



February 24, 2017

Black Earth Farming Ltd Q4 Report 2016

St Helier, Jersey, 2017-02-24 08:00 CET (GLOBE NEWSWIRE) --

Low prices and reduced quality drive 2016 net losses of AR USD -10,6 mn (14.3 mn)

Blended yield (excl. root crops) down 8% y-o-y although up 25% over the 5-year average. Production costs per ton stay 27% below 5 year average but increased by 7% y-o-y due to reduced crop area and lower yield. Net loss in 2016 year accounted for USD -10.6mn (14.3) due to significantly lower prices, lower quality of winter wheat and smaller cropped area.

12M 2016 Highlights (vs. 12M 2015)

- Total revenue and gains of USD 95.7mn (130.4)
- Sales volume of 511kt (474)
- Average sales price after distribution cost of USD 113.5 per ton (143.8)
- Gross profit after distribution costs of USD 3.6mn (40.2)
- EBITDA of USD 2.3mn (20 excluding swap effect)
- FX income of USD 6.8mn (-7.9)
- Net loss of USD -10.6mn (7.2 excluding swap)
- Loss per share of USD -0.05 (0.07)

Q4 2016 Highlights (vs. Q4 2015)

- Total revenue and gains of USD 32.4mn (75.1)
- Sales volume of 192.8kt (293)
- Average sales price after distribution cost of USD 92 per ton (146)
- Gross profit after distribution costs of USD -4.7mn (16.1)
- EBITA of USD -3.6mn (12.9)
- FX income of USD 2.2mn (-1.3)
- Net loss of USD -7.3mn (7.4)

2016 harvest Progress

Wheat, barley and potatoes are fully harvested, Sunflowers are 97% harvested with yields of 1.6 t/Ha. Corn is 99% harvested with yield of 5.2 t/ha

Subsequent Event

On the 13th of February, the Company entered into an agreement to sell its Russian operations to Volgo-DonSelkhozinvest LLC and distribute the proceeds to the shareholders. The purchaser has paid a USD 10mn deposit. The estimated purchase price is approximately USD 184mn in cash and closing is subject to approval by BEF's shareholders and regulatory approvals.

CEO Comment Highlights (p.2)		Financial Overview (p.5)				
	USD million	Q4 '16	Q4 '15	12M	12M '15	12M '15
· Market Development						
· 2016 Harvest Progress	'16	Excl.*				
· 2016 Crop Sales		SWAP				
	Crop Volumes Sold (ktons)	192,8	292,5	510,5	474,1	474,1
· 12M Results 2016	Total Revenue & Gains	32,4	75,1	97,1	130,4	130,4
	Gross Profit after Distribution	-4,7	16,1	3,6	40,2	40,2
· Risks	G&A	-3,4	-4,8	-15,5	-19,1	-19,1
	EBITDA	-3,6	12,9	2,3	29,2	20,0
· Potential land & asset sale	EBIT	-6,0	9,2	-5,3	21,4	12,3
· Summary	FX income	2,2	-1,3	6,8	-7,9	-7,9
	Net profit	-6,9	7,4	-10,6	14,3	7,2

Webcast details:

Date: Friday, 24 February 2017

Time: 09:00 CET

Hosts:

Black Earth Farming CEO — Richard Warburton

Black Earth Farming CFO — Rostislav Samotsvetov

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Conference title: Black Earth Farming, 4th Quarter 2016 results

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Webcast link:

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Please quote the conference ID or conference title to access the call.

Please call in 5 minutes before the conference starts.

For additional information, please contact:

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Notes to Editor:

Black Earth Farming Limited is a farming company operating in Russia. Its shares are listed as depository receipts on Nasdaq OMX Stockholm. The Company develops and farms agricultural land assets primarily in the fertile Black Earth region in southwest Russia. Black Earth Farming has gained a strong market position in the Kursk, Tambov, Lipetsk and Voronezh areas, controlling some 256,000 hectares of what is possibly some of the world's most fertile soil. In 2015, Black Earth Farming harvested approximately 150,000 hectares, effectively making it one of the world's largest public farming companies by cropped area. The Company's main products are wheat, corn, barley, sunflower and potatoes.

Corporate website: www.blackearthfarming.com

For subscription to Company Announcements, please contact us at: svetlana.abakumova@blackearthfarming.com

If you do not want to receive Black Earth Farming Ltd announcements, please send an e-mail to the same address: svetlana.abakumova@blackearthfarming.com