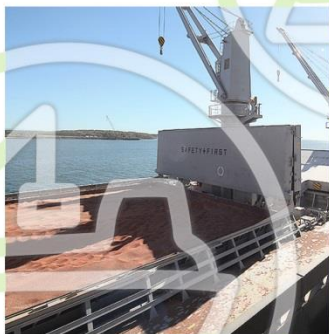


**AB LINAS AGRO GROUP
CONSOLIDATED
AND COMPANY'S
FINANCIAL STATEMENTS**

**FOR 6 MONTHS PERIOD OF THE FINANCIAL YEAR
2014/15 ENDED 31 DECEMBER 2014**

PREPARED ACCORDING TO ADDITIONAL INFORMATION
PREPARING AND PRESENTATION INSTRUCTIONS ISSUED BY
THE BANK OF LITHUANIA



STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2014	As at 30 June 2014
ASSETS			
Non-current assets			
Intangible assets	5	1,480	1,265
Property, plant and equipment	6	350,291	351,777
Investment property	7	5,535	5,384
Animals and livestock		25,199	25,216
Non-current financial assets			
Other investments and prepayments for financial assets		59	59
Non-current receivables		5,966	5,607
Non-current receivables from related parties	12	3,996	1,198
Total non-current financial assets		10,021	6,864
Deferred income tax asset		6,791	7,544
Total non-current assets		399,317	398,050
Current assets			
Crops		8,897	49,094
Livestock		7,470	6,742
Inventories		398,249	233,562
Prepayments		15,157	17,487
Accounts receivable			
Trade receivables		261,462	307,624
Receivables from related parties	12	58	914
Income tax receivable		2,992	5,181
Other accounts receivable		16,282	23,559
Total accounts receivable		280,794	337,278
Other current financial assets		6,840	2,164
Cash and cash equivalents		37,893	29,804
Total current assets		755,300	676,131
Total assets		1,154,617	1,074,181

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Notes	As at 31 December 2014	As at 30 June 2014
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	158,940	158,940
Share premium	1	79,545	79,545
Legal reserve		9,336	8,148
Reserve for own shares		6,281	6,300
Own shares		(1,577)	(1,581)
Foreign currency translation reserve		(76)	(151)
Retained earnings		264,388	264,307
Total equity attributable to equity holders of the parent		516,837	515,508
Non-controlling interest		10,336	9,635
Total equity		527,173	525,143
Liabilities			
Non-current liabilities			
Grants and subsidies		24,068	23,998
Non-current borrowings	8	93,275	96,792
Finance lease obligations		6,955	5,809
Non-current trade payables		30	1,122
Deferred income tax liability		4,575	5,279
Non-current employee benefits		673	671
Total non-current liabilities		129,576	133,671
Current liabilities			
Current portion of non-current borrowings	8	22,910	21,693
Current portion of finance lease obligations		2,612	2,796
Current borrowings	8	306,489	217,727
Trade payables		101,385	111,192
Payables to related parties	12	2,382	7,458
Income tax payable		2,046	1,631
Derivative financial instruments		2,675	870
Other current liabilities		57,369	52,000
Total current liabilities		497,868	415,367
Total equity and liabilities		1,154,617	1,074,181

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 December)

	Notes	2014/2015 6 month	2013/2014 6 month
Sales	4	1,071,631	1,002,350
Cost of sales		(1,013,835)	(945,023)
Gross profit		57,796	57,327
Operating (expenses)	9	(47,623)	(47,008)
Other income	10	3,346	31,268
Other (expenses)	10	(636)	(987)
Operating profit		12,883	40,600
Income from financing activities		1,070	1,332
(Expenses) from financing activities		(4,629)	(3,716)
Profit before tax		9,324	38,216
Income tax		(2,197)	(2,629)
Net profit		7,127	35,587
Net profit attributable to:			
Equity holders of the parent		5,961	28,213
Non-controlling interest		1,166	7,374
		7,127	35,587
Basic and diluted earnings per share (LTL)		0.04	0.23
Net profit		7,127	35,587
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:		–	–
Exchange differences on translation of foreign operations		75	4
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Total comprehensive income, after tax		7,202	35,591
Total comprehensive income attributable to:			
The shareholders of the Company		6,036	28,204
Non-controlling interest		1,166	7,387
		7,202	35,591

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 October to 31 December)

	Notes	2014/2015 2 Q	2013/2014 2 Q
Sales	4	619,830	552,013
Cost of sales		(593,288)	(530,271)
Gross profit		26,542	21,742
Operating (expenses)	9	(24,750)	(27,805)
Other income	10	(610)	21,582
Other (expenses)	10	(397)	(717)
Operating profit		785	14,802
Income from financing activities		668	955
(Expenses) from financing activities		(2,278)	(2,152)
Profit before tax		(825)	13,605
Income tax		241	(272)
Net profit		(584)	13,333
Net profit attributable to:			
Equity holders of the parent		(918)	6,119
Non-controlling interest		334	7,214
		(584)	13,333
Basic and diluted earnings per share (LTL)		–	0.09
Net profit		(584)	13,333
Other comprehensive income			
Exchange differences on translation of foreign operations		58	(3)
Total comprehensive income, after tax		(526)	13,330
Total comprehensive income attributable to:			
The shareholders of the Company		(860)	6,117
Non-controlling interest		334	7,227
		(526)	13,344

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent

Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2013	158,940	(1,581)	79,545	7,851	1,600	(138)	190,905	437,122	3,374	440,496
Net profit for the year	–	–	–	–	–	–	28,213	28,213	7,374	35,587
Other comprehensive income	–	–	–	–	–	(9)	–	(9)	13	4
Total comprehensive income	–	–	–	–	–	(9)	28,213	28,204	7,387	35,591
Declared dividends by Company	–	–	–	–	–	–	(5,994)	(5,994)	–	(5,994)
Declared dividends	–	–	–	–	–	–	–	–	(127)	(127)
Reserves made	–	–	–	297	4,700	–	(4,997)	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	9,089	9,089
Acquisition of minority interest	–	–	–	–	–	–	687	687	(796)	(109)
Balance as at 31 December 2013	158,940	(1,581)	79,545	8,148	6,300	(147)	208,814	460,019	18,927	478,946
Balance as at 1 July 2014	158,940	(1,581)	79,545	8,148	6,300	(151)	264,307	515,508	9,635	525,143
Net profit for the year	–	–	–	–	–	–	5,961	5,961	1,166	7,127
Other comprehensive income	–	–	–	–	–	75	–	75	–	75
Total comprehensive income	–	–	–	–	–	75	5,961	6,036	1,166	7,202
Declared dividends by Company	–	–	–	–	–	–	(4,998)	(4,998)	–	(4,998)
Transfer to reserves	–	–	–	1,188	(19)	–	(1,169)	–	–	–
Declared dividends by subsidiaries	–	–	–	–	–	–	–	–	(34)	(34)
Acquisition of own shares	–	4	–	–	–	–	–	4	–	4
Acquisition of minority interest	–	–	–	–	–	–	287	287	(431)	(144)
Balance as at 31 December 2014	158,940	(1,577)	79,545	9,336	6,281	(76)	264,388	516,837	10,336	527,173

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENTS

	Notes	2014/2015 6 month	2013/2014 6 month
Cash flows from (to) operating activities			
Net profit		7,127	35,587
Adjustments for non-cash items:			
Depreciation and amortisation		16,628	10,839
Subsidies amortisation		(1,573)	(1,069)
(Gain) on disposal of property, plant and equipment		(264)	(366)
(Gain) on disposal of other investments		(1,239)	–
Gain on acquisition of subsidiaries		–	(14,009)
Change in allowance and write-offs for receivables and prepayments		1,732	1,533
Inventories write down to net realisable value		35	(344)
Change in accrued expenses		11,951	(6,761)
Change in fair value of biological assets		743	(2,904)
Change in deferred income tax		117	432
Current income tax expenses		2,079	2,197
Liabilities write of		(40)	(13,854)
(Income) from change in fair value of financial instruments		(5,089)	(2,219)
Change of provision for onerous contracts		–	(56)
Dividend (income)		(156)	(434)
Interest (income)		(1,070)	(1,332)
Interest expenses		4,632	3,716
		35,613	10,956
Changes in working capital:			
Decrease in biological assets		39,191	32,812
(Increase) in inventories		(156,486)	(191,797)
(Increase) decrease in prepayments		1,640	(1,240)
Decrease (increase) in trade and other accounts receivable		55,376	2,781
(Increase) in restricted cash		(2,080)	(2,072)
Increase (decrease) in trade and other accounts payable		(17,211)	(51,343)
Income tax (paid)		(2,645)	(6,167)
Net cash flows from (to) operating activities		(46,602)	(206,070)

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The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENTS (CONT'D)

	Notes	2014/2015 6 month	2013/2014 6 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(18,049)	(16,640)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		762	2,355
(Acquisition) of subsidiaries (less received cash balance in the Group)	3	(691)	(13,220)
(Acquisition) of other investments		–	(198)
Proceeds from disposals of other investments		1,500	–
Proceeds from disposals of subsidiaries		127	–
Loans (granted)		(7,087)	(13,163)
Repayment of granted loans		2,421	4,616
Interest received		71	560
Dividends received		156	434
Net cash flows from (to) investing activities		(20,790)	(35,256)
Cash flows from (to) financing activities			
Proceeds from loans		280,027	356,215
(Repayment) of loans		(193,647)	(112,514)
Finance lease (payments)		(1,453)	(1,958)
Interest (paid)		(4,270)	(3,748)
Dividends (paid) to non-controlling shareholders		(34)	(127)
Dividends (paid)		(4,998)	(5,994)
Acquisition of non-controlling interest		(144)	–
Net cash flows from (to) financing activities		75,481	231,874
Net (decrease) increase in cash and cash equivalents		8,089	(9,452)
Cash and cash equivalents at the beginning of the year		29,804	34,240
Cash and cash equivalents at the end of the year		37,893	24,788
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		460	2,039
Property, plant and equipment acquisitions financed by grants and subsidies		642	–

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 Panevėžys, Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As at 31 December 2014 and as at 30 June 2014 the shareholders of the Company were:

	As at 31 December 2014		As at 30 June 2014	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	88,984,443	55.99%	88,984,443	55.99%
Darius Zupas	17,049,995	10.73%	17,049,995	10.73%
Swedbank AS (Estonia) clients	10,769,977	6.78%	10,404,440	6.55%
SEB AS OMNIBUS (Luxembourg) clients	12,574,030	7.91%	12,866,897	8.10%
Other shareholders (private and institutional investors)	29,561,953	18.59%	29,634,623	18.63%
Total	158,940,398	100.00%	158,940,398	100.00%

All the shares of the Company are ordinary shares with the par value of LTL 1 each as at 31 December 2014 (LTL 1 each as at 30 June 2014) and were fully paid as at 31 December 2014 and as at 30 June 2014.

The Company holds 788,972 of its own shares, percentage 0.50%, as at 31 December 2014 and as at 30 June 2014. Subsidiaries and other related companies did not hold any shares of the Company as at 31 December 2014 and as at 30 June 2014.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As at 31 December 2014 the number of employees of the Group was 2,186 (2,266 as at 30 June 2014).

No changes in share capital occurred during the years ending 31 December 2014 and 30 June 2014.

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2013/2014 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 31 December 2014 and as at 30 June 2014 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2014	30 June 2014	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuvos Projektai	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	89.78%	84.36%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	89.78%	84.36%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale

*Including cost of ŽŪB Landvesta 3, ŽŪB Landvesta 4, ŽŪB Landvesta 5, ŽŪB Landvesta 6 which are disclosed as indirectly controlled subsidiaries (through AB Linas Agro).

Investments into indirectly controlled subsidiaries (through AB Linas Agro)

SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
UAB Fossio	Lithuania	–	100%	Manufacturing of lignin
ŽŪB Landvesta 3*	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4*	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5*	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6*	Lithuania	100%	100%	Rent and management of agricultural purposes land

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2014	30 June 2014	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.41%	98.28%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.82%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	96.92%	96.92%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	94.89%	93.40%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	98.64%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Žemės ūkio investicijos	Lithuania	100%	100%	Not operating company
Panevėžys district Žibartonių ŽŪB	Lithuania	99.80%	99.80%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuvos Projektai)				
SIA DOTNUVOS PROJEKTAI	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuvos Projektai	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade
Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)				
Karčemos kooperatinė bendrovė	Lithuania	19.96%*	19.96%*	Preparation and warehousing of grains for trade

* The Group indirectly controls 39.96% of shares of Karčemos kooperatinė bendrovė (through Panevėžys district Žibartonių ŽŪB and UAB Linas Agro Grūdų centras KŪB), however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 6 month period ended 31 December 2014

On 1 July 2014 share capital of AS Putnu fabrika Kekava increased from EUR 12,769 thousand to EUR 18,947 thousand by capitalization of payable amounts of AB Linas Agro Group, SIA Lielzeltini. The rest non-controlling shareholders didn't participate in the increasing of share capital, part of the shares owned by the Group increased from 84.36% to 89.46%.

During 6 month period, ended 31 December 2014, the Company acquired 0.32% AS Putnu fabrika Kekava share capital for LTL 106 thousand. The shares were acquired from the non-controlling shareholders. The difference of LTL 224 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 6 month period, ended 31 December 2014, the Group acquired 1.49% Sidabravo ŽŪB share capital for LTL 39 thousand. The shares were acquired from the non-controlling shareholders. The difference of LTL 207 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Changes in the Group during the 12 month period ended 30 June 2014

On 5 September 2013 the Group acquired 100 % Žemės ūkio investicijos UAB sub-group, which is comprised of the holding company Žemės ūkio investicijos UAB and its subsidiary Panevėžys district Žibartonyš ŽŪB (98.07%), for LTL 18,059 thousand to further expand business activities. As at acquisition date Žemės ūkio investicijos UAB sub-group did not have any impaired accounts receivable or contractual cash flows not expected to be collected, book value of receivables represents its fair value. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following

Acquisition date	31 August 2013
Property, plant and equipment and investment property	18,493
Animals and livestock	7,024
Crops	2,594
Inventories	9,420
Prepayments and other current assets	2,271
Cash and cash equivalents	268
Total assets	40,070
Deferred tax liability	(604)
Grants and subsidies	(556)
Non-current borrowings	(2,919)
Current borrowings	(1,814)
Trade payables	(4,274)
Other liabilities	(1,412)
Total liabilities	(11,579)
Total identifiable net assets at fair value	28,491
Non-controlling interest measured at the proportionate share of net assets at fair value	(349)
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	9,540
Total purchase consideration	18,602
Cash consideration transferred	13,389
Less: cash acquired	(268)
Total purchase consideration, net of cash acquired	13,121

Žemės ūkio investicijos UAB sub-group revenue and profit or loss since the acquisition date and from the beginning of the annual reporting period were:

	Since acquisition date	Since 1 July 2013
Revenue	17,515	22,414
Profit (loss)	1,683	1,555

The bargain purchase resulted due to the former shareholders' approach to the business from the book value point of view rather than fair value of total identifiable net assets.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 12 month period ended 30 June 2014 (cont'd)

On 28 October 2013 the Group acquired 86.97% shares of AS Putnu Fabrika Kekava sub-group (including SIA PFK Trader) for LTL 7,350 thousand to further expand business activities and enter new business segments. On 7 November 2013 according to the restructuring plan share capital of AS Putnu Fabrika Kekava was increased by capitalization of payable amounts.

AB Linas Agro Group didn't participate in the increasing of share capital, part of the shares owned by AB Linas Agro Group decreased from 86.97% to 54.59%. The provisional net assets at book value on 31 October 2013 are calculated by taking into account accounts payable capitalization and AB Linas Agro Group de facto control of 54.59% of shares.

Differences between the purchase consideration and provisional fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purposes	31 October 2013
Property, plant and equipment and intangible assets	83,169
Poultry	8,373
Inventories	7,735
Prepayments and other current assets	10,300
Cash and cash equivalents	598
Total assets	110,175
Deferred tax liability	(2,292)
Grants and subsidies	(7,701)
Non-current borrowings	(7,116)
Other non-current liabilities	(4,723)
Current borrowings	(35,913)
Trade payables	(16,641)
Other liabilities	(15,944)*
Total liabilities	(90,330)
Total identifiable net assets at provisional fair value	19,845
Non-controlling interest measured at the proportionate share of net assets at provisional fair value	(9,012)
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	3,483
Total purchase consideration	7,350
Cash consideration transferred	2,516**
Less: cash acquired	(598)
Total purchase consideration, net of cash acquired	1,918

*During the year ended 30 June 2014 liabilities in the amount of LTL 14,142 were written off for subsidiary AS Putnu Fabrika Kekava due to successfully implemented restructuring plan.

**As at 30 June 2013 the Company made LTL 4,834 thousand prepayment for AS Putnu Fabrika Kekava shares to acquire.

AS Putnu Fabrika Kekava fair value of the trade receivables as at the date of acquisition were:

Trade receivables	
The gross contractual amounts receivable	21,393
The best estimate at the acquisition date of the contractual cash flows not expected to be collected	(11,401)
The fair value of the receivables	9,992

AS Putnu Fabrika Kekava revenue and profit or loss since the acquisition date and from the beginning of the annual reporting period were:

	Since acquisition date	Since 1 July 2013
Revenue	91,793	136,578
Profit (loss)	23,299	29,755

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 12 month period ended 30 June 2014 (cont'd)

The business combination resulted in bargain purchase because it was acquired during a forced sale by the former shareholders, since as at acquisition AS Putnu Fabrika Kekava was in a legal restructuring phase and there existed high uncertainties about its ability to continue as a going concern.

On 7 February 2014 the Group acquired 100% shares of SIA Lielzeltini for LTL 20,213 thousand to further expand business activities and enter new business segments. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purposes	31 January 2014
Property, plant and equipment	50,263
Financial assets	10,764
Poultry	1,833
Inventories	10,902
Prepayments and other current assets	10,674
Cash and cash equivalents	1,214
Total assets	85,650
Deferred tax liability	(3,133)
Grants and subsidies	(2,657)
Non-current borrowings	(32,475)
Current borrowings	(7,257)
Trade payables	(9,990)
Other liabilities	(2,356)
Total liabilities	(57,868)
Total identifiable net assets at fair value	27,782
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	7,569
Total purchase consideration	20,213
Cash consideration transferred	20,213
Less: cash acquired	(1,214)
Total purchase consideration, net of cash acquired	18,999

SIA Lielzeltini fair value of contractual amounts receivables as at the date of acquisition were:

	Non-current Trade receivables	Prepayments
The gross contractual amounts receivable	10,927	3,515
The best estimate at the acquisition date of the contractual cash flows not expected to be collected	(2,292)	(691)
The fair value of the receivables	8,635	2,824

SIA Lielzeltini revenue and profit or loss since the acquisition date and from the beginning of the annual reporting period were:

	Since acquisition date	Since July 1 2013
Revenue	44,048	100,633
Profit (loss)	1,685	6,315

The bargain purchase resulted due to the former shareholders' approach to the business from the book value point of view rather than fair value of total identifiable net assets.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 12 month period ended 30 June 2014 (cont'd)

On 7 February 2014 the Group acquired 100% shares of SIA Cerova for LTL 2,728 thousand to further expand business activities and enter new business segments. As at acquisition date SIA Cerova did not have any impaired accounts receivable or contractual cash flows not expected to be collected, book value of receivables represent its recoverable amount. Revenue and profit or loss since acquisition date and from the beginning of the annual reporting period are not disclosed as they are not material to the financial statements. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purposes	31 January 2014
Property, plant and equipment	2,913
Inventories	415
Prepayments and other current assets	3,478
Cash and cash equivalents	46
Total assets	6,852
Deferred tax liability	(33)
Grants and subsidies	(477)
Non-current borrowings	(2,110)
Other non-current liabilities	-
Trade payables	(237)
Other liabilities	(166)
Total liabilities	(3,023)
Total identifiable net assets at fair value	3,829
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	1,101
Total purchase consideration	2,728
Cash consideration transferred	2,728
Less: cash acquired	(46)
Total purchase consideration, net of cash acquired	2,682

On 7 February 2014 the Group acquired 100% shares of SIA Broileks for LTL 179 thousand to further expand business activities and enter new business segments. As at acquisition date SIA Broileks did not have any impaired accounts receivable or contractual cash flows not expected to be collected, book value of receivables represent its recoverable amount. Revenue and profit or loss since acquisition date and from the beginning of the annual reporting period are not disclosed as they are not material to the financial statements. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purposes	31 January 2014
Property, plant and equipment	1,450
Inventories	121
Prepayments and other current assets	520
Cash and cash equivalents	6
Total assets	2,097
Grants and subsidies	(420)
Non-current borrowings	(151)
Current borrowings	(365)
Trade payables	(7)
Other liabilities	(545)
Total liabilities	(1,488)
Total identifiable net assets at fair value	609
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	430
Total purchase consideration	179
Cash consideration transferred	179
Less: cash acquired	(6)
Total purchase consideration, net of cash acquired	173

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 12 month period ended 30 June 2014 (cont'd)

During the 12 month period, ended 30 June 2014, the Group acquired 6.17% Sidabravo ŽŪB share capital for LTL 160 thousand, 1.1% Panevėžys district Žibartonių ŽŪB share capital for LTL 44 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 929 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

Acquisition of non-controlling interest in Sidabravo ŽŪB and Panevėžys district Žibartonių ŽŪB has resulted in an increase of the effective Group ownership of ŽŪK KUPIŠKIO GRŪDAI by 0.56% up to 98.28%, and an increase of the effective Group ownership of Karčemos kooperatinė bendrovė by 20% up to 39.96% as at 30 June 2014 with a result of LTL 23 thousand of gain accounted directly in equity.

Acquisition of SIA Lielzeltini has resulted in an increase of the effective Group ownership of AS Putnu Fabrika Kekava by 29.77% up to 84.36% as at 30 June 2014 with a result of LTL 10,046 thousand of gain accounted directly in equity.

On 9 January 2014 the Group separated UAB Lignineko to 2 companies: UAB Lignineko and UAB Fossio. The share capital of UAB Fossio is LTL 461 thousand.

On 30 April 2014 the Group sold all shares of UAB Lignineko. Differences between the sales consideration and the net assets disposed at the disposal date is the following:

	30 April 2014
Non-current assets	1,816
Deferred tax asset	180
Current assets	802
Liabilities	(3,835)
Net asset of subsidiary sold by Group	(1,037)
Gain recognized on disposal of subsidiary, recognised under Other income (Note 26)	5,587
Sales price (received in cash)	4,550
Less: cash disposed in subsidiary	(18)
Sell price less cash disposed	4,532

4. SEGMENT INFORMATION

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, vegetable oil, rapeseed and other feedstuffs, grain storage and logistics services;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- food products segment includes poultry and other food final products;
- the other products and services segment includes sales of biofuel and other products and services.

The Group's chief financial officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Group financing (including finance cost and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 31 December 2014								
Revenue								
Third parties	748,948	194,867	21,097	105,281	1,438	–	–	1,071,631
Intersegment	22,463	10,881	27,172	–	1,490	–	(62,006) ¹⁾	–
Total revenue	771,411	205,748	48,269	105,281	2,928	–	(62,006)¹⁾	1,071,631
Results								
Operating expenses	(9,832)	(16,531)	(4,994)	(9,911)	(105)	(6,250)	–	(47,623)
Segment operating profit (loss)	8,971	4,621	(4,750)	8,827	168	(4,954)	–	12,883
Group								
Financial year ended 31 December 2013								
Revenue								
Third parties	715,239	241,485	24,059	21,455	112	–	–	1,002,350
Intersegment	1,905	10,172	28,352	–	36	–	(40,465) ¹⁾	–
Total revenue	717,144	251,657	52,411	21,455	148	–	(40,465)¹⁾	1,002,350
Results								
Operating expenses	(13,711)	(18,940)	(5,591)	(3,200)	(316)	(5,250)	–	(47,008)
Segment operating profit (loss)	8,343	8,456	6,957	20,551	(481)	(3,226)	–	40,600

1) Intersegment revenue is eliminated on consolidation.

4. SEGMENT INFORMATION (CONT'D)

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	6 month period ended	
	31 December 2014	31 December 2013
Lithuania	261,022	277,445
Europe (except for Scandinavian countries, CIS and Lithuania)	354,958	263,213
Scandinavian countries	155,061	187,222
Africa	17,649	23,377
Asia	263,011	233,791
CIS	19,930	17,302
	1,071,631	1,002,350

The revenue information above is based on the location of the customer.

Non-current assets	As at 31 December 2014	As at 30 June 2014
Lithuania	209,929	211,055
Latvia	142,968	142,674
Estonia	4,369	4,641
Denmark	40	56
	357,306	358,426

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Total
Cost:			
Balance as at 30 June 2013	2,063	344	2,407
Additions	348	2	350
Additions of subsidiaries	121	1	122
Write-offs	(3)	(15)	(18)
Balance as at 30 June 2014	2,529	332	2,861
Additions	93	231	324
Write-offs	2	(12)	(10)
Balance as at 31 December 2014	2,624	551	3,175
Accumulated amortization:			
Balance as at 30 June 2013	1,334	71	1,405
Charge for the year	182	23	205
Write-offs	(1)	(13)	(14)
Balance as at 30 June 2014	1,515	81	1,596
Charge for the year	96	20	116
Write-offs	(5)	(12)	(17)
Balance as at 31 December 2014	1,606	89	1,695
Net book value as at 31 December 2014	1,018	462	1,480
Net book value as at 30 June 2014	1,014	251	1,265
Net book value as at 30 June 2013	729	273	1,002

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the statement of comprehensive income.

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2013	17,682	149,911	86,946	14,548	13,729	7,824	290,640
Additions	6,561	77	10,856	1,274	2,140	10,414	31,322
Acquisition of subsidiaries	15,888	105,924	27,681	2,926	2,874	834	156,127
Disposals and write-offs	(365)	(566)	(4,503)	(1,993)	(1,128)	(283)	(8,838)
Transfers from investment property	5,631	823	–	–	–	–	6,454
Reclassifications	171	10,489	1,731	111	147	(12,649)	–
Exchange differences	(2)	(5)	(2)	(4)	5	2	(6)
Disposals of subsidiaries	–	–	(2,187)	–	(290)	–	(2,477)
Balance as at 30 June 2014	45,566	266,653	120,522	16,862	17,477	6,142	473,222
Additions	72	1,940	5,709	446	1,289	8,832	18,288
Disposals and write-offs	–	(96)	(2,658)	(941)	(461)	(121)	(4,277)
Transfers from investment property	166	–	–	–	–	–	166
Reclassifications	15	3,380	1,265	21	16	(4,696)	1
Balance as at 31 December 2014	45,819	271,877	124,838	16,388	18,321	10,157	487,400
Accumulated depreciation:							
Balance as at 30 June 2013	–	38,650	40,991	5,192	7,989	–	92,822
Charge for the year	–	14,083	12,446	3,318	2,037	–	31,884
Disposals and write-offs	–	(339)	(1,587)	(1,698)	(817)	–	(4,441)
Transfers from investment property	–	124	–	–	–	–	124
Reclassifications	–	–	(58)	58	–	–	–
Exchange differences	–	19	(4)	–	–	–	15
Disposals of subsidiaries	–	–	(499)	–	(162)	–	(661)
Balance as at 30 June 2014	–	52,537	51,289	6,870	9,047	–	119,743
Charge for the year	–	9,023	6,156	1,537	1,289	–	18,005
Disposals and write-offs	–	(19)	(1,278)	(596)	(447)	–	(2,340)
Balance as at 31 December 2014	–	61,541	56,167	7,811	9,889	–	135,408
Impairment losses:							
Balance as at 30 June 2013	–	1,577	35	–	3	–	1,615
(Reversal) charge for the year	160	(77)	3	1	–	–	87
Balance as at 30 June 2014	160	1,500	38	1	3	–	1,702
Balance as at 31 December 2014	160	1,500	38	1	3	–	1,702
Net book value as at 31 December 2014	45,659	208,836	68,633	8,576	8,429	10,157	350,290
Net book value as at 30 June 2014	45,406	212,616	69,195	9,991	8,427	6,142	351,777
Net book value as at 30 June 2013	17,682	109,684	45,920	9,356	5,737	7,824	196,203

7. INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Cost:	Land	Buildings	Total
Balance as at 30 June 2013	10,773	1,380	12,153
Additions	7	15	22
Acquisition of subsidiaries	–	39	39
Disposals and write-offs	(209)	–	(209)
Transfers to property, plant and equipment	(5,631)	(823)	(6,454)
Balance as at 30 June 2014	4,940	611	5,551
Additions	–	339	339
Transfers to/from property, plant and equipment	(166)	–	(166)
Balance as at 31 December 2014	4,774	950	5,724
Accumulated depreciation:			
Balance as at 30 June 2013	–	226	226
Charge for the year	–	65	65
Transfers to property, plant and equipment	–	(124)	(124)
Balance as at 30 June 2014	–	167	167
Charge for the year	–	22	22
Balance as at 31 December 2014	–	189	189
Impairment losses:			
Balance as at 30 June 2013	–	–	–
Balance as at 30 June 2014	–	–	–
Balance as at 31 December 2014	–	–	–
Net book value as at 31 December 2014	4,774	761	5,535
Net book value as at 30 June 2014	4,940	444	5,384
Net book value as at 30 June 2013	10,773	1,154	11,927

Investment property of the Company consists of buildings leased out under the operating lease which generates lease income.

8. BORROWINGS

	As at 31 December 2014	As at 30 June 2014
Non-current borrowings		
Bank borrowings secured by the Group assets	93,242	96,760
Other non-current borrowings	33	32
	93,275	96,792
Current borrowings		
Current portion of non-current bank borrowings	22,910	21,693
Current bank borrowings secured by the Group assets	300,069	188,722
Other current borrowings	6,420	29,005
	329,399	239,420
	422,674	336,212

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	6 month period ended	
	31 December 2014	31 December 2013
Wages and salaries and social security	29,441	26,048
Consulting expenses	982	1,400
Depreciation and amortization	2,925	2,533
Other	14,275	17,027
	47,623	47,008

10. OTHER INCOME (EXPENSES)

	6 month period ended	
	31 December 2014	31 December 2013
Other income		
Rental income from investment property and property, plant and equipment	384	377
Gain from disposal of investment property and property, plant and equipment	468	534
Gain from acquisition of subsidiaries (Note 3)	–	14 009
Gain from disposal of other investments	1,239	–
Change in fair value of currency financial instruments	–	1,531
Write-off of liabilities (Note 3)	40	13,854
Other income	1,215	963
	3,346	31,268
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties	(336)	(246)
Loss from disposal of property, plant and equipment	(204)	(168)
Currency exchange loss	–	(481)
Other expenses	(96)	(92)
	(636)	(987)

11. COMMITMENTS AND CONTINGENCIES

As at 31 December 2014 the Group is committed to purchase property, plant and equipment for the total amount of LTL 7,844 thousand (LTL 4,994 thousand as at 30 June 2014).

A few Group companies (Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB and Sidabravo ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Kėdainių district Labūnavos ŽŪB is committed not to discontinue operations related to agricultural up to 2015, Šakiai district Lukšių ŽŪB - up to 2015, Sidabravo ŽŪB – up to 2019). UAB Linas Agro Grūdų Centras KŪB, Karčemos kooperatinė bendrovė received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2018, Karčemos kooperatinė bendrovė – up to 2017.

SIA Lielzeltini, SIA Cerova and SIA Broileks received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products, feedstuffs up to 2016, SIA Cerova – up to 2018, SIA Broileks – up to 2016.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania amounting to LTL 15,514 thousand as at 31 December 2014 (LTL 23,786 thousand as at 30 June 2014).

In July 2013 the Group company Linas Agro A/S received a ruling from the Danish Tax Inspection (hereafter- SKAT) stating that SKAT has changed the companies tax assessments for the income year 2007/2009 whereby total taxable payment for period has been increased by LTL 509 thousand (DKK 1,100 thousand). The changes relate to non-approved deduction for inter-group services. The company's management does not concur with SKAT's assessment and the decision is appealed. Accordingly, the Group did not recognize any tax liability or any interest as at 31 December 2014 and 30 June 2014.

In addition Linas Agro A/S received a ruling from SKAT regarding the valuation of customer base which was transferred to the Group company, AB Linas Agro in the year 2011/2012. The decision has a negative effect on the total tax loss carry forward amount which is incorporated into calculation of taxable income for the year 2012/2013. SKAT has ruled that the value of the customer base should have been LTL 16,853 thousand (DKK 36,414 thousand) and not LTL 5,425 thousand (DKK 11,722 thousand) as the value sold in 2011/2012 by Linas Agro A/S to AB Linas Agro. This implies a reduction of the total tax loss carry forward in the amount of LTL 11,428 thousand (DKK 24,692 thousand) (tax value LTL 2,857 thousand (DKK 6,173 thousand)).

Deffered tax asset from the tax loss carry forward from this amount is not recognized by Linas Agro A/S. Linas Agro A/S management does not agree with SKAT and appealed the decision.

During the financial year ended 30 June 2014 the management of the Group initiated actions to reach the agreement between Lithuanian and Danish tax authorities. As at financial statements preparation date there were no decisions reached as the investigation might last up to two years.

12. RELATED PARTIES TRANSACTIONS

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 31 December 2014 and 30 June 2014 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
 Vytautas Šidlauskas;
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Pranckevičius;
 Tomas Tumėnas;
 Artūras Pribušauskas (since 25 October 2013).

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
 UAB MESTILLA (same ultimate controlling shareholders).

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).

The Group's transactions with related parties in 6 month period ended 31 December 2014 were as follows:

	Purchases	Sales	Receivables Trade receivables	Non-current loans receivable	Payables
Akola ApS group companies	6,823	35,779	58	2,774	2,382
Members of the board	–	28	–	1,222	–
	6,823	35,807	58	3,996	2,382

As at 31 December 2014 interest rates of the Group for non-current loans receivable from related parties are equal 2.61% and 4%.

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business and on terms equivalent to arm's length transactions.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were nor due neither impaired as at 31 December 2014 and 30 June 2014.

13. SUBSEQUENT EVENTS

In January-February, 2015 the Company additionally acquired 8,516 worth of shares of AP Putnu Fabrika Kekava for the LTL 199 thousand euros.