



22 April 2013, Moscow

Ros Agro financial results for the year 2012

Moscow, 22 April 2013 – 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 year ended 31 December 2012.

Year 2012 Highlights

- Sales amounted to 34,064 mln rubles (1,096 USD), a decrease of 5,651 mln rubles compared to 2011;
- Adjusted EBITDA (*) amounted to 8,781 mln rubles (283 mln USD), an increase of 3,627 mln rubles compared to 2011;
- Adjusted EBITDA margin achieved is 26 %;
- Net profit for the period of 4,305 mln rubles (139 mln USD), an increase of 1,885 mln rubles compared to 2011;
- Net debt position (**) on 31 December 2012 of 17,257 mln rubles (568 mln USD);
- Net Debt/ EBITDA (LTM) (***) 2,0x.

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

“In 2012 RUSAGRO achieved exceptionally strong financial results. We hit record EBITDA in the amount of 8.7 bln rubles. The company improved production efficiencies, took advantage of a positive price environment and managed substantial investments program. For the first time the agriculture business became the most profitable division.

The sugar division contributed more than 2 bln rubles of EBITDA despite on noticeable reduction in top line. This became possible as a result of the decision do not produce and sell cane sugar and to focus on more profitable beet sugar production on the back of significant opening balances of sugar beet. It strengthened its leadership on the consumer sugar market by increasing the share of B2C sales in this segment up to 51%, by 25% comparing to 2011.

The meat business grew throughout 2012. We finalized one more production complex in Belgorod region and three production complexes in Tambov region and currently operate ten production complexes. The division plans to complete another four production complexes and a feed plant in Tambov region by the middle of 2013. Once complexes achieve projected capacity in 2014-2015, the company plans to produce over 200,000 tonnes of pork in live weight, which is 180% more than in 2012. The company began construction of a state-of-the-art slaughterhouse in 2012 in Tambov region, which will start producing half-carcasses, cuts of meat and convenience products in 2014.

The agriculture business delivered record financial results both in top line and EBITDA. We continued to focus on productivity and began to implement automation and precise farming projects. By the year end 2012 the group controlled farming land resources of over 450,000 hectares.

Key events of 2012 in the oil and fats business included the first full year of operation for the Samara oil plant and the purchase of the Mehta Khozyayki brand, which Ekats fat plant launched to produce mayonnaise since January 2013. The oil and fats business posted a record EBITDA in 2012 in the amount of 1.8 bln rubles

Despite significant investments, the company maintains a healthy balance sheet with a net debt to EBITDA ratio of fewer than 2. The year ahead promises to be a difficult one for the company because of its many uncertainties (government policy changes, Russia's accession to the WTO), however we believe that 2012 strong financial results and expansion of our production infrastructure make a solid platform to continue achieving long-term growth in our business.”

Consolidated Income statement, key indicators

in mln Rubles	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
Sales	34,064	39,715	-14%	11,360	10,401	9%
Gross profit	10,682	8,346	28%	1,132	3,652	-69%
<i>Gross margin, %</i>	31%	21%		10%	35%	
Adjusted EBITDA	8,781	5,154	70%	3,065	3,406	-10%
<i>Adjusted EBITDA margin, %</i>	26%	13%		27%	33%	
Net profit/ (loss) for the period	4,305	2,420	78%	(1,027)	1,394	-174%
<i>Net profit margin %</i>	13%	6%		-9%	13%	

Key financial indicators as per divisions

in mln Rubles	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
Sales, incl.	34,064	39,715	-14%	11,360	10,401	9%
<i>Sugar</i>	16,176	25,634	-37%	5,116	4,748	8%
<i>Meat</i>	5,627	5,410	4%	1,555	1,670	-7%
<i>Agriculture</i>	8,834	6,720	31%	5,692	4,726	20%
<i>Oil & Fats</i>	9,203	6,752	36%	2,636	2,415	9%
<i>Other</i>	230	347	-34%	56	105	-47%
<i>Eliminations</i>	(6,007)	(5,148)	-17%	(3,694)	(3,263)	-13%
Gross profit, incl.	10,682	8,346	28%	1,132	3,652	-69%
<i>Sugar</i>	3,668	2,820	30%	1,415	1,416	0%
<i>Meat</i>	1,041	1,926	-46%	(541)	639	-185%
<i>Agriculture</i>	3,522	2,817	25%	277	1,021	-73%
<i>Oil & Fats</i>	2,939	1,495	97%	615	1,001	-39%
<i>Other</i>	230	347	-34%	56	105	-47%
<i>Eliminations</i>	(718)	(1,060)	32%	(691)	(530)	-30%
Adjusted EBITDA, incl.	8,781	5,154	70%	3,065	3,406	-10%
<i>Sugar</i>	2,149	1,442	49%	966	996	-3%
<i>Meat</i>	2,128	2,309	-8%	329	733	-55%
<i>Agriculture</i>	2,945	1,881	57%	1,979	1,586	25%
<i>Oil & Fats</i>	1,830	577	217%	232	705	-67%
<i>Other</i>	(233)	(47)	-398%	(74)	(17)	-329%
<i>Eliminations</i>	(38)	(1,008)	96%	(367)	(596)	38%
Adjusted EBITDA margin, %	26%	13%		27%	33%	
<i>Sugar</i>	13%	6%		19%	21%	
<i>Meat</i>	38%	43%		21%	44%	
<i>Agriculture</i>	33%	28%		35%	34%	
<i>Oil & Fats</i>	20%	9%		9%	29%	

SUGAR SEGMENT

Financial results of Sugar segment in 2012 comparing to 2011 are presented in the table below:

in mln Rubles	Year ended		Variance	%
	31 December 2012	31 December 2011		
Sales	16,176	25,634	(9,458)	-37%
Cost of sales	(12,561)	(22,501)	9,940	-44%
<i>incl. depreciation</i>	(697)	(661)	(36)	5%
Gains less losses from trading sugar derivatives	53	(313)	366	-117%
Gross profit	3,668	2,820	848	30%
<i>Gross profit margin</i>	<i>23%</i>	<i>11%</i>	<i>12%</i>	<i>-</i>
Distribution and selling expenses	(1,513)	(1,418)	(95)	7%
<i>incl. depreciation</i>	(64)	(14)	(50)	364%
General and administrative expenses	(721)	(736)	15	-2%
<i>incl. depreciation</i>	(10)	(14)	4	-29%
Other operating (expenses)/ income, net	(26)	73	(98)	-135%
Operating profit	1,409	739	670	91%
Adjusted EBITDA	2,149	1,442	707	49%
<i>Adjusted EBITDA margin</i>	<i>13%</i>	<i>6%</i>	<i>8%</i>	<i>-</i>

Record beet harvest in 2011 resulted in significant opening balance stocks of beet sugar in Russia. In this respect we took the decision not to produce low marginal cane sugar in the first quarter of 2012. As a result *Sales* in Sugar segment decreased by 37%.

Sales and production volumes and the average sales prices per kilogram (excl. VAT) in 2012 were as follows:

	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
Sugar production volume (in thousand tons):	604	1,090	-45%	344	347	-1%
Sales volume (in thousand tons):						
beet sugar	567	299	90%	196	177	11%
cane sugar	57	627	-91%	-	-	-
total	624	927	-33%	196	177	11%
Sale price (rubles per kg, excl. VAT)	24.5	26.9	-9%	23.9	23.5	2%

Decrease in sales volume and different sale structure (split between beet sugar and cane sugar sales) led to 44% decrease in Cost of sales.

7% increase in *Distribution and selling expenses* is mainly explained by growth in storage services expenses due to significant opening balance of white sugar in stock and increase in depreciation in connection with beginning of operation of new warehouses in 2012.

The Sugar division demonstrated positive dynamics in *Adjusted EBITDA* and *Adjusted EBITDA margin*, that was mainly driven by different sales structure in 2012 comparing to previous year – increase in sales volume of more profitable beet sugar and decrease in sales volume of raw cane sugar.

MEAT SEGMENT

Financial results of Meat segment in 2012 comparing to 2011 are presented in the table below:

in mln Rubles	Year ended		Variance	%
	31 December 2012	31 December 2011		
Sales	5,627	5,410	216	4%
Gain on revaluation of biological assets and agriculture produce	853	1,776	(923)	-52%
Cost of sales	(5,439)	(5,260)	(178)	3%
<i>incl. depreciation</i>	<i>(655)</i>	<i>(563)</i>	<i>(91)</i>	<i>16%</i>
Gross profit	1,041	1,926	(885)	-46%
Gross profit margin	18%	36%	-17%	-
<i>Gross profit excluding effect of biological assets revaluation</i>	<i>1,839</i>	<i>1,933</i>	<i>(94)</i>	<i>-5%</i>
<i>Adjusted gross profit margin</i>	<i>33%</i>	<i>36%</i>	<i>-3%</i>	<i>-</i>
Distribution and selling expenses	(31)	(22)	(9)	40%
<i>incl. depreciation</i>	<i>(3)</i>	<i>(3)</i>	<i>-</i>	<i>0%</i>
General and administrative expenses	(322)	(321)	(1)	0%
<i>incl. depreciation</i>	<i>(16)</i>	<i>(17)</i>	<i>0</i>	<i>-3%</i>
Other operating (expenses)/ income, net	32	(218)	250	-115%
<i>incl. Reimbursement of feed costs (government grants)</i>	<i>2</i>	<i>103</i>	<i>(101)</i>	<i>-98%</i>
Operating profit	720	1,366	(646)	-47%
Adjusted EBITDA	2,128	2,309	(181)	-8%
<i>Adjusted EBITDA margin</i>	<i>38%</i>	<i>43%</i>	<i>-5%</i>	<i>-</i>

Increased in *Sales* by 4% was driven by opposite dynamics in prices and sales volumes of pork and mixed fodder.

Revaluation of biological assets (pigs) at fair value had negative net effect on profit figures in 2012 totaling 798 million rubles (2011: 7 million rubles). Net effect of pigs' revaluation represents the difference between gain on revaluation of pigs recognized for the period and gain on revaluation attributable to realized pigs and included in the Cost of sales for the same period. Significant negative effect of pigs' revaluation in 2012 resulted from the decrease in pork market prices in the second half of 2012 and from the increase in costs of production per unit, that is in turn was driven by the increase in grain prices and by the launch of new pig breeding facilities which working not at full capacity demonstrated higher costs per unit of production comparing with other long time running facilities.

Sales volume and the average sales prices per kilogram (excl. VAT) in 2012 were as follows:

	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
Sales volume (in thousand tons):						
pork	69	63	10%	24	19	27%
fodder	40	58	-30%	3	14	-77%
Sale prices (rubles per kg, excl. VAT):						
pork	75.0	75.9	-1%	62.2	78.7	-21%
fodder	11.4	10.5	9%	15.3	10.0	54%

Mixed fodder sales volume decreased as result of increase in internal consumption. Pork sales volume increased as result of launch of new pig breeding facilities in both Belgorod and Tambov regions.

Cost of sales increased by 3% that is mainly relates to increase in feed costs due to higher grain prices (which is described in details in the Agricultural Segment section below) and increase in depreciation as result of the launch of new breeding complexes in Tambov and Belgorod regions and new elevator in Tambov region. The increase in feed costs was partially offset by decrease in *Revaluation of biological assets attributable to realized biological assets and included in Cost of sales*.

Distribution and selling expenses increased by 40% mainly as result of accrual of provisions for impairment of receivables.

The breakdown of Adjusted EBITDA between Belgorod Bacon and Tambov Bacon is as follows:

in mln Rubles	Year ended 31 December 2012		Year ended 31 December 2011	
	Belgorod Meat	Tambov Meat	Belgorod Meat	Tambov Meat
	Sales to 3rd parties and other segments	5,464	163	5,410
Adjusted EBITDA	2,278	(149)	2,373	(63)
<i>Adjusted EBITDA margin</i>	42%	-92%	44%	-

Negative dynamics in *Adjusted EBITDA* figure in Meat segment was driven by decrease in sales prices in the second half of the year accompanied by increase in feed prices. Increase in losses of Tambov Bacon (please refer to the above table), greenfield project in the Meat segment, which is currently under construction and started sales of consumable livestock only in 4Q of 2012, had additional negative effect on the segment *Adjusted EBITDA*.

AGRICULTURAL SEGMENT

The segment increased the area of controlled land by 7% to 452 thousand hectares. Financial results of Agricultural segment in 2012 comparing to 2011 are presented below:

in mln Rubles	Year ended		Variance	%
	31 December 2012	31 December 2011		
Sales	8,834	6,720	2,114	31%
Gain on revaluation of biological assets and agriculture produce	2,130	1,545	585	38%
Cost of sales	(7,442)	(5,447)	(1,995)	37%
<i>incl. depreciation</i>	(764)	(548)	(217)	40%
Gross profit	3,522	2,817	705	25%
Gross profit margin	40%	42%	-2%	-
<i>Gross profit excluding effect of biological assets revaluation</i>	3,340	2,579	761	30%
<i>Adjusted gross profit margin</i>	38%	38%	-	-
Distribution and selling expenses	(799)	(632)	(167)	26%
<i>incl. depreciation</i>	(29)	(27)	(2)	8%
General and administrative expenses	(695)	(724)	28	-4%
<i>incl. depreciation</i>	(40)	(36)	(4)	12%
Other operating income, net	162	16	146	892%
<i>incl. Reimbursement of fuel and fertilisers (government grants)</i>	268	46	222	484%
Operating profit	2,189	1,478	711	48%
Adjusted EBITDA	2,945	1,881	1,064	57%
Adjusted EBITDA margin	33%	28%	5%	-

Sales increased by 31% as result of both price and volume factors. Sales volumes in 2012 were as follows:

thousand tons	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
sugar beet	2,640	2,143	23%	1,876	1,665	13%
grains	461	343	34%	226	180	26%
<i>incl. sold to Meat segment</i>	221	139	58%	104	8	1195%
sunflower seeds	55	61	-10%	49	61	-20%
<i>incl. sold to Meat segment</i>	-	2	-100%	-	1	-100%

Sales volumes of grains in the table above include sales of wheat, barley, corn, peas and soya beans. All sugar beet is sold to Sugar segment.

Increase in sales volume of agricultural crops in 2012 is explained by the relatively significant opening balance of agricultural crops sold during the year and by increase in the volume of agricultural crops harvested that is in turn was driven by expansion of arable land cultivated during the year by 18 thousand hectares from 361 thousand in 2011 to 379 thousand in 2012.

The average sale prices per kilogram (excl. VAT) in 2012 were as follows:

Rubles per kilogram, excl. VAT	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
wheat	7.4	5.1	44%	8.4	5.3	60%
barley	6.3	4.4	43%	7.2	4.4	63%
sunflower seeds	15.7	8.2	92%	16.2	8.1	99%
peas	8.3	6.3	31%	9.1	6.3	45%
corn	7.2	6.2	15%	7.6	6.2	22%

Mainly due to the price factor the *Gain on revaluation of biological assets and agriculture produce* is increased by 38% and amounted to 2,130 million rubles in 2012 compared to 1,545 million rubles in 2011. Basically all this gain was expensed in the same year and included in *Cost of sales*: the effect of this on cost of sales totaled 1,949 million rubles in 2012 and 1,307 million rubles in 2011.

Cost of sales in Agricultural segment increased by 37%. This growth is caused by increase in sales volume and by increase in gain on revaluation of biological assets and agricultural produce included in the cost of sales.

26% increase in *Distribution and selling expenses* was driven by increase in transportation and storage services, which is in turn resulted from sales volume increase.

The main source of the savings in *General and administrative expenses* is payroll costs.

OIL&FAT SEGMENT

Financial results of Oil&Fat segment in 2012 comparing to 2011 are presented below:

in mln Rubles	Year ended		Variance	%
	31 December 2012	31 December 2011		
Sales	9,203	6,752	2,452	36%
Cost of sales	(6,265)	(5,256)	(1,008)	19%
<i>incl. depreciation</i>	(229)	(215)	(14)	7%
Gross profit	2,939	1,495	1,443	97%
<i>Gross profit margin</i>	<i>32%</i>	<i>22%</i>	<i>10%</i>	-
Distribution and selling expenses	(1,041)	(856)	(185)	22%
<i>incl. depreciation</i>	(16)	(12)	(4)	29%
General and administrative expenses	(339)	(308)	(32)	10%
<i>incl. depreciation</i>	(26)	(18)	(9)	49%
Other operating (expenses)/ income, net	(119)	(13)	(106)	797%
Operating profit	1,440	318	1,121	352%
			-	
Adjusted EBITDA	1,830	577	1,253	217%
<i>Adjusted EBITDA margin</i>	<i>20%</i>	<i>9%</i>	<i>11%</i>	-

Sales growth is attributed to external sales by the new vegetable oil extraction plant located in Samara and acquired by the Group in March 2011, which worked at full capacity in 2012 compared with 2011. The breakdown of Sales, Gross profit and Adjusted EBITDA between Samara oil plant and Ekats fat plant is as follows:

in mln Rubles	Year ended 31 December 2012		Year ended 31 December 2011	
	Samara oil plant	Ekats fat plant	Samara oil plant	Ekats fat plant
Sales to 3rd parties and other segments	4,253	4,951	1,673	5,079
Internal sales	1,656	-	889	-
Gross profit	1,594	1,345	456	1,039
<i>Gross profit margin</i>	<i>27%</i>	<i>27%</i>	<i>18%</i>	<i>20%</i>
Adjusted EBITDA	1,084	746	275	301
<i>Adjusted EBITDA margin</i>	<i>18%</i>	<i>15%</i>	<i>11%</i>	<i>6%</i>

Sales volumes in 2012 were as follows:

thousand tons	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
mayonnaise	54.6	56.9	-4%	15.5	16.4	-5%
margarine	35.9	34.1	5%	12.6	12.1	4%
raw oil, 3rd parties sales	99.3	39.0	155%	21.5	19.6	10%
raw oil, internal sales	49.2	26.4	86%	17.8	15.7	13%
meal	136.3	64.0	113%	38.7	33.0	17%

The average sale prices per kilogram (excl. VAT) for sales to third parties in 2012 were as follows:

Rubles per kilogram, excl. VAT	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
mayonnaise	53.2	53.4	-0.3%	52.0	53.5	-3%
margarine	49.9	48.7	3%	50.1	51.0	-1.6%
raw oil, 3rd parties sales	34.0	34.6	-1.5%	37.0	32.5	14%
meal	6.3	5.1	25%	9.6	5.0	93%

Cost of sales increased by 19% mainly due to increase in sales volume of vegetable oil and meal that was partly offset by decrease in sunflower seeds prices and raw oil prices by 16% and 15%, respectively, comparing with 2011.

Distribution and selling expenses increased by 22% mainly due to Samara oil plant expansion in production capacity and sales. Most considerable changes in *Distribution and selling expenses* were in transport costs by 190 million rubles.

Positive dynamics in *Adjusted EBITDA* figures in Oil&Fat segment was driven by several factors: Ekats fat plant enjoyed the decrease in raw oil prices by 15% comparing with 2011, Samara oil plant benefited from decrease in sunflower seeds prices by 16% comparing with 2011 and from the economy of scale as result of first year work at full capacity, Oil&Fat segment as a whole gained from the increase in share in 2012 versus 2011 of internally produced raw oil in the total volume of raw oil consumed for production of mayonnaise and consumer margarine.

Consolidated Statement of cash flow – key indicators

in mln Rubles	2012	2011	% change
Net Operating cash flow, incl.	4,050	3,104	30%
<i>Operating cash flow before working capital changes</i>	8,178	4,754	72%
<i>Working capital changes</i>	(3,506)	(1,301)	-169%
Net Cash flows used in investing activities, incl.	(22,724)	(20,227)	-12%
<i>Purchases of property, plant and equipment and inventories intended for construction</i>	(8,649)	(11,074)	22%
<i>Purchases of other intangible assets</i>	(285)	(34)	-740
<i>Investments in financial assets related to financial activities(*)</i>	(13,788)	(8,200)	-68%
Net cash from financing activities	15,230	17,410	-13%
Net (decrease)/ increase in cash and cash equivalents	(3,438)	337	-1119%

(*) See Note 13 to the Consolidated Financial Statements

Net cash from operating activities increased by 30% from 3,104 million rubles in 2011 to 4,050 million rubles in 2012 as result of favorable changes in operating profit that offset negative changes in working capital.

In 2012 the Group investments in property, plant and equipment and inventories intended for construction amounted to 8,649 million rubles, 22% lower than in 2011. The main investments in 2012 were made in Meat division in the amount of 5,887 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 1,363 million rubles due to purchases of machinery and equipment and in Sugar division in the amount of 1,172 million rubles as result of expansion of sugar factories facilities.

Major investments in 2011 were made in Agricultural division in the amount of 4,853 million rubles due to purchases of land and machinery and equipment. Investments in Meat division totaled 4,500 million rubles and investments in Sugar division totaled 1,459 million rubles.

Purchases of other intangible assets are mainly represented by purchase in 2012 the Mehta Khozyayki brand in amount of 246 million rubles, which Ekats fat plant launched to produce mayonnaise since January 2013.

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	31 December 2012	31 December 2011	% change
Gross debt	48,540	31,972	52%
Short term borrowings	24,414	17,129	43%
Long term borrowings	24,126	14,843	63%
Net debt	17,257	11,877	45%
Short term borrowings, net	(2,379)	(2,563)	7%
Long term borrowings, net	19,636	14,440	36%
Adjusted EBITDA (LTM***)	8,781	5,154	70%
Net debt/Adjusted EBITDA (LTM)	2.0	2.3	

- Gross debt increased by 52% or 16,568 million rubles up to 48,540 million rubles.
- Net debt increased by 45% or 5,380 million rubles up to 17,257 million rubles, mainly due to construction of pig breeding complex and slaughterhouse in Tambov region and reconstruction of sugar plants.
- Net Debt / Adjusted EBITDA ratio decreased by 0.3 and stood at 2.0.
- The company maintained healthy debt structure, 87% of net debt relates to amounts with more than 3 years maturity.

Net finance expense:

in mln Rubles	Year ended			Three months ended		
	31 December 2012	31 December 2011	% change	31 December 2012	31 December 2011	% change
Net interest expense	(1,060)	(720)	-47%	(460)	(99)	-365%
Gross interest expense	(2,317)	(1,999)	-16%	(742)	(543)	-37%
Reimbursement of interest expense	1,257	1,279	-2%	282	444	-36%
Interest income	1,254	882	42%	389	296	31%
Other financial expense, net	(220)	(76)	-189%	(115)	(115)	0%
Total net finance (expense)/ income	(26)	86	-130%	(186)	82	-327%

- In 2012 Company continued to enjoy benefits from the State Agriculture subsidies program. 1,257 million rubles of subsidies received covered 54% of gross interest expense. Interest income increase by 42% up to 1,254 million rubles.

(*) 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 (see Appendix 2 for the detailed calculation of Adjusted EBITDA). Adjusted EBITDA is not a measure of financial performance under IFRS. You should not consider it 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”.

Note:

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

Sugar:

We are a leading Russian sugar producer, producing sugar on 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 452 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 we are a leading Russian sugar beet producer, and our agricultural division also produces 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 2012 amounted to 34,064 mln. rubles (1,096 mln. USD), adjusted EBITDA amounted to 8,781 mln rubles, (283 mln USD), Net profit amounted to 4,305 mln rubles (139 mln USD). An average growth rate on Sales shows more than 18 % for the last five years and more than 36 % 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 the 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 22 April 2013
Time 5:00 PM (Moscow) / 2:00 PM (London) / 9:00 AM (New-York) at the same day
Subject ROS AGRO PLC 2012 Annual Financial Results
UK Toll Free 0800-358-5256
UK Local Line 44-20-7190-1590
USA Toll Free 1-877-941-6013
USA Local Line 1-480-629-9822
Russia Toll Free **810-8002-198-4011**
Conference ID 4612731

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Appendix 1. Consolidated statement of comprehensive income for the year ended 31 December 2012 (in thousand rubles)

	Year ended 31 December 2012	Year ended 31 December 2011
Sales	34,063,917	39,715,115
Gain on revaluation of biological assets and agriculture produce	2,983,032	3,320,938
Cost of sales	(26,417,531)	(34,377,027)
Gains less losses/ (losses less gains) from trading sugar derivatives	53,046	(313,264)
Gross profit	10,682,464	8,345,762
Distribution and selling expenses	(2,784,509)	(2,454,778)
General and administrative expenses	(2,489,669)	(2,431,696)
Share-based remuneration	(386,248)	(672,247)
Other operating income/ (expenses), net	12,420	(245,955)
Operating profit	5,034,458	2,541,086
Interest expense	(1,059,914)	(720,264)
Interest income	1,253,747	882,376
Other financial expenses, net	(219,941)	(75,787)
Profit before income tax	5,008,350	2,627,411
Income tax expense	(703,092)	(207,565)
Profit for the year	4,305,258	2,419,846
Total comprehensive income for the year	4,305,258	2,419,846
Profit is attributable to:		
Owners of ROS AGRO PLC	4,083,631	2,364,732
Non-controlling interest	221,627	55,114
Profit for the year	4,305,258	2,419,846
Total comprehensive income is attributable to:		
Owners of ROS AGRO PLC	4,083,631	2,364,732
Non-controlling interest	221,627	55,114
Total comprehensive income for the year	4,305,258	2,419,846
Earnings per ordinary share for profit attributable to the owners of ROS AGRO PLC, basic and diluted (in RR per share)	172.43	103.57

Appendix 2. Segment information for the year ended 31 December 2012 (in thousand rubles)

2012	Sugar	Meat	Other agriculture	Oil	Other	Eliminations	Total
Sales	16,176,116	5,626,770	8,833,647	9,203,487	230,441	(6,006,544)	34,063,917
Gain on revaluation of biological assets and agriculture produce	-	852,736	2,130,296	-	-	-	2,983,032
Cost of sales <i>incl. Depreciation</i>	(12,561,030) (697,087)	(5,438,586) (654,985)	(7,442,180) (764,098)	(6,264,710) (229,100)	-	5,288,975 (54,874)	(26,417,531) (2,400,144)
Gains less losses from trading sugar derivatives	53,046	-	-	-	-	-	53,046
Gross profit	3,668,132	1,040,920	3,521,763	2,938,777	230,441	(717,569)	10,682,464
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(2,233,427) (73,948)	(353,056) (19,072)	(1,494,879) (69,006)	(1,380,194) (42,347)	(482,232) (18,994)	669,610 23,785	(5,274,178) (199,582)
Share-based remuneration	-	-	-	-	(386,248)	-	(386,248)
Other operating income/(expenses), net <i>incl. Reimbursement of fuel and fertilisers and feed costs (government grants)</i>	(25,692) -	31,987 1,641	162,311 267,838	(118,992) -	8,085,700 -	(8,122,894) -	12,420 269,479
Operating profit	1,409,013	719,851	2,189,195	1,439,591	7,447,661	(8,170,853)	5,034,458
Adjustments:							
Depreciation included in Operating Profit	771,034	674,058	833,104	271,447	18,994	31,089	2,599,726
Other operating (income) /expenses, net	25,692	(31,987)	(162,311)	118,992	(8,085,700)	8,122,894	(12,420)
Share-based remuneration	-	-	-	-	386,248	-	386,248
Reimbursement of fuel and fertilisers and feed costs (government grants)	-	1,641	267,838	-	-	-	269,479
Gain on revaluation of biological assets and agriculture produce	-	(852,736)	(2,130,296)	-	-	-	(2,983,032)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	1,937,529	-	-	(21,537)	1,915,991
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	1,650,874	11,466	-	-	-	1,662,340
Provision/ (Reversal) for net realizable value	(56,551)	(33,549)	(1,442)	-	-	-	(91,542)
Adjusted EBITDA*	2,149,188	2,128,152	2,945,083	1,830,030	(232,797)	(38,408)	8,781,248

* Non-IFRS measure

Appendix 2 (continued). Segment information for the year ended 31 December 2011 (in thousand rubles)

2011	Sugar	Meat	Other agriculture	Oil	Other	Eliminations	Total
Sales	25,634,013	5,410,493	6,719,579	6,751,679	347,371	(5,148,020)	39,715,115
Gain on revaluation of biological assets and agriculture produce	-	1,776,032	1,544,906	-	-	-	3,320,938
Cost of sales <i>incl. Depreciation</i>	(22,501,030) (661,365)	(5,260,286) (563,496)	(5,447,263) (547,589)	(5,256,300) (215,080)	-	4,087,852 (4,367)	(34,377,027) (1,991,897)
Gains less losses from trading sugar derivatives	(313,264)	-	-	-	-	-	(313,264)
Gross profit	2,819,719	1,926,239	2,817,222	1,495,379	347,371	(1,060,168)	8,345,762
Distribution and Selling, General and administrative expenses <i>incl. Depreciation</i>	(2,153,421) (27,692)	(343,022) (19,500)	(1,355,876) (62,622)	(1,163,620) (30,104)	(398,733) (4,662)	528,198 4,367	(4,886,474) (140,213)
Share-based remuneration	-	-	-	-	(672,247)	-	(672,247)
Other operating income/(expenses), net <i>incl. Reimbursement of fuel and fertilisers and feed costs (government grants)</i>	72,724 -	(217,631) 102,570	16,361 45,847	(13,269) -	2,094,695 -	(2,198,835) -	(245,955) 148,417
Operating profit	739,022	1,365,586	1,477,707	318,490	1,371,086	(2,730,805)	2,541,086
Adjustments:							
Depreciation included in Operating Profit	689,056	582,995	610,211	245,185	4,662	-	2,132,109
Other operating (income) /expenses, net	(72,724)	217,631	(16,361)	13,269	(2,094,695)	2,198,835	245,955
Share-based remuneration	-	-	-	-	672,247	-	672,247
Reimbursement of fuel and fertilisers and feed costs (government grants)	-	102,570	45,847	-	-	-	148,417
Gain on revaluation of biological assets and agriculture produce	-	(1,776,032)	(1,544,906)	-	-	-	(3,320,938)
Gain on initial recognition of agricultural produce attributable to realised agricultural produce	-	-	1,328,532	-	-	(476,333)	852,199
Revaluation of biological assets attributable to realised biological assets and included in cost of sales	-	1,783,109	(21,687)	-	-	-	1,761,422
Provision/ (Reversal) for net realizable value	86,641	33,549	1,442	-	-	-	121,632
Adjusted EBITDA*	1,441,995	2,309,408	1,880,785	576,944	(46,700)	(1,008,303)	5,154,129

* Non-IFRS measure

Appendix 3. Consolidated statements of financial positions as at 31 December 2012 (in thousand rubles)

	31 December 2012	31 December 2011
ASSETS		
Current assets		
Cash and cash equivalents	2,019,867	5,457,567
Restricted cash	-	29,618
Short-term investments	25,532,275	14,670,667
Trade and other receivables	1,811,768	2,315,475
Prepayments	538,480	507,009
Current income tax receivable	128,881	32,161
Other taxes receivable	2,585,889	1,480,439
Inventories	13,441,518	10,173,656
Short-term biological assets	1,244,129	1,145,562
Total current assets	47,302,807	35,812,154
Non-current assets		
Property, plant and equipment	27,453,447	21,537,127
Inventories intended for construction	1,160,022	228,793
Goodwill	1,175,578	1,175,578
Advances paid for property, plant and equipment	1,199,625	1,762,301
Advances paid for intangible assets	246,010	-
Long-term biological assets	1,352,059	880,048
Long-term investments	4,721,083	487,681
Deferred income tax assets	237,838	474,577
Other intangible assets	56,553	49,640
Restricted cash	91,111	101,432
Total non-current assets	37,693,326	26,697,177
Total assets	84,996,133	62,509,331
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	24,413,533	17,129,130
Trade and other payables	2,615,403	1,889,143
Current income tax payable	59,735	80,049
Other taxes payable	1,274,876	499,915
Total current liabilities	28,363,547	19,598,237
Non-current liabilities		
Long-term borrowings	24,126,365	14,842,960
Government grants	722,617	512,998
Deferred income tax liability	337,524	376,451
Other non-current liabilities	-	46,659
Total non-current liabilities	25,186,506	15,779,068
Total liabilities	53,550,053	35,377,305
Equity		
Share capital	9,734	9,734
Treasury shares	(461,847)	(303,750)
Share premium	10,557,573	10,557,573
Share-based payment reserve	1,058,495	672,247
Retained earnings	20,211,049	15,851,492
Equity attributable to owners of ROS AGRO PLC	31,375,004	26,787,296
Non-controlling interest	71,076	344,730
Total equity	31,446,080	27,132,026
Total liabilities and equity	84,996,133	62,509,331

**Appendix 4. Consolidated statements of cash flows for the year ended 31 December 2012
(in thousand rubles)**

	Year ended 31 December 2012	Year ended 31 December 2011
Cash flows from operating activities		
Profit before income tax	5,008,350	2,627,411
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,599,726	2,132,110
Interest expense	2,316,806	1,999,337
Government grants	(1,655,486)	(1,522,577)
Interest income	(1,253,747)	(882,376)
Revaluation of biological assets, net	835,506	(46,413)
Share based remuneration	386,248	672,247
Gain on initial recognition of agricultural produce, net	(240,206)	(660,904)
Change in provision for net realisable value of inventory	(91,542)	121,632
Gain on disposal of subsidiaries, net	(84,693)	-
Loss on discounting of promissory notes and loans given	71,077	-
Lost harvest write-off	59,511	16,673
Unrealised foreign exchange loss / (gain)	53,888	(93,666)
Change in provision for impairment of advances paid for property, plant and equipment	43,774	329,088
Change in provision for impairment of receivables and prepayments	107,931	39,522
Other non-cash and non-operating expenses, net	21,081	21,420
Operating cash flow before working capital changes	8,178,224	4,753,504
Change in trade and other receivables and prepayments	411,923	424,162
Change in other taxes receivable	(1,107,633)	(755,116)
Change in inventories	(2,724,161)	(930,167)
Change in biological assets	(1,522,626)	(381,132)
Change in trade and other payables	661,388	70,562
Change in other taxes payable	775,567	270,557
Cash generated from operations	4,672,682	3,452,370
Income tax paid	(622,347)	(348,650)
Net cash from operating activities	4,050,335	3,103,720
Cash flows from investing activities		
Purchases of property, plant and equipment	(7,432,546)	(10,842,532)
Proceeds from sales of property, plant and equipment	41,107	40,541
Purchases of inventories intended for construction	(1,216,554)	(231,616)
Purchases of other intangible assets	(284,838)	(33,908)
Proceeds from cash withdrawals from deposits	11,882,985	12,733,790
Deposits placed with banks	(26,498,409)	(21,227,779)
Purchases of promissory notes	(2,900,000)	(3,054,557)
Proceeds from sales of promissory notes	2,840,395	2,626,002
Loans given	(115,807)	(1,392,965)
Loans repaid	5,348	255,173
Movement in restricted cash	34,037	174,226
Proceeds from sales of other investments	30,729	-
Interest received	886,772	722,807
Dividends received	2,575	5,782
Proceeds from sale of subsidiaries, net of cash disposed	(98)	-
Investments in subsidiaries, net of cash acquired	-	(1,963)
Net cash used in investing activities	(22,724,304)	(20,226,999)
Cash flows from financing activities		
Proceeds from borrowings	36,274,244	28,454,169
Repayment of borrowings	(19,692,676)	(18,212,554)
Interest paid	(2,862,323)	(2,082,809)
Proceeds from government grants	1,888,070	1,458,441
Purchases of non-controlling interest	(219,104)	(116,813)
Sale of non-controlling interest	-	170
Purchases of treasury shares	(158,097)	(303,750)
Dividends paid	(106)	-
Proceeds from issue of own shares, net of transaction cost	-	8,227,414
Lease payments	-	(14,664)
Net cash from financing activities	15,230,008	17,409,604
Net effect of exchange rate changes on cash and cash equivalents	6,261	51,034
Net (decrease) / increase in cash and cash equivalents	(3,437,700)	337,359
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	2,019,867	5,457,567