

ROS AGRO PLC

Investor Presentation

1H 2017 and Q2 2017



14 August 2017

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Section 1

Summary Key Indicators (IFRS)

1H 2017 and Q2 2017 vs 1H 2016 and Q2 2016

Net revenue, Adjusted EBITDA: Actual Q2 2017 vs Actual Q2 2016

Comments

Net Revenue decreased by RR 1,494 million (-7%):

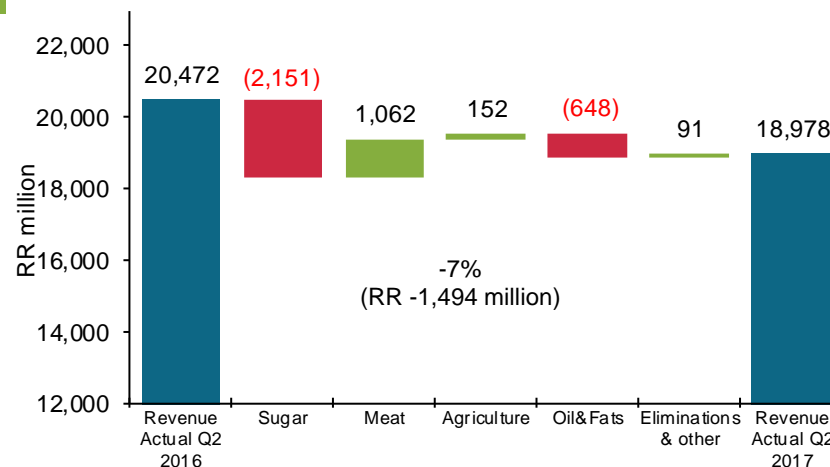
- Sugar sales decreased by RR 2,151 million (-23%) as a result of a decrease in both sales volume and sales prices of sugar.
- Meat sales increased by RR 1,062 million (+25%) as a result of higher sales volume and prices of processed pork and higher sales prices of livestock pigs.
- Agriculture sales increased by RR 152 million (+13%) thanks to sales of sunflower, which was partly offset by a decrease in crops sale prices.
- Oil & Fats sales decreased by RR 648 million (-11%) due to lower sales volumes of mayonnaise, margarine and bottled oil in EZHK and decrease in price of bulk oil in SAPP.

Adjusted EBITDA margin decreased from 16% in Q2 2016 to 14% in Q2 2017.

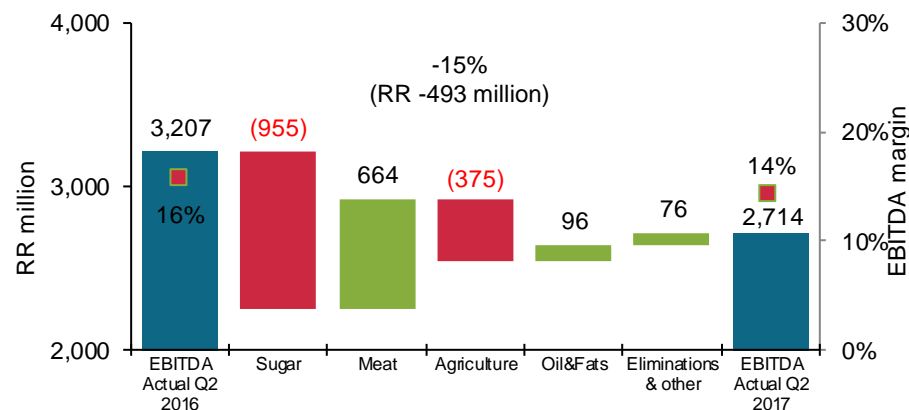
Adjusted EBITDA decreased by RR 493 million or 15%.

Meat and Oil & Fats divisions showed an increase in Adjusted EBITDA. Sugar and Agricultural divisions demonstrated a decrease in Adjusted EBITDA.

Net revenue (IFRS) Actual Q2 2017 vs Actual Q2 2016



Adjusted EBITDA Actual Q2 2017 vs Actual Q2 2016



Net revenue, Adjusted EBITDA: Actual 1H 2017 vs Actual 1H 2016

Comments

Net Revenue decreased by RR 452 million (-1%):

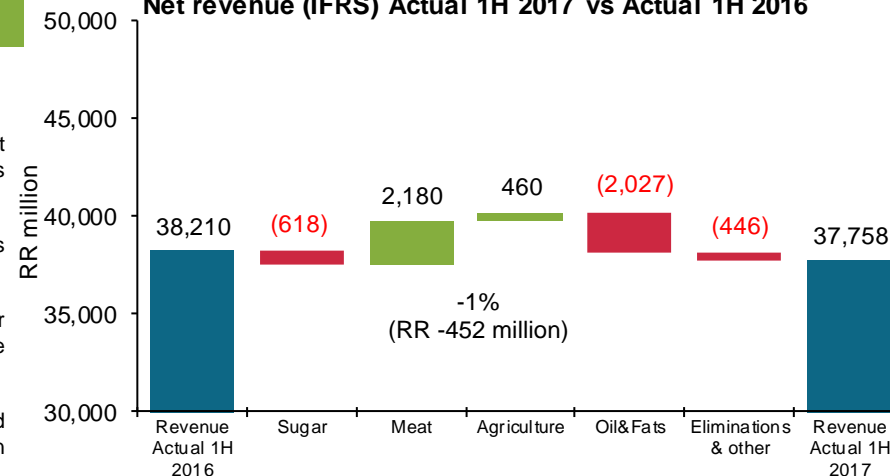
- Sugar sales decreased by RR 618 million (-4%) because of a 20% drop in sugar sales prices that was partly compensated by higher sugar sales volumes and an increase in sales of by-products and cereal products.
- Meat sales increased by RR 2,180 million (+28%) as a result of higher sales volume and prices of both livestock pigs and processed pork.
- Agriculture sales increased by RR 460 million (+10%) thanks to sales of sugar beet and higher sales volumes of wheat, corn and sunflower, which was partly offset by a decrease in crops sale prices.
- Oil & Fats sales decreased by RR 2,027 million (-17%) due to a decrease in sales volume and price of bulk oil (related to SAPP) and lower sales volume of mayonnaise and margarine in EZHK.

Adjusted EBITDA margin decreased from 21% in 1H 2016 to 14% in 1H 2017.

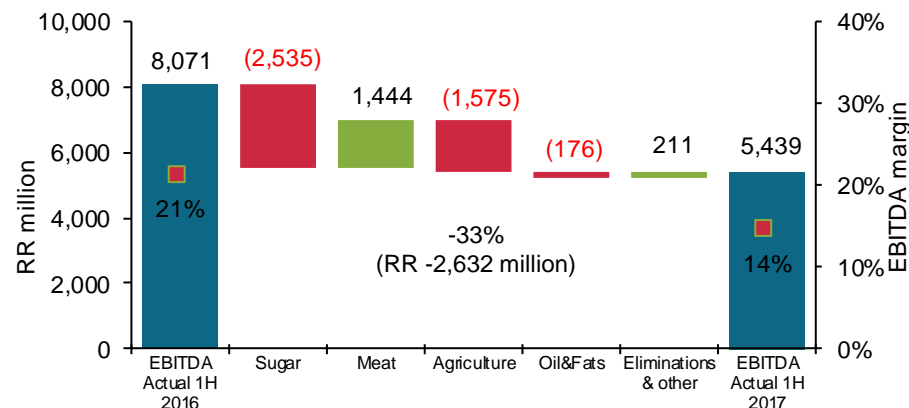
Adjusted EBITDA decreased by RR 2,632 million or 33%.

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

Net revenue (IFRS) Actual 1H 2017 vs Actual 1H 2016



Adjusted EBITDA Actual 1H 2017 vs Actual 1H 2016



Debt profile (as of 30 June 2017)

Comments

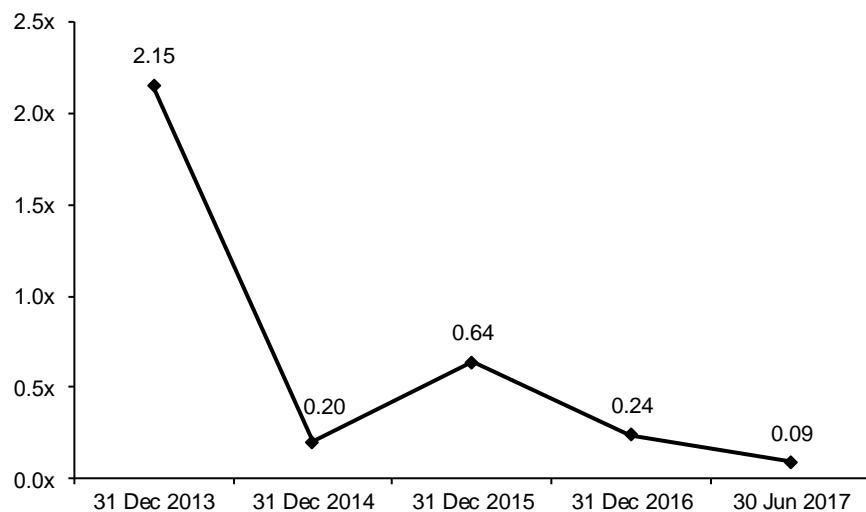
- Gross debt decreased by RR 2,501 million (-6%) to RR 42,001 million
- Net debt decreased by RR 2,913 million (-67%) to RR 1,429 million
- Major banks and their ratio in the Group's credit portfolio (excl. non-bank loans): Vnesheconombank (34%), Alfa bank (47%), Sberbank (14%). The shares are calculated taken into account the fair value adjustments made according to IFRS requirements for the purpose of financial statements.

Net finance expenses in 1H 2016 turned to net finance income in 1H 2017 in amount of RR 851 million:

- RR +579 million of savings in net interest expense as a result of a decrease in gross debt and lower average interest rates thanks to renegotiation most of credit agreements in 2016, which was partly offset by lower reimbursement of interest expense in 1H 2017 compared to 1H 2016;
- RR +72 million of an increase in interest income;
- RR +1,093 million of positive dynamics in forex gain, which covered forex losses of 1H 2016.

For detailed information about FX exchange rate see slide "Average FX rate, USD/RUR" in the Additional information section.

Net debt / LTM EBITDA



Debt position and liquidity management

in RR million	30 June 2017	31 December 2016	Variance	
			Units	%
Gross debt	42,001	44,503	(2,501)	(6)
Short-term borrowings	9,394	11,704	(2,310)	(20)
Long-term borrowings	32,607	32,798	(191)	(1)
Cash and cash equivalents, bank deposits and bonds	(40,572)	(40,160)	(412)	(1)
Short-term cash, deposits and bonds	(23,450)	(23,044)	(406)	(2)
Long-term cash, deposits and bonds	(17,122)	(17,116)	(6)	(0)
Net debt	1,429	4,342	(2,913)	(67)
Short-term borrowings, net	(14,056)	(11,340)	(2,716)	(24)
Long-term borrowings, net	15,485	15,682	(197)	(1)
Adjusted EBITDA (LTM)	15,573	18,205	(2,632)	(14)
Net debt/ Adjusted EBITDA (LTM)	0.09	0.24	(0.1)	

Net finance income/ (expense)

in RR million	1H 2017	1H 2016	Variance		Three months ended		Variance	
			Units	%	30 June 2017	30 June 2016	Units	%
Net interest expense	(1,324)	(1,902)	579	30	(483)	(591)	108	18
Gross interest expense	(1,599)	(2,594)	995	38	(739)	(1,174)	435	37
Reimbursement of interest expense	275	692	(417)	(60)	256	583	(327)	(56)
Interest income	2,105	2,033	72	4	971	1,076	(105)	(10)
Net gain / (loss) from bonds held for trading	7	(13)	20	-	15	(13)	28	-
Other financial income / (expenses), net	77	(1,036)	1,113	-	109	(183)	292	-
Net foreign exchange gain / (loss)	72	(1,021)	1,093	-	104	(182)	286	-
Other financial expenses, net	5	(16)	21	-	5	(1)	6	-
Total net finance income / (expenses)	851	(919)	1,769	-	601	289	312	108

Statement of financial position:

Key changes 30 June 2017 vs 31 December 2016

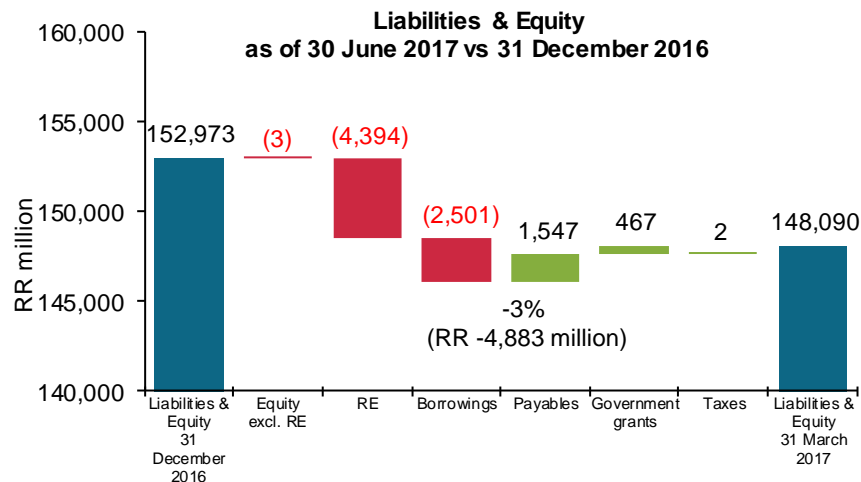
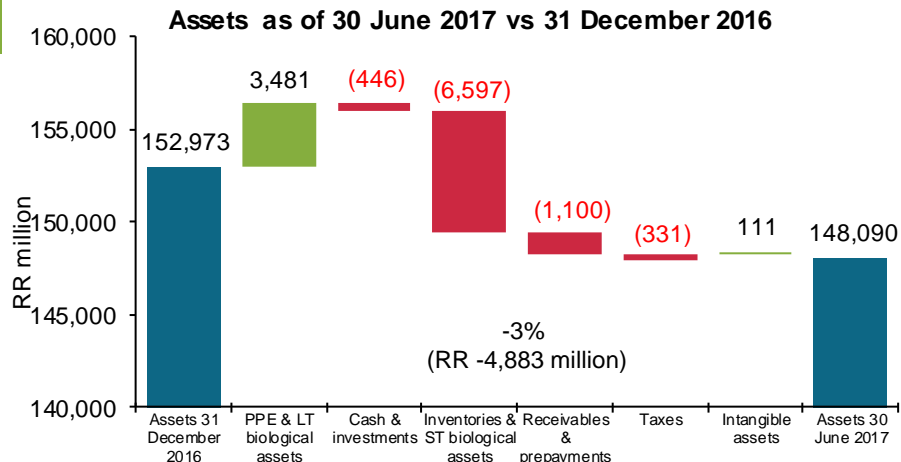
Comments

ASSETS

- PPE & LT biological assets* increased by RR 3,481 million (RR +2,674 million in Agriculture, RR +556 million in Meat, RR +264 million in Sugar). Higher PPE in Agricultural division is related to the purchases of new machinery and equipment. Higher balance of PPE including advances in Meat division is related to the pig-breeding farms and slaughter house construction. Hereinafter on this slide segments figures are presented excluding intercompany balances.
- Cash & Investments** decreased by RR 446 million. For details refer to the next slide Cash Flows.
- Inventories & ST biological assets decreased by RR 6,597 million (RR -7,497 million in Sugar, RR -1,531 million in Meat, RR +4,883 million in Agriculture and RR -2,286 million in Oil). In Sugar division the decrease in inventories is expected during 1H and is attributed to sales of sugar from the prior year stock. Level of balance of inventories in Meat division is lower compared to the year-end as pigs fodder collected in the previous period is used in the production process. Significant increase of inventories in Agricultural divisions includes decrease in the balance of finished produce as last year crops were sold during 1H (RR -5,072 million) and higher value of biological assets represented by the current year harvest being grown (RR +9,955 million). Lower inventory in Oil includes decrease in raw materials (sunflower seeds in Samara oil plant and soybean in Primorskaya Soya) and finished produce in Ekaterinburg fat plant.
- Receivables & Prepayments decreased by RR 1,100 million (RR -400 million in Oil, RR -1,017 million in Agriculture and RR +310 million in Other). Variance in balances is within normal course of business.
- Taxes*** decreased by RR 331 million as a result of an increase in deferred tax asset by RR 169 million and decrease of VAT receivable in amount of RR 449 million (RR +1,053 million in Agriculture, RR -626 million in Oil, RR -26 million in Other, RR -609 million in Sugar and RR -242 million in Meat division). The decrease in VAT receivables in Meat, Sugar and Oil is attributed to significant amount of VAT refund received from the budget in 2017. Higher VAT receivable in Agricultural division has cumulated from advances received for sugar beet of the new harvest.
- Intangible assets**** increased by RR 111 million mainly as the result of RR +108 million of goodwill from acquisition of Regionstroy.

LIABILITIES & EQUITY

- Equity (excl. RE) is lower by RR 3 million mainly as the result of positive revaluation of investment of Razgulyai shares of RR +118 million and other operations with NCI of RR -121 million.
- RE (retained earnings) decreased by RR 4,394 million and are represented by loss attributable to shareholders of Ros Agro PLC (RR +226 million) and dividends declared (RR -4,619 million).
- Borrowings decreased by RR 2,501 million incl. RR -2,310 million of ST borrowings and RR -191 million of LT borrowings.
- Payables increased by RR 1,547 million (RR -999 million in Sugar, RR +2,377 million in Agriculture, RR -172 million in Oil and RR +278 million in Other). A decrease in payables in Sugar division related mainly to lower advance payments received for sugar sales from customers and lower level of outstanding trade payables for raw materials and related services. Higher payables in Agricultural division covered purchases of PPE, fertilizers, crop protection agents and further materials.
- Government grants increased by RR 467 million, which included RR +606 million of grants received for pig-breeding farms and the slaughter house construction and RR -139 million of amortization of previously received grants.
- Taxes*** increased by RR 2 million as a result of an increase in other taxes payable by RR 128 million (mainly higher SHI payable by RR 157 million, higher land and property tax payable by RR 27 million and lower VAT payable by RR 74 million), which was compensated by a decrease in deferred income tax liability by RR 72 million and a decrease in CIT payable by RR 54 million.



* include PPE, Inventories intended for construction, Advances paid for non-current assets and LT biological assets

** include Cash and cash equivalents, ST and LT Restricted cash, ST and LT investments, LT receivables, investments in associates

*** include Current income tax, Deferred income tax and Other taxes

**** include Goodwill, Other intangible assets and Advances paid for intangible assets

Cash Flows: Actual 1H 2017 vs Actual 1H 2016

Comments

In 1H 2017 cash and cash equivalents increased by RR 7,549 million from RR 6,752 million to RR 14,301 million.

Main variances in cash flow statement line items between 1H 2017 and 1H 2016:

Net cash from operating activities:

- RR -1,641 million of a decrease in operating cash flow before working capital changes mainly due to a decrease in operating profit (before non-cash and non operating items);
- RR +3,607 million change in inventories and biological assets (excl. revaluation of biological assets) due to a decrease in inventories of Sugar (sales of sugar of prior year stock) and to a decrease in raw material of Oil&Fat, that was used in production;
- RR +2,328 million change in other taxes receivable, due to a significant amount of VAT refund received from the budget in 1H 2017 (in Meat, Sugar and Oil).

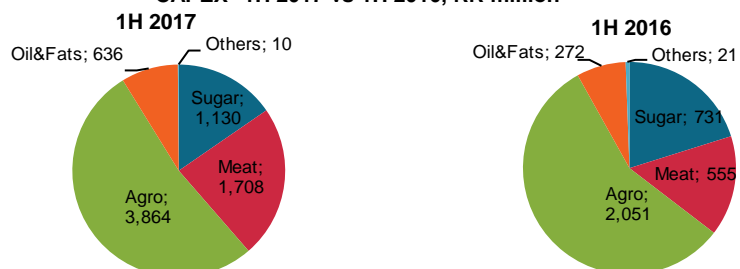
Net cash from investing activities:

- RR -3,716 million change in Purchases of PPE (see breakdown by segment in a chart below);
- RR +8,767 million change in investments in subsidiaries (RR +79 million of net cash acquired through business combination in 1H 2017 in Meat segment vs RR -8,688 million of net cash disposed in 1H 2016 for acquisition of Razgulyai).

Net cash from financing activities:

- RR +5,313 million net changes in borrowings due significant repayment of borrowings in 1H 2016 (used cash proceeded from SPO);
- RR +3,099 million net change in investment in financial asset (1H 2017: RR +7,143 million change in cash on bank deposits; 1H 2016: RR -4,301 million change in cash on bank deposits, RR +12,530 million proceeds from loans repaid and sales of bonds and RR -3,409 million loans given and purchases of bonds);
- RR -16,301 million proceeds from issue of shares in 1H 2016.

CAPEX* 1H 2017 vs 1H 2016, RR million



Cash Flows according to Management view (Not IFRS presentation)** RR million

	Actual 1H 2017	Actual 1H 2016	Variances	
			Units	%
Cash flows from operating activities				
Profit / (loss) before income tax	107	2,105	(1,998)	(95)
<i>Adjustments for non-cash and non-operating (income)/expenses, net</i>	6,080	5,723	357	6
Operating cash flow before working capital changes	6,187	7,828	(1,641)	(21)
Change in trade and other receivables and prepayments	1,162	1,036	126	12
Change in other taxes receivable	1,288	(1,040)	2,328	-
Change in inventories and biological assets	3,604	(3)	3,607	-
Change in trade and other payables	1,078	854	224	26
Change in other taxes payable	(98)	406	(504)	-
Cash generated from operations	13,221	9,081	4,140	46
Income tax paid	(280)	(594)	314	53
Net cash from operating activities	12,940	8,487	4,454	52
Cash flows from investing activities				
Purchases of property, plant and equipment and inventories intended for construction	(7,347)	(3,631)	(3,716)	(102)
Investments in subsidiaries, net of cash acquired	79	(8,688)	8,767	-
Movement in restricted cash	(3)	63	(66)	-
Purchases of other intangible assets	(110)	(115)	5	5
Other investing activities	19	48	(28)	(59)
Net cash from investing activities	(7,362)	(12,324)	4,962	40
Cash flows from financing activities				
Net cash flow s on borrowings, incl. interest paid	(4,380)	(9,693)	5,313	55
Net cash flow s on financial assets related to financial activities, incl. interest received*	9,944	6,845	3,099	45
Proceeds from government grants	970	1,546	(577)	(37)
Purchases of non-controlling interest	(81)	-	(81)	-
Proceeds from issue of own shares, net of transaction cost	-	16,301	(16,301)	-
Dividends paid to owners Ros Agro PLC	(4,367)	(5,149)	783	-
Other financial activities	(5)	15	(19)	-
Proceeds from sales of treasury shares	7	-	7	-
Net cash from financing activities	2,087	9,865	(7,777)	(79)
Net effect of exchange rate changes on cash and cash equivalents	(117)	37	(153)	-
Net increase/ (decrease) in cash and cash equivalents	7,549	6,064	1,485	24
Cash and cash equivalents at the beginning of the period	6,752	4,402	2,350	53
Cash and cash equivalents at the end of the period	14,301	10,466	3,835	37

(*) For detail see slide "Statement of cash flow according to Management view" in appendix

(**) 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)

1 H 2017 and Q2 2017 vs 1H 2016 and Q2 2016



Comments

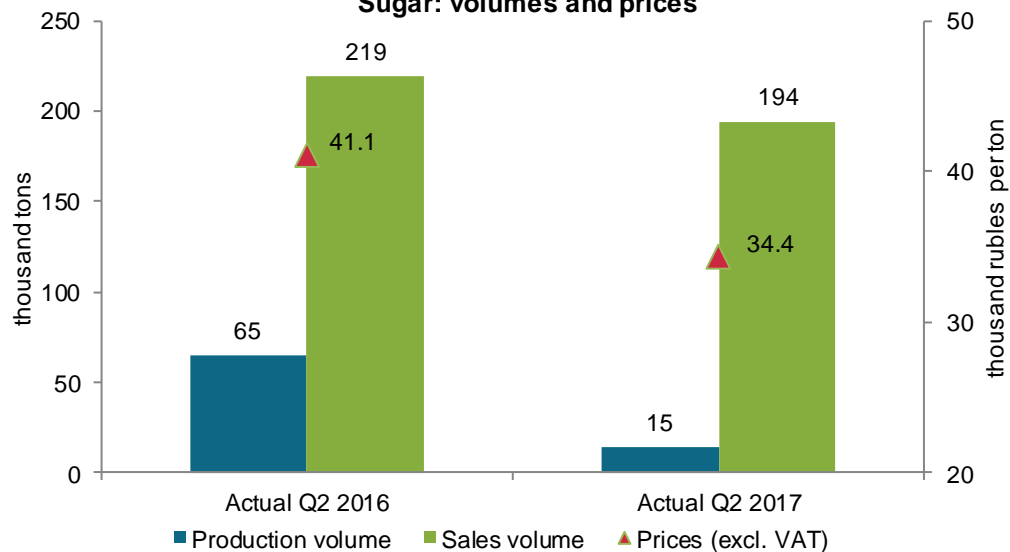
Sales (RR -2,151 million, -23%):

- 16% drop in sugar sales prices;
- a decrease in sugar sale volumes by 25 thousand tons or 11%.

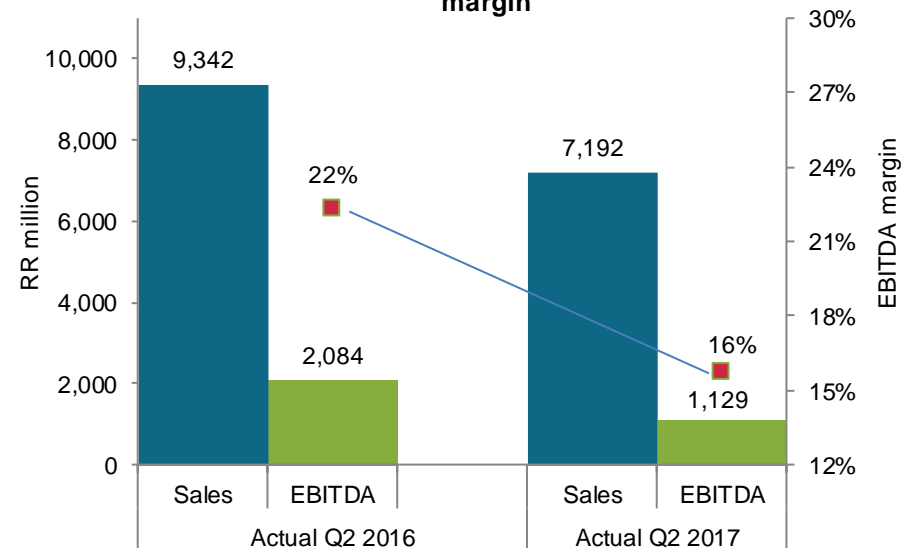
Adjusted EBITDA (RR -955 million, -46%, margin -6%):

- RR -815 million of a decrease in gross profit (excl. depreciation) resulted from a significant decrease in sugar sale prices;
- RR -68 million of an increase in selling and distribution expenses (excl. depreciation) attributed to increased transportation costs and payroll costs;
- RR -73 million of an increase in general and administrative expenses (excl. depreciation), attributed to higher payroll costs and taxes.

Sugar: volumes and prices



Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



Item	Production volumes, in thousand tons			
	Actual Q2 2017	Actual Q2 2016	Variances	
			Units	%
Total production	15	65	(51)	(78)
Beet sugar	15	6	9	150
Cane sugar	-	59	(59)	-

Comments

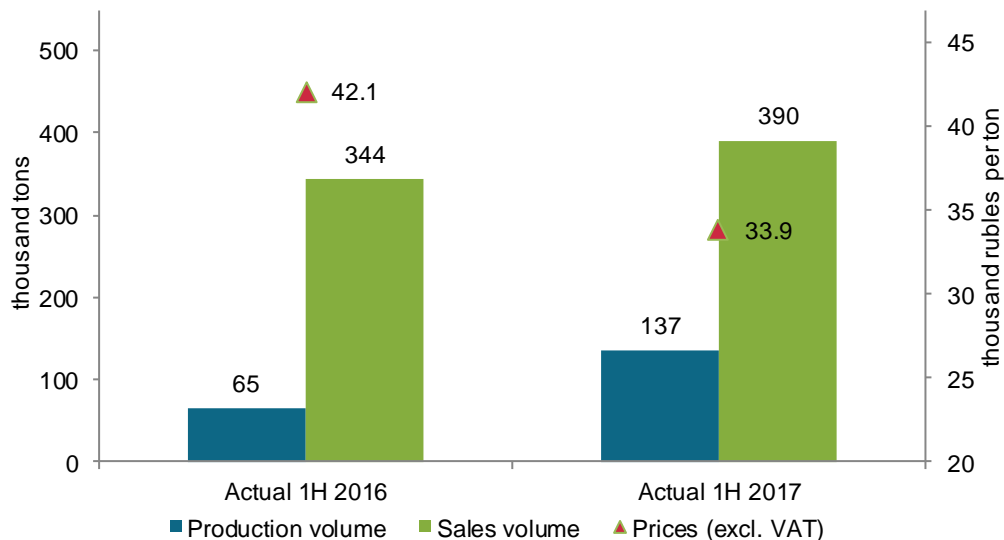
Sales (RR -618 million, -4%):

- 20% drop in sugar sales prices;
- an increase in sugar sale volumes by 47 ths tn or 14%;
- Increase in sales volumes of beet pulp granulated, molasses and cereal products.

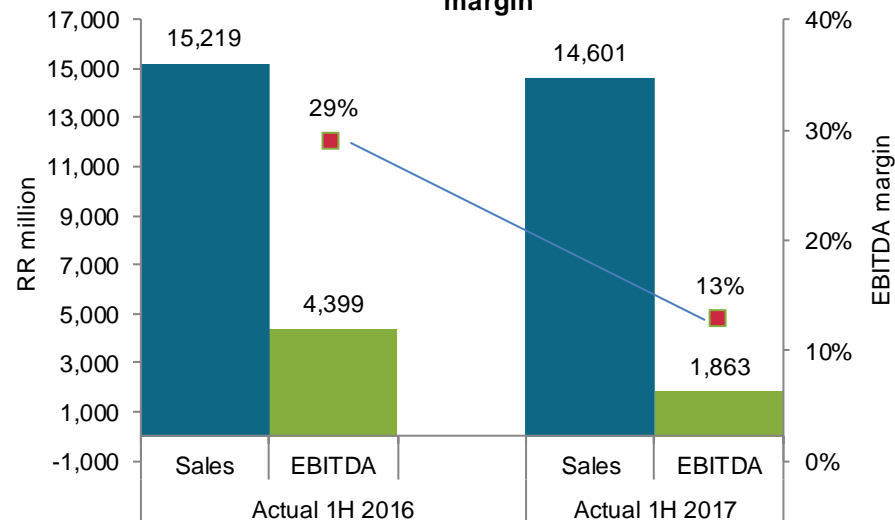
Adjusted EBITDA (RR -2,535 million, -58%, margin -16%):

- RR -1,947 million of a decrease in gross profit (excl. depreciation) resulted from a significant decrease in sugar sale prices;
- RR -381 million of an increase in selling and distribution expenses (excl. depreciation) attributed mainly to increased sales volume and an increase in tariffs;
- RR -208 million of an increase in general and administrative expenses (excl. depreciation), incl. RR -122 million related to new plants joined the Group in May 2016. The remaining increase is attributed to higher payroll costs (increase both in numbers of employees and in average salary) and taxes.

Sugar: volumes and prices

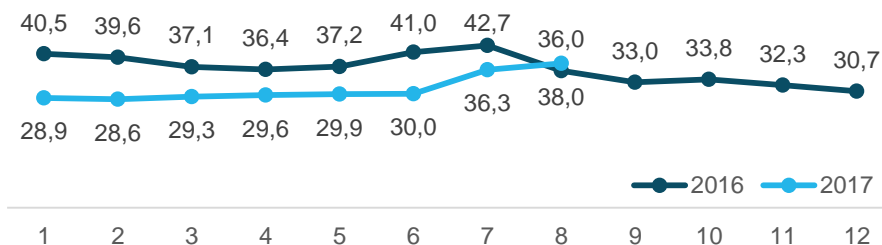


Sugar: sales, Adjusted EBITDA and Adjusted EBITDA margin



Item	Production volumes, in thousand tons			
	Actual 1H 2017	Actual 1H 2016	Variances	
			Units	%
Total production	137	65	71	110
Beet sugar	137	6	131	2,307
Cane sugar	-	59	(59)	-

Av. monthly sugar prices ISCO-Krasnodar RR per kg, excl. VAT



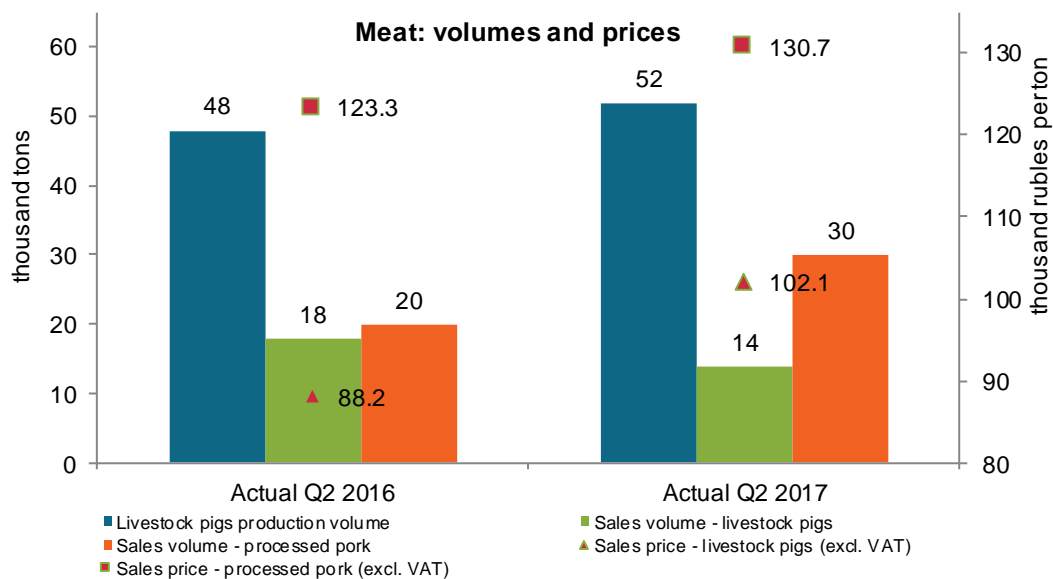
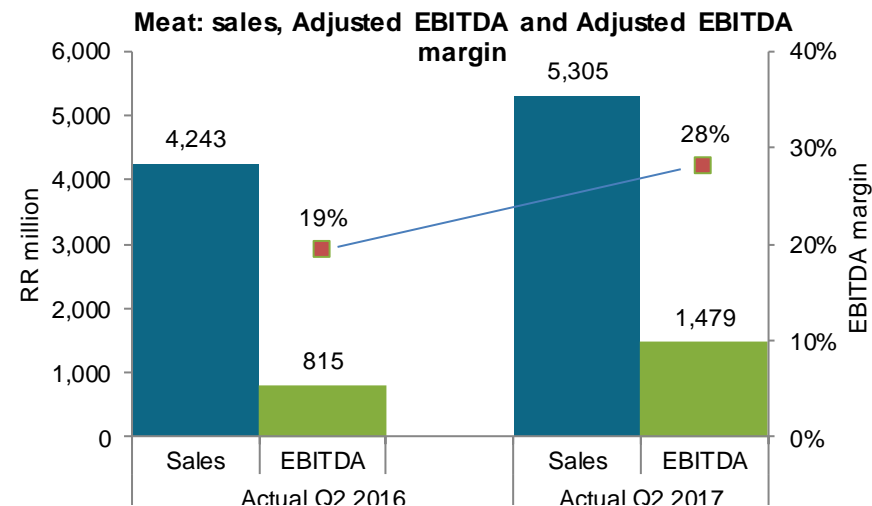
Comments

Sales (RR +1,062 million, +25%):

- an increase in sales volume of processed pork by 10 ths tn or 51%, that was partly offset by a decrease in sales volume of livestock pigs by 4 ths tn or 23%.
- an increase in sales prices of both livestock pigs (+16%) and processed pork (+6%).

Adjusted EBITDA (RR +664 million, +82%, margin +9%) changed mainly due to:

- RR +687 million of an increase in price of livestock pigs;
- RR +188 million of an increase in shipment volume of livestock pigs;
- RR -221 million of an increase in loss from processing meat due to a decrease in difference between price of processed pork and price of live pigs;
- RR +192 million of a decrease in feed cost due to lower grain prices.



Comments

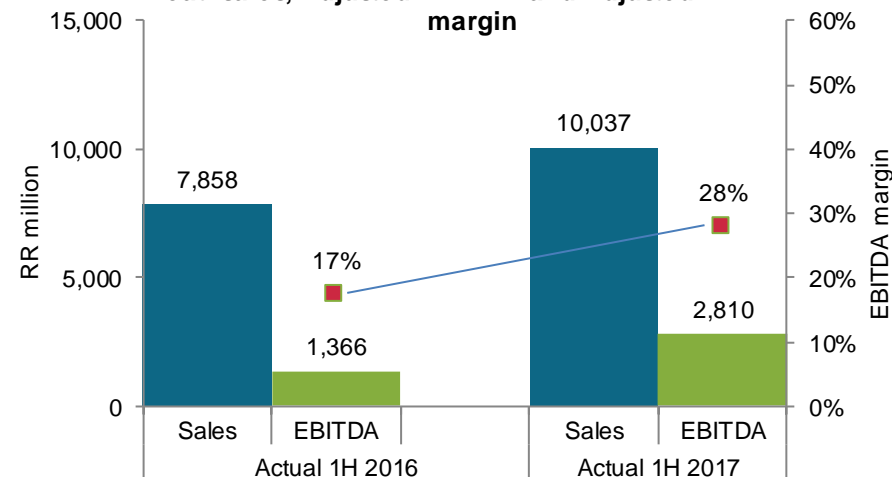
Sales (RR +2,180 million, +28%):

- an increase in sales volume of livestock pigs by 1 ths tn or 4% and in sales volume of processed pork by 12 ths tn or 30%. Overall sales volume increased due to an increase in livestock population and the average weight of pigs.
- an increase in sales prices of both livestock pigs (+14%) and processed pork (+8%).

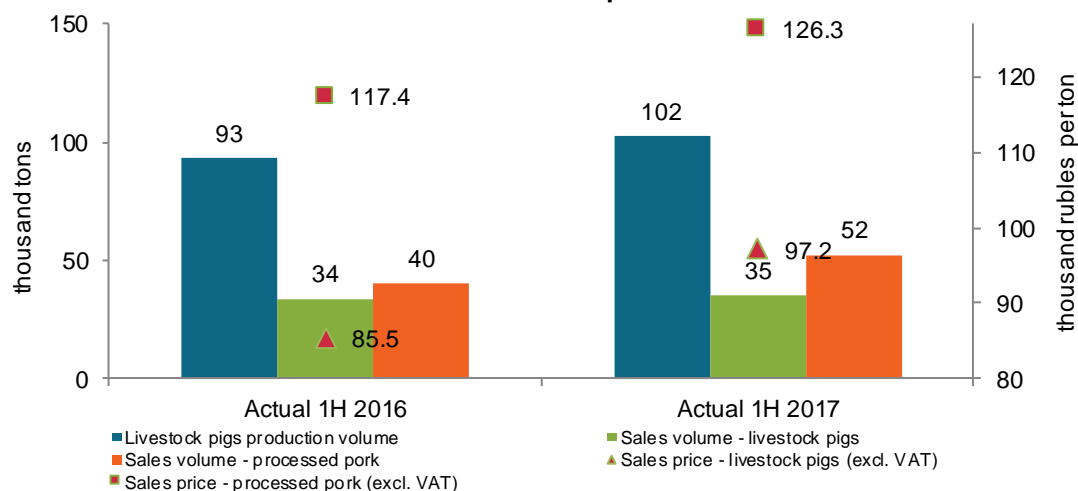
Adjusted EBITDA (RR +1,444 million, +106%, margin +11%) changed mainly due to:

- RR +1,183 million of an increase in price of livestock pigs;
- RR +389 million of an increase in shipment volume of livestock pigs;
- RR -348 million of an increase in loss from processing meat due to a decrease in difference between price of processed pork and price of live pigs;
- RR +158 million of a decrease in cost of livestock production, mainly due to feed cost and fixed cost.

Meat: sales, Adjusted EBITDA and Adjusted EBITDA margin



Meat: volumes and prices



Comments

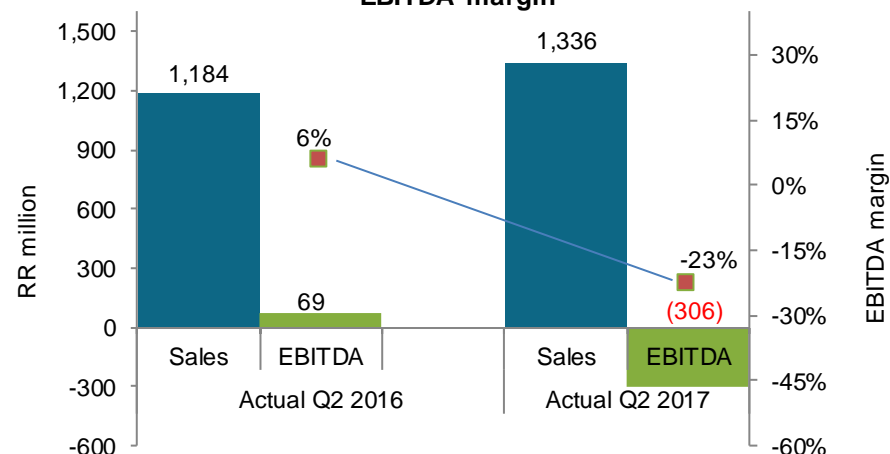
Sales (RR +152 million, +13%):

- the major positive factor is sales of 31.2 ths tn of sunflower in Q2 2017 compared to merely none in Q2 2016.
- the major negative factor is a decrease in sales price of all crops.

Adjusted EBITDA (RR -375 million, margin -29%):

- RR -177 million of a decrease in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) as a result of a decrease in sales prices;
- RR -226 million of an increase in distribution and selling expenses (excl. depreciation), related to an increase in sales volume and recognition of some logistics cost related to Q1 2017.
- RR +21 million of a decrease in general and administrative expenses (excl. depreciation).
- RR +7 million in government grant for compensation of operating costs (RR 40 million in Q2 2017 vs RR 33 million in Q2 2016).

Agriculture: sales, Adjusted EBITDA and Adjusted EBITDA margin



Agriculture: sales volumes and prices

Item	Sales volume, thousand tons				Average price (excl. VAT), ths rur/tn			
	Actual Q2 2017	Actual Q2 2016	Variances		Actual Q2 2017	Actual Q2 2016	Variances	
			Units	%			Units	%
w heat	15.7	37.6	(21.9)	(58)	6.8	8.5	(1.8)	(21)
barley	12.6	15.6	(3.1)	(20)	6.6	10.0	(3.4)	(34)
sunflower	31.2	0.1	31.1	-	15.1	21.2	(6.0)	(29)
corn	32.9	9.5	23.5	247	8.1	8.6	(0.5)	(6)
soybean	15.0	21.4	(6.4)	(30)	18.9	20.5	(1.6)	(8)
other	1.7	0.1	1.6	-	4.5	7.1	(2.6)	(37)

Comments

Sales (RR +460 million, +10%):

The major positive factors are:

- sales of 452 ths tn of sugar beet in 1H 2017 compared to zero sales in 1H 2016
- increase in wheat, corn and sunflower sales volume.

The major negative factors are:

- a decrease in sales price of all crops except for corn
- lower sales volume of soybean.

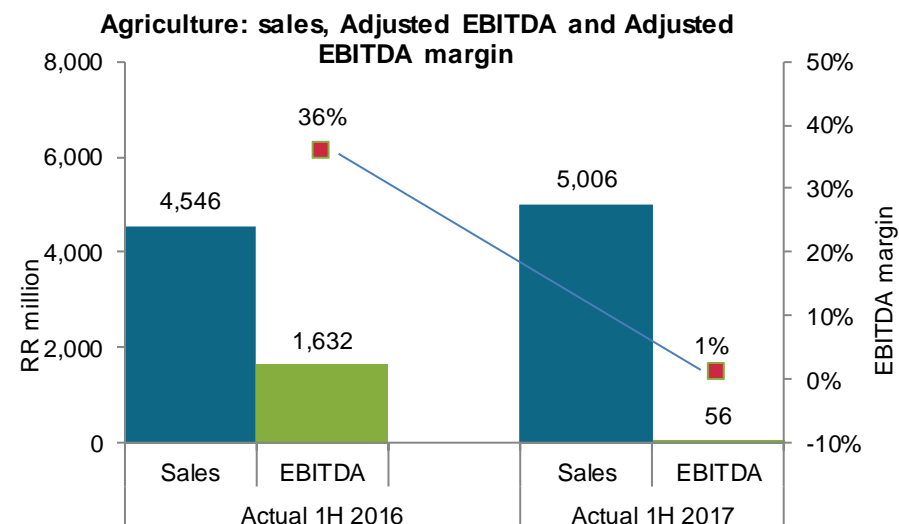
Adjusted EBITDA (RR -1,575 million, -97%, margin -35%):

- RR -552 million of a decrease in gross profit (excl. effect of biological assets and agricultural produce revaluation and depreciation) as a result of a decrease in sales prices.
- RR -770 million of an increase in distribution and selling expenses (excl. depreciation), which includes significantly higher transportation and loading expenses due to sales of sugar beet in 2017 against nil in 2016 and additional storage expenses as a result of high volumes of wheat, sunflower and corn in stock at the end of 2016 compared to 2015.
- RR -101 million of an increase in general and administrative expenses (excl. depreciation), including RR -26 million attributed to new entities acquired as of 1 June 2016. The remaining increase is related to higher payroll costs as a result of increase in average salaries and personnel in administrative function.
- RR -152 million in government grant for compensation of operating costs (RR 40 million in 1H 2017 vs RR 192 million in 1H 2016).

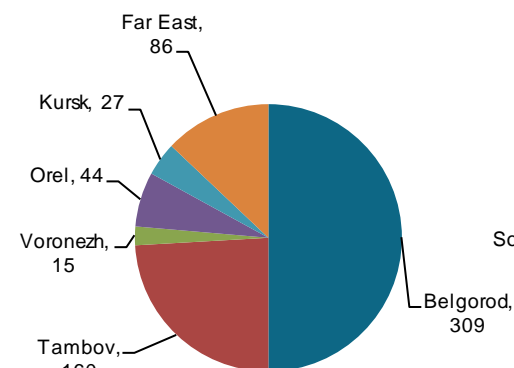
As at 30 June 2017 the Group's area of controlled land stands at 664 ths ha (30 June 2016: 610 ths ha), incl. 564 ths ha of cultivated land (30 June 2016: 527 ths ha).

Agriculture: sales volumes and prices

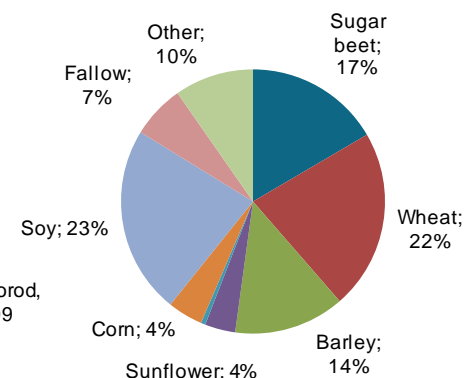
Item	Sales volume, thousand tons				Average price (excl. VAT), ths rub/tn			
	Actual 1H		Variances		Actual		Variances	
	2017	2016	Units	%	1H 2017	1H 2016	Units	%
sugar beet	452.2	-	452.2	-	2.1	-	2.1	-
wheat	183.5	124.2	59.3	48	7.2	8.8	(1.6)	(18)
barley	25.1	27.2	(2.1)	(8)	6.8	10.1	(3.3)	(33)
sunflower	49.0	32.7	16.2	50	15.7	23.6	(8.0)	(34)
corn	71.3	49.8	21.5	43	8.7	8.5	0.2	3
soybean	45.6	76.9	(31.4)	(41)	19.5	21.9	(2.3)	(11)
other	3.3	0.4	2.9	703	2.9	11.5	(8.6)	(75)



Total land resources by region as of 30 June 2017, ths ha



Arable land structure - harvest of 2017



Comments

Sales (RR -648 million, -11%: EZHK RR -419 million, -18%; SAPP RR -902 million, -23%; Far East RR +166 million, +23% and Eliminations RR +507million).

Lower sales are attributed to a decrease in sales volume of mayonnaise, margarine and bottled oil in EZHK and a decrease in price of bulk oil in SAPP. For more information refer to the next slide.

Adjusted EBITDA (RR +96 million, margin +1%), including:

EZHK (RR +218 million, margin +10%):

- RR +29 million of an increase in gross profit (excl. depreciation);
- RR +170 million of a decrease in distribution and selling expenses (excl. depreciation) mainly as a result of limitation of advertising and marketing expenses;
- RR +19 million of a decrease in general and administrative expenses (excl. depreciation) due to higher payroll costs.

SAPP (RR -169 million, margin -6%):

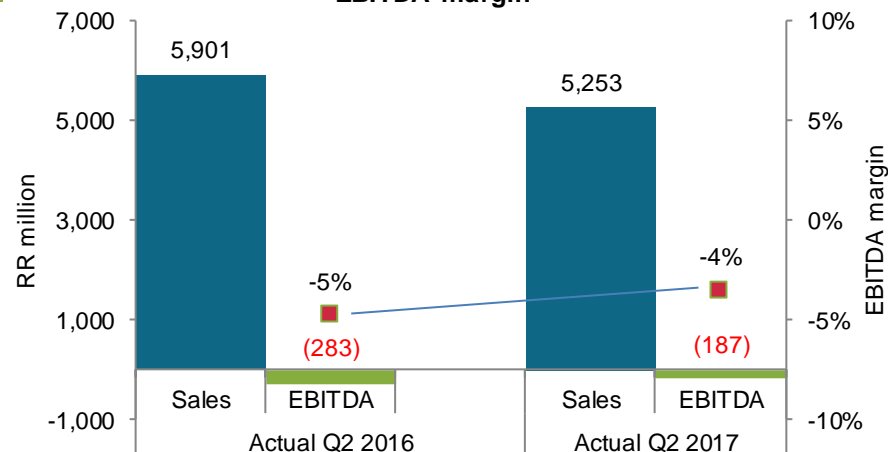
- RR -151 million of a decrease in gross profit (excl. depreciation) due to a decrease in sales prices of bulk oil, that was partly compensated by a 24% decrease in cost of sunflower seeds per unit. Part of SAPP losses in Q2 2017, attributed to export operations, was hedged by taking USD nominated bank loan. The forex gain on revaluation of this USD loan is included in other financial income and expenses, below Adjusted EBITDA line item.

Far East (RR -8 million, margin – nil):

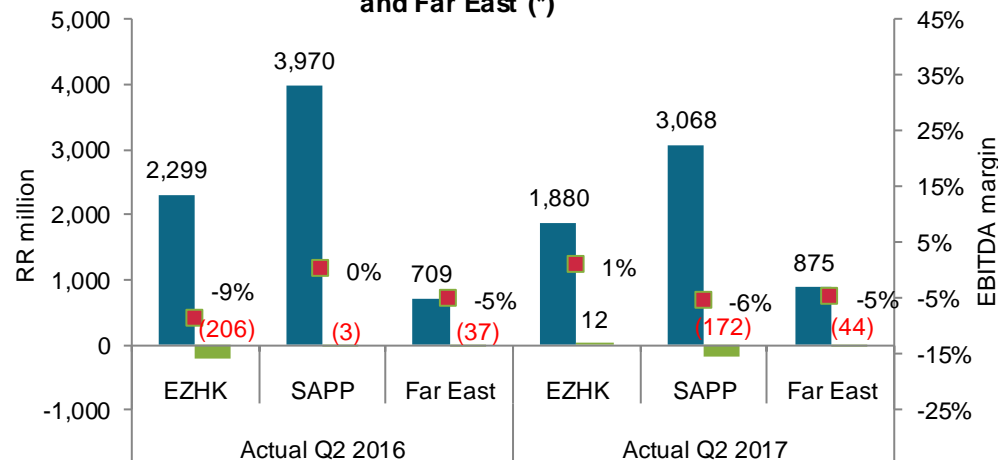
- RR -10 million of a decrease in gross profit (excl. depreciation) due to lower sales prices of meal and bottled oil that was partly compensated by a 8% decrease in cost of soy been per unit.

Eliminations RR +55 million

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



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



(*) Excluding elimination adjustments for intra-segment transactions. In Q2 2017 the effect of elimination adjustments for Sales within Oil & Fats segment amounted to RR -570 million (Q2 2016: RR -1,077 million), the effect of elimination adjustments for Adjusted EBITDA amounted to RR +17 million (Q2 2016 : RR -38 million).

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

Comments

Sales and prices in Ekaterinburg fat plant (EZHK):

- sales volume of mayonnaise decreased by 4 ths tn (-20%) with 7% increase in price; Lower volumes of Mechta Khozyaiki were sold due to limitation of brand marketing and promotional activities and restriction of geography of sales.
- sales volume of margarine decreased by 0.9 ths tn (-12%) with 6% increase in price; Drop in sales of margarine is resulted by lower exports abroad due to weak consumers purchase power in the countries of export.
- sales volume of bottled oil decreased by 0.7 ths tn (-21%) with 24% decrease in price;

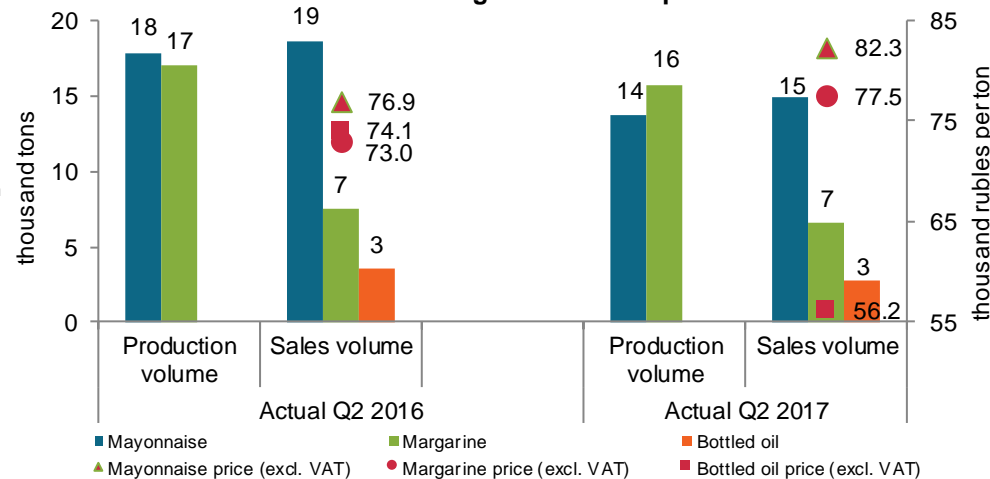
Sales and prices in Samara oil plant (SAPP):

- sales volume of bulk oil increased by 7 ths tn (+15%) with 21% decrease in price
- sales volume of meal decreased by 0.4 ths tn (-1%) with 28% decrease in price

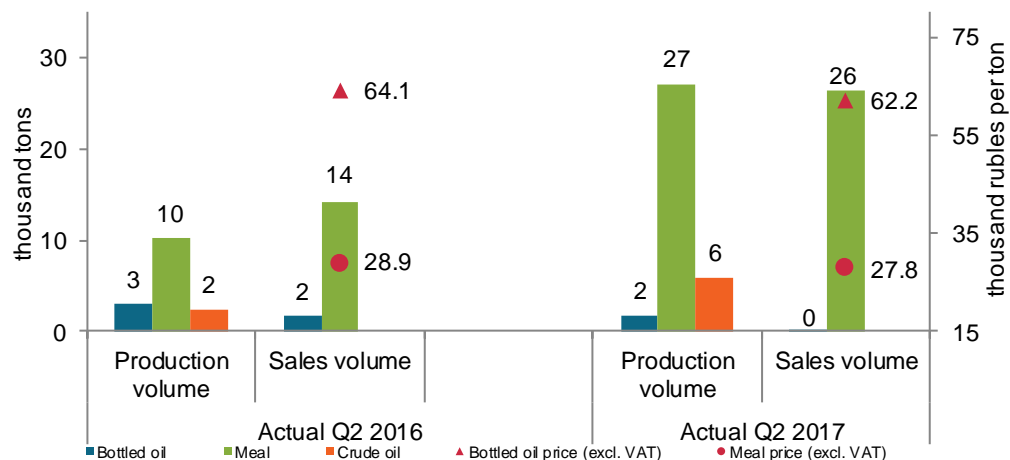
Sales and prices in Far East region:

- sales volume of bottled oil decreased by 2 ths tn (-100%) with 3% decrease in price
- sales volume of meal increased by 12 ths tn (+87%) with 4% decrease in price

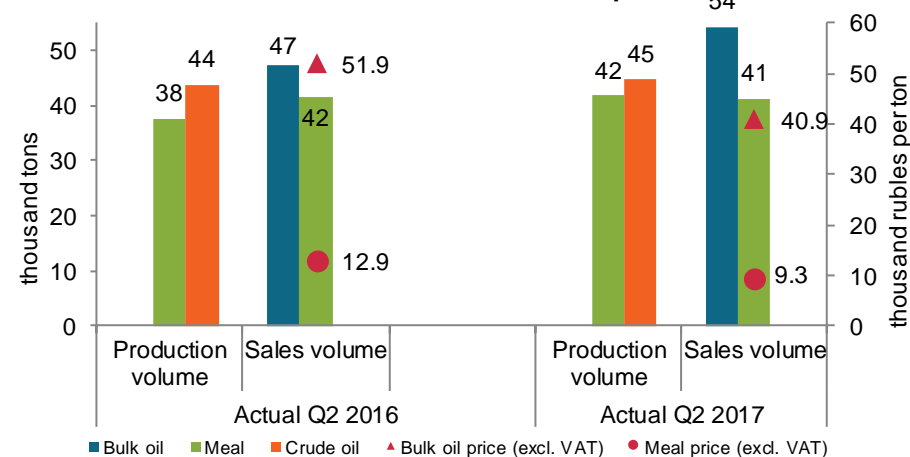
Oil & Fats Ekaterinburg: volume and prices



Far East: volume and prices



Oil & Fats Samara: volume and prices



Comments

Sales (RR -2,027 million, -17%; EZHK RR -386 million, -9%; SAPP RR -2,241 million, -31%; Far East RR +75 million, +4% and Eliminations RR +524 million).

Lower sales are attributed to a decrease in sales volume and price of bulk oil (related to SAPP) and lower sales volume of mayonnaise and margarine in EZHK. For more information refer to the next slide.

Adjusted EBITDA (RR -176 million, margin -2%), including:

EZHK (RR +226 million, margin +5%):

- RR +5 million of an increase in gross profit (excl. depreciation);
- RR +230 million of a decrease in distribution and selling expenses (excl. depreciation) mainly as a result of limitation of advertising and marketing expenses;
- RR -9 million of an increase in general and administrative expenses (excl. depreciation) due to higher payroll costs and higher personnel related expenses (mainly opening event of new modernized production facilities).

SAPP (RR -433 million, margin -7%):

- RR -488 million of a decrease in gross profit (excl. depreciation) due to a decrease in sales prices and volume of bulk oil, that was partly compensated by a 24% decrease in cost of sunflower seeds per unit.
- RR +55 million a decrease in SG&A due to a decrease in logistic cost related to lower sales volume, a lower bad debt provision expenses and decrease in cost of bank services;

Part of SAPP losses in 1H 2017, attributed to export operations, was hedged by taking USD nominated bank loan. The forex gain on revaluation of this USD loan is included in other financial income and expenses, below Adjusted EBITDA line item.

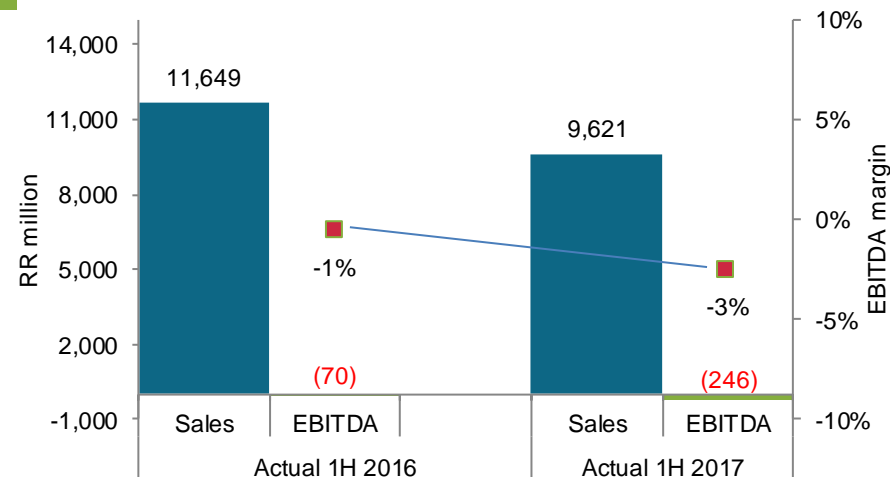
Far East (RR -67 million, margin -4%):

- RR -50 million of an increase in gross profit (excl. depreciation) due to lower sales prices of meal and bottled oil that was partly compensated by a 6% decrease in cost of soy been per unit.
- RR -17 million of an increase in SG&A due to higher logistic cost.

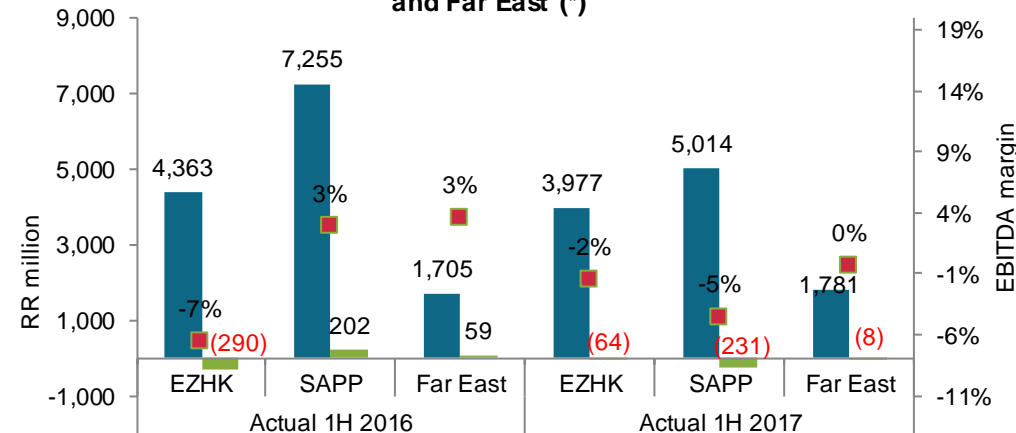
Eliminations RR +98 million.

(*) Excluding elimination adjustments for intra-segment transactions. In 1H 2017 the effect of elimination adjustments for Sales within Oil & Fats segment amounted to RR -1,151 million (1H 2016: RR -1,675 million), the effect of elimination adjustments for Adjusted EBITDA amounted to RR +57 million (1H 2016 : RR -41 million).

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



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



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

Comments

Sales and prices in Ekaterinburg fat plant (EZHK):

- sales volume of mayonnaise decreased by 2 ths tn (-7%) with 4% increase in price;
Lower volumes of Mehta Khozyaiki were sold due to limitation of brand marketing and promotional activities and restriction of geography of sales.
- sales volume of margarine decreased by 1 ths tn (-7%) with 10% increase in price;
Drop in sales of margarine is resulted by lower exports abroad due to weak consumers purchase power in the countries of export.

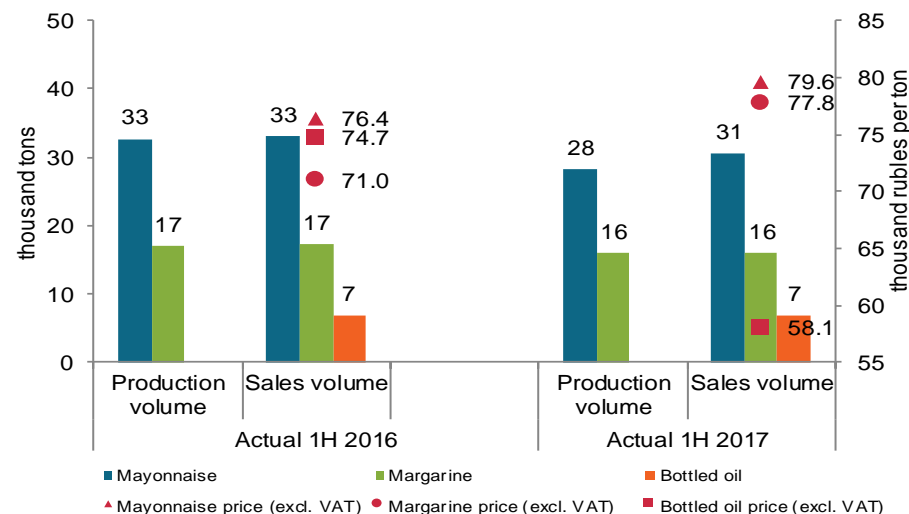
Sales and prices in Samara oil plant (SAPP):

- sales volume of bulk oil decreased by 7 ths tn (-8%) with 23% decrease in price;
- sales volume of meal increased by 4 ths tn (+4%) with 22% decrease in price;

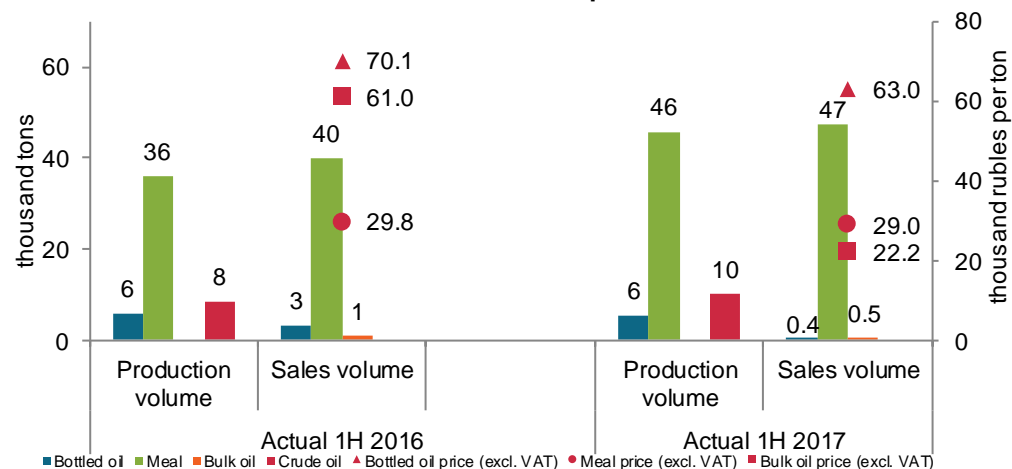
Sales and prices in Far East region:

- sales volume of bottled oil decreased by 3 ths tn (-87%) with 10% decrease in price
- sales volume of meal increased by 8 ths tn (+19%) with 3% decrease in price

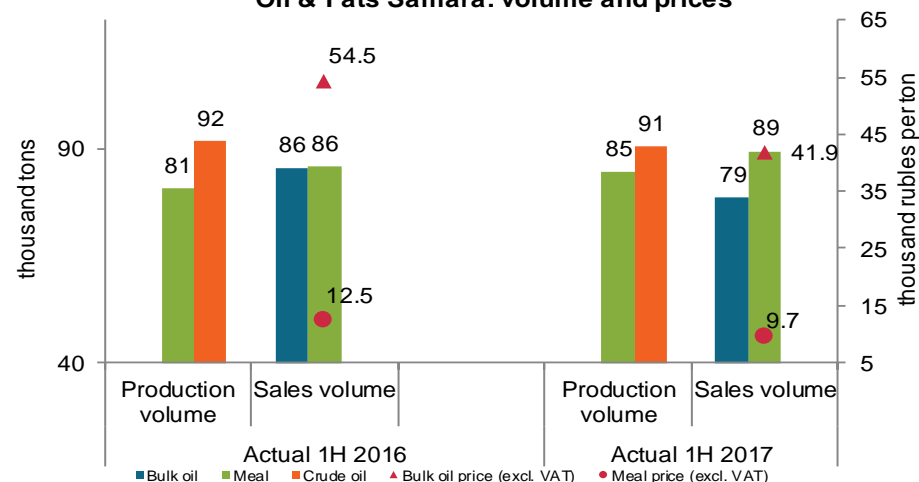
Oil & Fats Ekaterinburg: volume and prices



Far East: volume and prices



Oil & Fats Samara: volume and prices



Section 3

Additional information



Statement of Comprehensive income (IFRS)

ROS AGRO PLC

RR million

Description	Actual 1H 2017	Actual 1H 2016 (*)	Variances	
			Units	%
Sales	37,758	38,210	(452)	(1)
Net gain on revaluation of biological assets and agricultural produce	(3,393)	(3,351)	(42)	(1)
Cost of sales	(28,934)	(27,078)	(1,856)	(7)
Net gain/ (loss) from trading derivatives	(3)	337	(340)	(101)
Gross profit	5,428	8,118	(2,691)	(33)
Distribution and selling expenses	(3,846)	(3,201)	(645)	(20)
General and administrative expenses	(2,224)	(2,491)	267	11
Other operating income, net	(117)	598	(715)	(120)
Operating profit / (loss)	(759)	3,024	(3,783)	(125)
Interest expense	(1,324)	(1,902)	579	30
Interest income	2,105	2,033	72	4
Net gain/ (loss) from bonds held for trading	7	(13)	20	156
Other financial expenses, net	77	(1,036)	1,113	107
Profit / (loss) before taxation	107	2,105	(1,998)	(95)
Income tax expense	119	(72)	191	264
Profit / (loss) for the period	226	2,033	(1,807)	(89)
Change in value of available-for-sale financial assets	(154)	(190)	36	19
Net change in fair value of available-for-sale financial assets transferred to profit or loss	301	-	301	-
Income tax relating to other comprehensive income	31	38	(7)	(19)
Income tax relating to other comprehensive income transferred to profit or loss	(60)	-	(60)	-
Total comprehensive income / (loss) for the period	344	1,881	(1,537)	(82)
Profit / (loss) is attributable to:				
Owners of ROS AGRO PLC	307	2,034	(1,727)	(85)
Non-controlling interest	(81)	(1)	(80)	(7,733)
Profit / (loss) for the period	226	2,033	(1,807)	(89)
Total comprehensive income / (loss) is attributable to:				
Owners of ROS AGRO PLC	425	1,882	(1,457)	(77)
Non-controlling interest	(81)	(1)	(80)	(7,733)
Total comprehensive income / (loss) for the period	344	1,881	(1,537)	(82)

Adjusted EBITDA 1H 2017 (IFRS) Breakdown by divisions

ROS AGRO PLC



							RR million
1H 2017	Sugar	Meat	Agriculture	Oil and Fat	Other	Elimination	Total
Sales	14,601	10,037	5,006	9,621	31	(1,540)	37,758
Net gain / (Net loss) on revaluation of biological assets and agricultural produce	-	(411)	(1,493)	-	-	(1,489)	(3,393)
Cost of sales	(11,612)	(7,775)	(3,681)	(8,358)	-	2,491	(28,934)
<i>incl. Depreciation</i>	(933)	(966)	(456)	(243)	(25)	(2)	(2,625)
Gains less losses from trading sugar derivatives	(3)	-	-	-	-	-	(3)
Gross profit / (loss)	2,987	1,851	(168)	1,263	31	(537)	5,428
General and administrative expenses, Distribution and selling expenses	(2,057)	(441)	(1,765)	(1,752)	(492)	438	(6,070)
General and administrative expenses	(744)	(257)	(445)	(363)	(492)	77	(2,224)
Distribution and selling expenses	(1,313)	(184)	(1,321)	(1,389)	-	360	(3,846)
<i>incl. Depreciation</i>	(933)	(966)	(456)	(243)	(25)	(2)	(2,625)
Dep in General and administrative expenses	(13)	(24)	(44)	(22)	(25)	(2)	(131)
Dep in Distribution and selling expenses	(42)	(1)	(12)	(36)	-	5	(86)
Other operating (expenses)/ income, net	(52)	154	64	115	6,072	(6,471)	(117)
<i>incl. Reimbursement of operating costs (government grants)</i>	-	23	40	-	-	-	63
Operating profit / (loss)	879	1,564	(1,868)	(374)	5,611	(6,571)	(759)
Adjustments:	-	-	-	-	-	-	-
Depreciation included in Operating Profit	933	966	456	243	25	2	2,625
Other operating income, net	52	(154)	(64)	(115)	(6,072)	6,471	117
Reimbursement of operating costs (government grants)	-	23	40	-	-	-	63
Net gain / (Net loss) on revaluation of biological assets and agricultural produce	-	411	1,493	-	-	1,489	3,393
Adjusted EBITDA	1,863	2,810	56	(246)	(436)	1,391	5,439

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 / (Net 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)
Gains less losses from trading sugar derivatives	337	-	1	-	-	-	337
Gross profit / (loss)	5,345	229	725	1,754	50	14	8,118
General and administrative expenses, Distribution and selling 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	(50)	(0)	(28)	(44)	-	3	(119)
Dep in Distribution and selling expenses	(7)	(14)	(34)	(18)	(11)	-	(84)
Other operating (expenses)/ income, net	107	229	102	122	7,127	(7,090)	598
<i>incl. Reimbursement of operating costs (government grants)</i>	-	108	192	-	-	-	300
Operating profit / (loss)	3,983	75	(73)	(130)	6,093	(6,925)	3,024
Adjustments:	-	-	-	-	-	-	-
Depreciation included in Operating Profit	523	940	337	183	11	1	1,994
Other operating income, net	(107)	(229)	(102)	(122)	(7,127)	7,090	(598)
Reimbursement of operating costs (government grants)	-	108	192	-	-	-	300
Net gain / (Net loss) on revaluation of biological assets and agricultural produce	-	472	1,278	-	-	1,601	3,351
Adjusted EBITDA	4,399	1,366	1,632	(70)	(1,023)	1,767	8,071

Statement of cash flows (IFRS)

ROS AGRO PLC



	Actual 1H 2017	Actual 1H 2016	RR million	
			Variances Units	%
Cash flows from operating activities				
Profit before income tax	107	2,105	(1,998)	(95)
<i>Adjustments for non-cash and non-operating (income)/expenses, net:</i>				
Depreciation and amortization	3,479	1,994	1,484	74
Interest expense	1,599	2,594	(995)	(38)
Government grants	(525)	(1,151)	626	54
Interest income	(2,105)	(2,033)	(72)	(4)
Loss/ (gain) on disposal of property, plant and equipment	44	50	(6)	(12)
Net (gain) / loss on revaluation of biological assets and agricultural produce	3,393	3,351	42	1
Change in provision for net realisable value of inventory	(25)	119	(144)	-
Share of results of associates	(15)	-	(15)	-
Change in provision for impairment of receivables and prepayments	37	-	37	-
Foreign exchange (gain) / loss, net	(117)	999	(1,116)	-
Settlement of loans and accounts receivable previously	(100)	-	(100)	-
Net (gain) / loss from bonds held for trading	(7)	13	(20)	-
Change in provision for impairment of other taxes receivables	-	(260)	260	-
Change in provision for impairment of advances paid for property, plant and equipment	25	-	25	-
Loss on other investments	400	-	400	-
Other non-cash and non-operating expenses, net	(3)	47	(50)	-
Operating cash flow before working capital changes	6,187	7,828	(1,641)	(21)
Change in trade and other receivables and prepayments	1,162	1,036	126	12
Change in other taxes receivable	1,288	(1,040)	2,328	-
Change in inventories and biological assets	3,604	(3)	3,607	-
Change in trade and other payables	1,078	854	224	26
Change in other taxes payable	(98)	406	(504)	-
Cash generated from operations	13,221	9,081	4,140	46
Income tax paid	(280)	(594)	314	53
Net cash from operating activities	12,940	8,487	4,454	52

Statement of cash flows (IFRS) - continuance

ROS AGRO PLC

	Actual 1H 2017	Actual 1H 2016	RR million	
			Variances	
			Units	%
Cash flows from investing activities				
Purchases of property, plant and equipment	(7,188)	(3,616)	(3,572)	(99)
Purchases of other intangible assets	(110)	(115)	5	5
Proceeds from sales of property, plant and equipment	19	48	(28)	(59)
Purchases of inventories intended for construction	(159)	(15.3)	(144)	(939)
Investments in subsidiaries, net of cash acquired	79	(8,688)	8,767	-
Change in cash on bank deposits*	7,143	(4,301)	11,444	-
Purchases of bonds*	-	(2,197)	2,197	-
Proceeds from sales of bonds*	0	3,318	(3,318)	(100)
Loans given*	(0.01)	(1,211)	1,211	100
Loans repaid*	408	9,212	(8,804)	(96)
Interest received*	2,393	2,024	369	18
Movement in restricted cash	(3)	63	(66)	-
Net cash from investing activities	2,582	(5,479)	8,061	-
Cash flows from financing activities				
Proceeds from borrowings	9,322	13,107	(3,784)	(29)
Repayment of borrowings	(12,194)	(20,656)	8,462	41
Interest paid	(1,508)	(2,144)	636	30
Proceeds from issue of own shares, net of transaction cost	-	16,301	(16,301)	-
Dividends paid to owners Ros Agro PLC	(4,367)	(5,149)	783	15
Purchases of non-controlling interest	(81)	-	(81)	-
Proceeds from government grants	970	1,546	(577)	(37)
Proceeds from sales of treasury shares	7	-	7	-
Other financial activities	(5)	15	(19)	-
Net cash from financing activities	(7,857)	3,020	(10,876)	-
Net effect of exchange rate changes on cash and cash equivalents	(117)	37	(153)	-
Net increase/ (decrease) in cash and cash equivalents	7,549	6,064	1,485	24
Cash and cash equivalents at the beginning of the period	6,752	4,402	2,350	53
Cash and cash equivalents at the end of the period	14,301	10,466	3,835	37

(*) 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 2017	Actual 1H 2016	RR million	
			Variances Units	%
Cash flows from operating activities				
Profit before income tax	107	2,105	(1,998)	(95)
<i>Adjustments for non-cash and non-operating (income)/expenses, net:</i>				
Depreciation and amortization	3,479	1,994	1,484	74
Interest expense	1,599	2,594	(995)	(38)
Government grants	(525)	(1,151)	626	54
Interest income	(2,105)	(2,033)	(72)	(4)
Loss/ (gain) on disposal of property, plant and equipment	44	50	(6)	(12)
Net (gain) / loss on revaluation of biological assets and agricultural produce	3,393	3,351	42	1
Change in provision for net realisable value of inventory	(25)	119	(144)	-
Share of results of associates	(15)	-	(15)	-
Change in provision for impairment of receivables and prepayments	37	-	37	-
Foreign exchange (gain) / loss, net	(117)	999	(1,116)	-
Settlement of loans and accounts receivable previously written-off	(100)	-	(100)	-
Net (gain) / loss from bonds held for trading	(7)	13	(20)	-
Change in provision for impairment of other taxes receivables	-	(260)	260	-
Change in provision for impairment of advances paid for property, plant and equipment	25	-	25	-
Loss on other investments	400	-	400	-
Other non-cash and non-operating expenses, net	(3)	47	(50)	-
Operating cash flow before working capital changes	6,187	7,828	(1,641)	(21)
Change in trade and other receivables and prepayments	1,162	1,036	126	12
Change in other taxes receivable	1,288	(1,040)	2,328	-
Change in inventories and biological assets	3,604	(3)	3,607	-
Change in trade and other payables	1,078	854	224	26
Change in other taxes payable	(98)	406	(504)	-
Cash generated from operations	13,221	9,081	4,140	46
Income tax paid	(280)	(594)	314	53
Net cash from operating activities	12,940	8,487	4,454	52

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

	Actual 1H 2017	Actual 1H 2016	RR million	
			Variances	
			Units	%
Cash flows from investing activities				
Purchases of property, plant and equipment	(7,188)	(3,616)	(3,572)	(99)
Purchases of other intangible assets	(110)	(115)	5	5
Proceeds from sales of property, plant and equipment	19	48	(28)	(59)
Purchases of inventories intended for construction	(159)	(15)	(144)	(939)
Investments in subsidiaries, net of cash acquired	79	(8,688)	8,767	-
Movement in restricted cash	(3)	63	(66)	-
Net cash from investing activities	(7,362)	(12,324)	4,962	40
Cash flows from financing activities				
Proceeds from borrowings	9,322	13,107	(3,784)	(29)
Repayment of borrowings	(12,194)	(20,656)	8,462	41
Interest paid	(1,508)	(2,144)	636	30
Proceeds from issue of own shares, net of transaction cost	-	16,301	(16,301)	-
Dividends paid to owners Ros Agro PLC	(4,367)	(5,149)	783	-
Change in cash on bank deposits*	7,143	(4,301)	11,444	-
Purchases of bonds*	-	(2,197)	2,197	-
Proceeds from sales of bonds*	0	3,318	(3,318)	(100)
Loans given*	(0.01)	(1,211)	1,211	100
Loans repaid*	408	9,212	(8,804)	(96)
Interest received*	2,393	2,024	369	18
Purchases of non-controlling interest	(81)	-	(81)	-
Proceeds from sales of treasury shares	7	-	7	-
Proceeds from government grants	970	1,546	(577)	(37)
Other financial activities	(5)	15	(19)	-
Net cash from financing activities	2,087	9,865	(7,777)	(79)
Net effect of exchange rate changes on cash and cash equivalents	(117)	37	(153)	-
Net increase/ (decrease) in cash and cash equivalents	7,549	6,064	1,485	24
Cash and cash equivalents at the beginning of the period	6,752	4,402	2,350	53
Cash and cash equivalents at the end of the period	14,301	10,466	3,835	37

(*) Including in net cash flows on financial assets related to financial activities.

Statement of financial position (IFRS)

ROS AGRO PLC



	30 June 2017	31 December 2016	RR million	
			Variances	
			Units	%
ASSETS				
Current assets				
Cash and cash equivalents	14,301	6,752	7,549	112
Restricted cash	0	0.04	0	5
Short-term investments	9,463	17,230	(7,767)	(45)
Trade and other receivables	3,194	4,608	(1,414)	(31)
Prepayments	1,061	747	314	42
Current income tax receivable	163	97	65	67
Other taxes receivable	3,098	3,663	(566)	(15)
Inventories and short-term biological assets	27,638	34,235	(6,597)	(19)
Total current assets	58,918	67,332	(8,414)	(12)
Non-current assets				
Property, plant and equipment	48,755	45,662	3,093	7
Inventories intended for construction	144	39	105	268
Goodwill	2,334	2,225	108	5
Advances paid for property, plant and equipment	14,623	14,172	451	3
Long-term biological assets	1,578	1,745	(167)	(10)
Long-term investments and receivables	17,522	17,752	(229)	(1)
Investments in associates	108	111	(2)	(2)
Deferred income tax assets	2,104	1,935	169	9
Other intangible assets	2,002	1,999	3	0
Restricted cash	3	-	3	-
Total non-current assets	89,173	85,641	3,532	4
Total assets	148,090	152,973	(4,883)	(3)

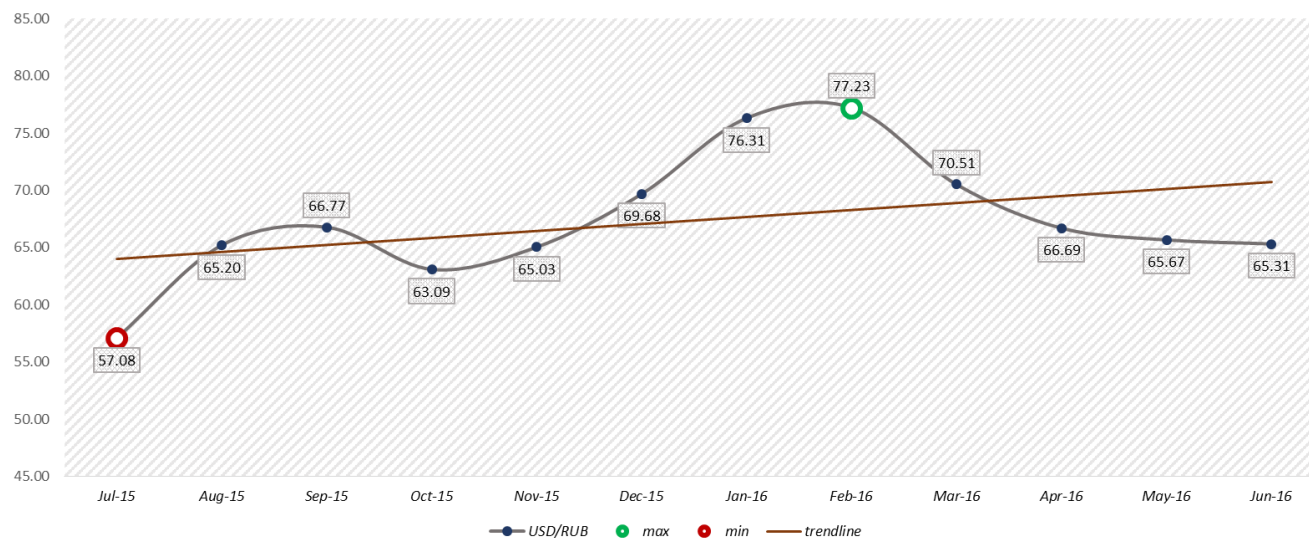
Statement of financial position (IFRS) - continuance

ROS AGRO PLC



	30 June 2017	31 December 2016	RR million	
			Variances	
			Units	%
Liabilities and EQUITY				
Current liabilities				
Short-term borrow ings	9,394	11,704	(2,310)	(20)
Trade and other payables	8,536	6,989	1,547	22
Current income tax payable	46	99	(54)	(54)
Other taxes payable	3,942	3,814	128	3
Total current liabilities	21,918	22,607	(689)	(3)
Non-current liabilities				
Long-term borrow ings	32,607	32,798	(191)	(1)
Government grants	4,179	3,713	467	13
Deferred income tax liability	463	536	(72)	(13)
Total non-current liabilities	37,249	37,046	203	1
Total liabilities	59,167	59,653	(486)	(1)
Equity				
Share capital	12	12	-	-
Treasury shares	(493)	(500)	7	1
Additional paid-in capital	26,964	26,964	0	0
Other reserves	1,299	1,181	118	10
Retained earnings	61,027	65,421	(4,394)	(7)
Equity attributable to owners of ROS AGRO PLC	88,810	93,080	(4,269)	(5)
Non-controlling interest	113	240	(128)	(53)
Total equity	88,923	93,320	(4,397)	(5)
Total liabilities and equity	148,090	152,973	(4,883)	(3)

Ruble's exchange rate for jul. 2015 - jun. 2016



Ruble's exchange rate for jul. 2016 - jun. 2017

