

JSC "Grobina" board explanation about the 2014 budget plan deviations from the actual execution.

The forecast about year 2014 budget is made in the cash flows form using the **direct method, ie. including all** of the company's planned revenues and expenses. Year 2014 budget total predicted revenues were adopted 19,717,282 EUR, including operating income (profit or loss "neto turnover") was predicted 8,686,999, -EUR, consisting of:

- Mink skin realization 7 619 194,-EUR (141 272 skins x 53,93 EUR);
- Completed fur feed realization 1 067 804,-EUR (2 573 tons x 415,-EUR).

In year 2014, the actual JSC "Grobiņa" neto turnover was 2,879,362 EUR. As significant deviations in year 2014 in fact of the planned budget JSC „Grobiņa” can mention :

1. in a result of industry crisis, in 2014 JSC "Grobiņa" mink sales average price was 28,39 EUR, or 52.64% of the planned price;
2. in year 2014 was actually implemented 94,849 mink, or 67.14% of the planned number. The volume of sales directly affected by the December 2014 auction, which auction house Saga Furs management decided to put up for sale atypically small number of skin. December auction were sold only 6435 mink, 5.4% of the new season production;
3. in year 2014 was not launched ago planned fur animal feed realization from the factory in Liepaja. Factory's 1st and 2nd part has been put into operation in January 2015.

As a result of the above main reasons, JSC "Grobiņa" in year 2014 actual neto sales were 2,879,362 EUR, or 33.15% of the previously planned.