

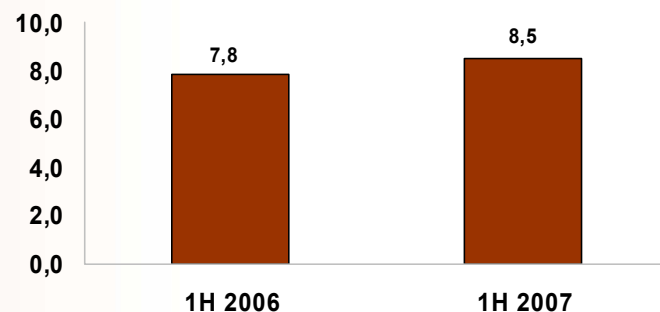
RAZGULAY GROUP

IFRS 1H 2007

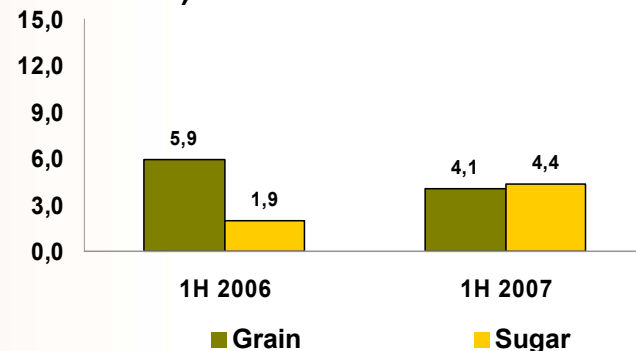
Revenue

- ◆ The aggregate revenues of the Group companies in 1H 2007 totaled 8,5 billion Rubles (108% of 1H 2006 year level)
- ◆ Revenues of Sugar division grew by 127%, revenues of Grain division fell by 30%
- ◆ Sugar division revenue growth resulted from:
 - ◆ sales of stocks of sugar, produced in 2006
 - ◆ increase in raw sugar operations
- ◆ Grain division showed lower revenues due to:
 - ◆ shift of major volume of transactions to 2H 2007 based on expectations of stronger prices

Revenues (in billion rubles)



Revenue breakdown (in billion rubles)



Volumes

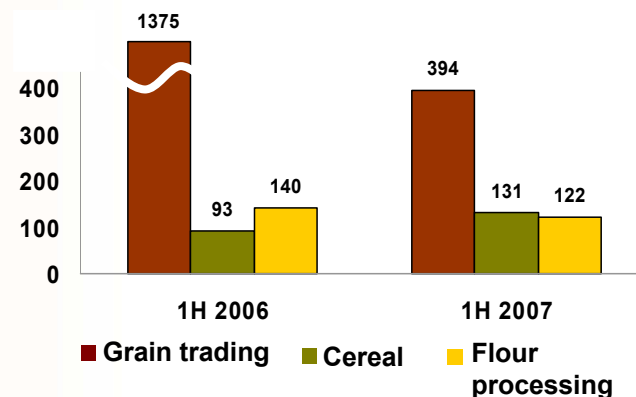
- ◆ In 1H 2007 sales of beet sugar produced from 2006 crop amounted to 81 th.tons (in 1H 2006 there were no sales of beet sugar), sugar refined from raw sugar – 77 th.tons (in 1H 2006 – 8 th.tons); sugar trading volumes amounted to 136 th.tons (in 1H 2006 – 93 th.tons)
- ◆ Volumes of grain trading in 1H 2007 amounted to 394 th.tons (29% of 1H 2006 level), cereals – 131 th.tons (141%), flour – 122 th.tons (87%)
- ◆ Decrease in trading volumes in 1H 2007 resulted from shifting significant sales volumes of grain and flour to 2H 2007 based on expectations of further increases in grain prices

(As a result, within the period from February-March 2007 till the early August 2007 grain prices increased from 4,2 th.rubles per tone to 6,1 th.rubles per tone; flour prices – from 6,4 th.rubles per tone to 10,8 th.rubles per tone)

Sugar sales (in '000 tons)



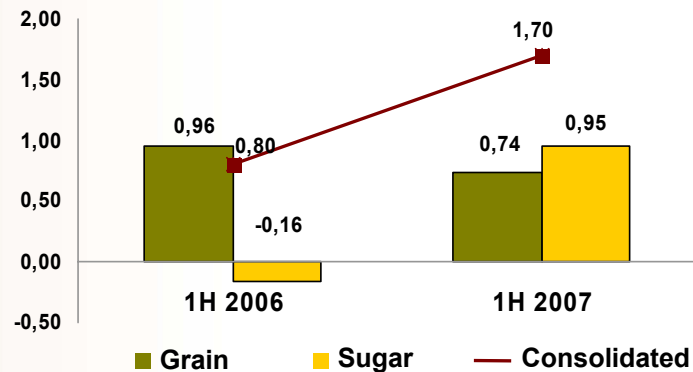
Grain sales (in '000 tons)



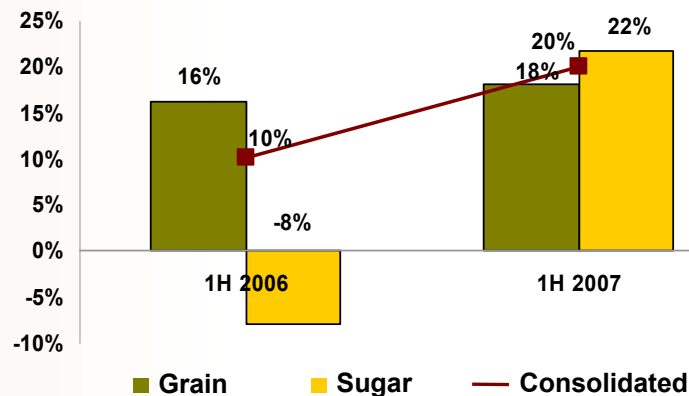
EBITDA

- ◆ Consolidated EBITDA amounted to 1,7 billion rubles in 1H 2007 versus 0,8 billion rubles in 1H2006, implying a two-fold increase
- ◆ Sugar division EBITDA amounted to 0,95billion rubles (versus negative EBITDA of 0,16 billion rubles in 1H 2006), Grain division EBITDA amounted to 0,74 billion rubles (versus 0,96 billion rubles in 1H 2006)
- ◆ Consolidated EBITDA margin grew from 10% in 1H 2006 to 20% in 1H 2007

EBITDA (in billion rubles)



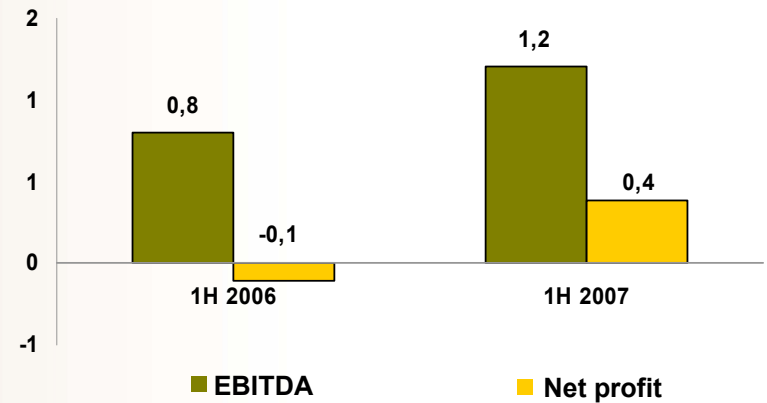
EBITDA margin



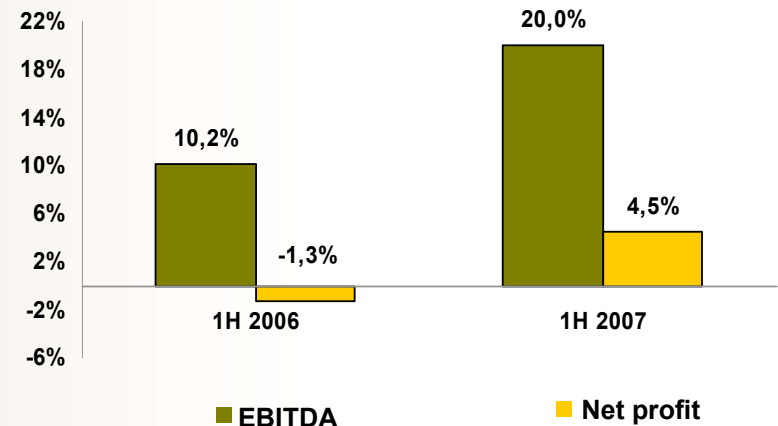
Net profit

- ◆ The overall net profit of the Group amounted to 382 million rubles in 1H 2007 versus net losses of 105 million rubles in 1H 2006
- ◆ Net profit margins was 4,5% in 1H 2007 versus negative margin of 1,3% in 1H 2006
- ◆ Net interest expense totaled 0,6 billion rubles in 1H 2007 versus 0,4 billion rubles in 1H 2006

Net profit (in billion rubles)



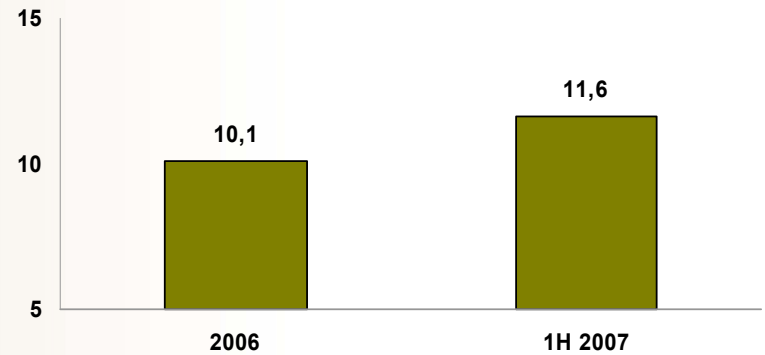
Profit margins



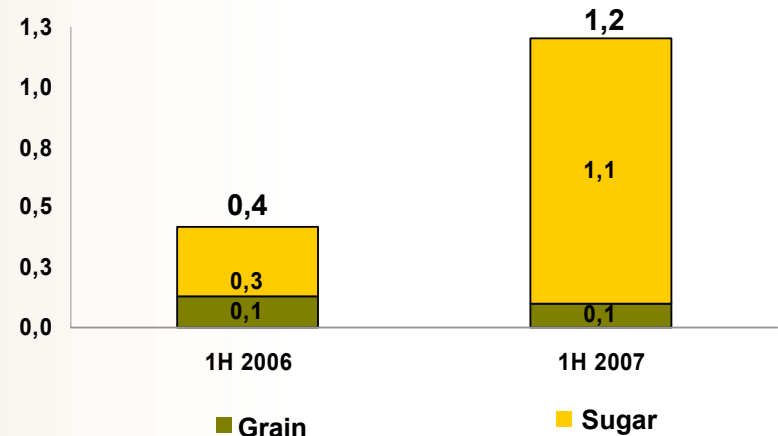
Net debt. CAPEX

- ◆ Net debt of the Group amounted to 11,6 billion rubles (net debt as of 31.12.2006 amounted to 10,1 billion rubles)
- ◆ Growth of working capital (in the form of advanced payments to agricultural producers for their 2007 harvest crops and for own production) was the main factor in Net debt increases in H1 2007
- ◆ CAPEX totaled 1,2 billion rubles in 1H 2007 versus 0,4 billion rubles in 1H 2006
- ◆ Main areas of the Group's investment policy:
 - ◆ increased own production of sugar beet through expanding arable land under this crop and through procurement of agricultural machinery
 - ◆ increased yields of finished product and increased total production capacity of the Group's processing facilities through modernization of processing equipment

Net debt (in billion rubles)



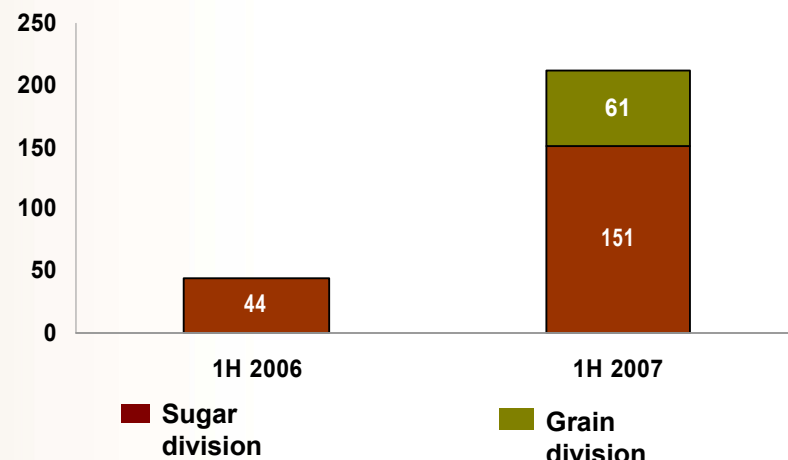
CAPEX (in billion rubles)



Arable land dynamics

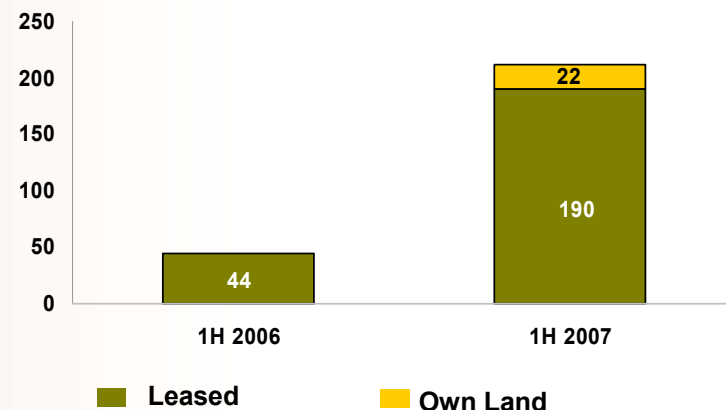
- As of end 1H 2007 the Group controlled 212 th.hectares of land (a five-fold increase compared to 1H 2006), including
 - Sugar division arable land used for growing sugar beet (in crop rotation scheme with grain crops) – 151 th. hectares;
 - Grain division arable land used for growing rice and grain crops – 61 th.hectares

Arable land dynamics (in '000 hectares)



- The Group owns a total of 22 th.hectares of land
- 190 th.hectares are used by the Group under leasing agreements (contracts for over 90% of total leased have terms between 10 and 49 years)

Arable land dynamics (in '000 hectares)



Grain market

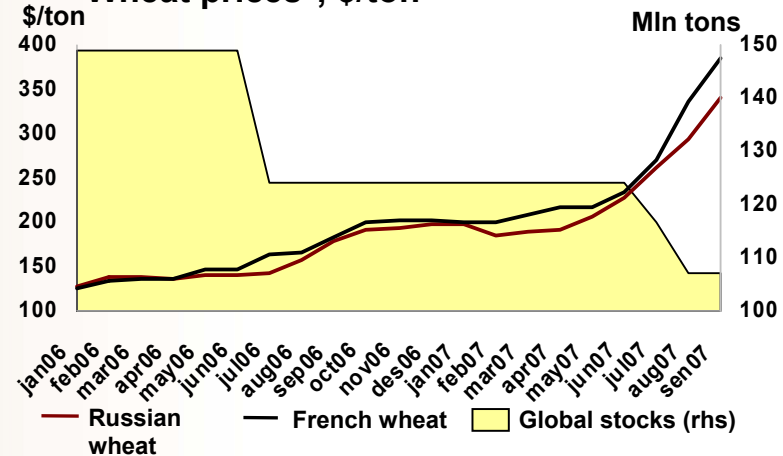
Grain market trends in 1H 2007

- ◆ Strained global balance
 - ◆ Growing consumption of grain (for biofuels)
 - ◆ Decreasing crop levels in some grain producing countries
 - ◆ The lowest level of global stocks of grain since 1980-81
 - ◆ Sharp growth in global export prices – record-breaking prices highest for the past 12 years
- ◆ Attractive returns of grain exports
- ◆ Domestic prices increase following the growth of global export prices

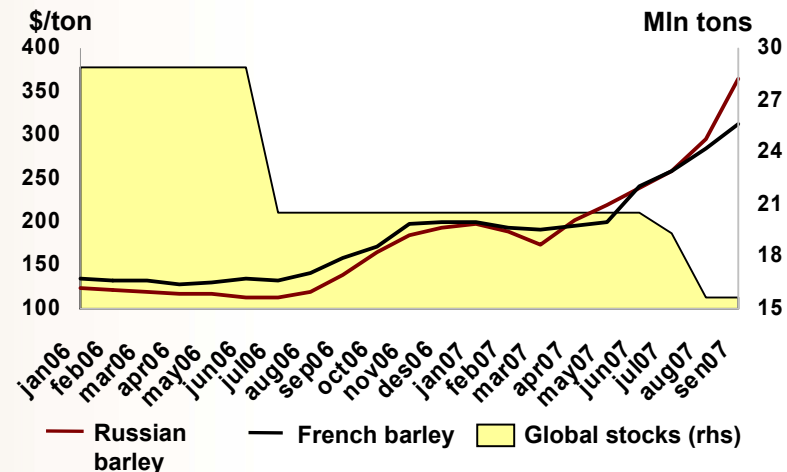
Grain market trends – going forward

- ◆ Market consolidation at new price levels; rollback to old price levels seems highly improbable
- ◆ Increasing role of the Russian Federation in global production of grain and strengthening of Russian position among TOP-5 largest global grain exporters

Wheat prices*; \$/ton



Barley prices*; \$/ton



*World export prices

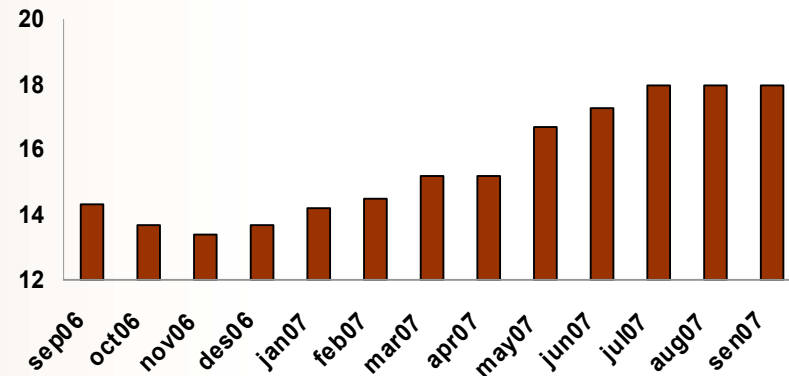


Rice market

Rice market – main trends in 1H 2007

- ◆ Rice prices remain strong
- ◆ Stocks decrease leading to a new price growth trend
- ◆ Growth of domestic production in Russia – import substitution
- ◆ Increased levels of customs protection of the market (introduction of seasonal customs duties, stricter supervision of quality of imported rice)

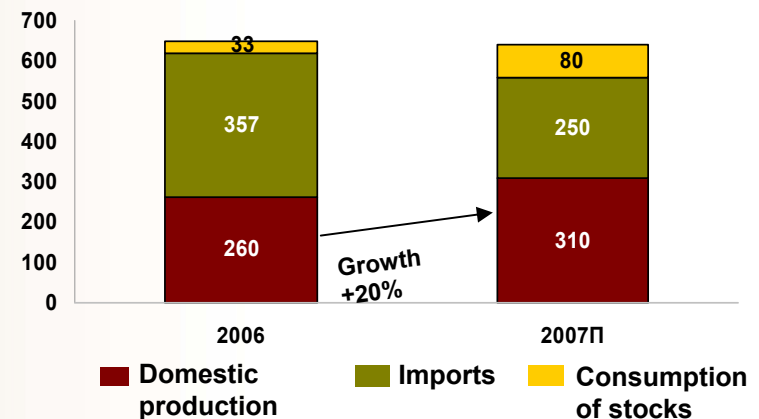
Rice prices (in '000 rubles/ton)



Russian rice market trends in 2007-2008

- ◆ Prices will continue their upward trend
- ◆ Decreasing imports (30% less compared to 2006 levels) plus growth of domestic Russian production (+20% compared to 2006)
- ◆ Imported rice quality will continue to be stringently monitored
- ◆ It is possible that customs protection of the industry will be further strengthened through introduction of seasonal duties on a permanent basis

Russian rice market (in '000 tons)



Sugar market

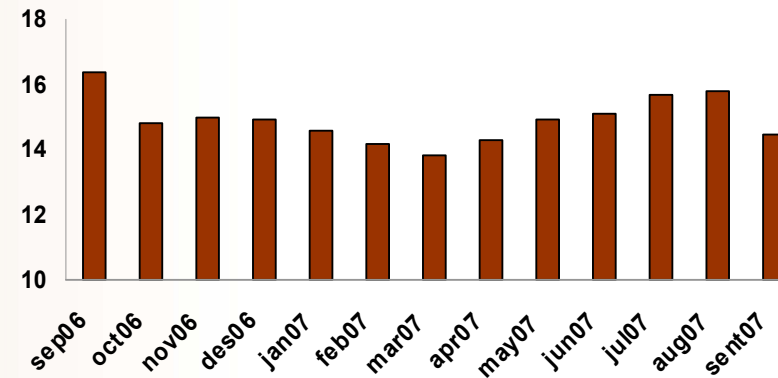
Sugar market - main trends

- ◆ In Q2 and Q3 of 2007 sugar market was traditionally growing in June-early August and declining in August - September.
- ◆ In late September – mid-October the market was growing on rumours on introduction of a seasonal duty on raw sugar
- ◆ Price environment in the market is attractive for deals in raw sugar

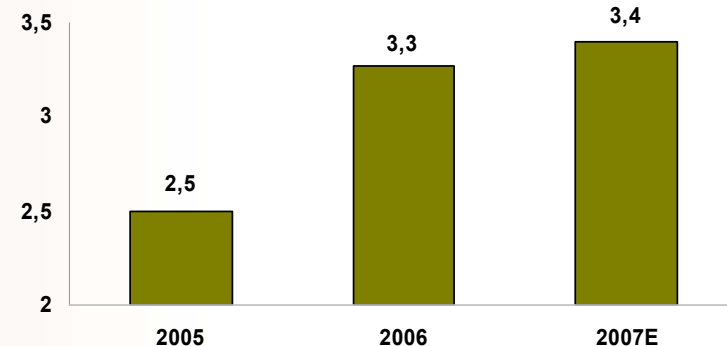
Russian sugar market trends – going forward

- ◆ Opportunistic imports of raw sugar prior to introduction of seasonal duty
- ◆ Further support to price growth provided by publication of the decision on introduction of seasonal customs duty for raw sugar (Resolution of the Government of Russian Federation No. 617 dated 12 October 2007)

Sugar prices (in '000 rubles/ton)



Domestic sugar production (in mln tons)



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