19,530</b>	<b>-</b>
Net effect of exchange rate changes on cash and cash equivalents	37	(1,269)	1,306	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>6,064</b>	<b>(4,998)</b>	<b>11,062</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	4,402	10,316	(5,915)	(57)
<b>Cash and cash equivalents at the end of the period</b>	<b>10,466</b>	<b>5,318</b>	<b>5,148</b>	<b>97</b>

# Statement of financial positions (IFRS)

## ROS AGRO PLC



	30 June 2016	31 December 2015	RR million	
			Variances	
			Units	%
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	10,466	4,402	6,064	138
Restricted cash	4	-	4	-
Short-term investments	22,454	30,129	(7,675)	(25)
Trade and other receivables	2,344	3,504	(1,161)	(33)
Prepayments	724	1,187	(463)	(39)
Current income tax receivable	198	42	156	373
Other taxes receivable	3,185	1,613	1,571	97
Inventories	16,778	22,570	(5,791)	(26)
Short-term biological assets	8,514	3,616	4,898	135
<b>Total current assets</b>	<b>64,667</b>	<b>67,063</b>	<b>(2,396)</b>	<b>(4)</b>
<b>Non-current assets</b>				
Property, plant and equipment	38,303	34,608	3,695	11
Inventories intended for construction	47	27	21	76
Goodwill	7,786	2,404	5,382	224
Advances paid for property, plant and equipment	5,896	5,393	503	9
Long-term biological assets	1,839	1,913	(74)	(4)
Long-term investments and receivables	17,893	15,378	2,515	16
Investments in associates	431	431	0	0
Deferred income tax assets	1,372	1,491	(118)	(8)
Other intangible assets	743	710	33	5
Restricted cash	4	71	(67)	(95)
<b>Total non-current assets</b>	<b>74,315</b>	<b>62,426</b>	<b>11,890</b>	<b>19</b>
<b>Total assets</b>	<b>138,983</b>	<b>129,489</b>	<b>9,493</b>	<b>7</b>

# Statement of financial positions (IFRS) - continuance

## ROS AGRO PLC



	30 June 2016	31 December 2015	RR million	
			Variances	
			Units	%
<b>Liabilities and EQUITY</b>				
<b>Current liabilities</b>				
Short-term borrowings	18,896	25,860	(6,964)	(27)
Trade and other payables	6,286	3,737	2,549	68
Current income tax payable	51	384	(332)	(87)
Other taxes payable	2,824	2,359	465	20
<b>Total current liabilities</b>	<b>28,058</b>	<b>32,340</b>	<b>(4,282)</b>	<b>(13)</b>
<b>Non-current liabilities</b>				
Long-term borrowings	24,905	24,038	868	4
Government grants	2,439	2,044	395	19
Deferred income tax liability	602	496	106	21
<b>Total non-current liabilities</b>	<b>27,946</b>	<b>26,577</b>	<b>1,369</b>	<b>5</b>
<b>Total liabilities</b>	<b>56,004</b>	<b>58,917</b>	<b>(2,913)</b>	<b>(5)</b>
<b>Equity</b>				
Share capital	12	10	3	31
Treasury shares	(506)	(506)	0	0
Additional paid-in capital	26,856	10,558	16,299	154
Other reserves	1,112	1,295	(183)	(14)
Retained earnings	55,457	59,188	(3,731)	(6)
<b>Equity attributable to owners of ROS AGRO PLC</b>	<b>82,932</b>	<b>70,545</b>	<b>12,387</b>	<b>18</b>
Non-controlling interest	47	27	20	72
<b>Total equity</b>	<b>82,979</b>	<b>70,572</b>	<b>12,407</b>	<b>18</b>
<b>Total liabilities and equity</b>	<b>138,983</b>	<b>129,489</b>	<b>9,493</b>	<b>7</b>