AB LINAS AGRO GROUP

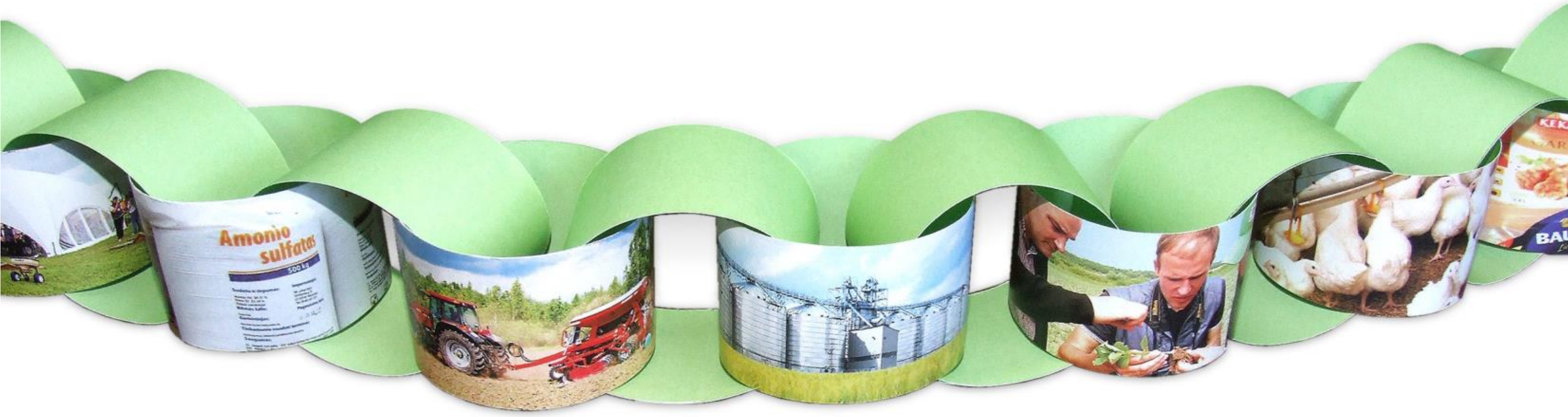
CONSOLIDATED AND COMPANY'S

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 2014/15

ENDED 30 JUNE 2015

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION,
PRESENTED TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT



Building a better working world

UAB „Ernst & Young Baltic"
Subačiaus g. 7
LT-01302 Vilnius
Lietuva
Tel.: (8 5) 274 2200
Faks.: (8 5) 274 2333
Vilnius@lt.ey.com
www.ey.com

Juridinio asmens kodas 110878442
PVM mokėtojo kodas LT108784411
Juridinių asmenų registras

Ernst & Young Baltic UAB
Subačiaus St. 7
LT-01302 Vilnius
Lithuania
Tel.: +370 5 274 2200
Fax: +370 5 274 2333
Vilnius@lt.ey.com
www.ey.com

Code of legal entity 110878442
VAT payer code LT108784411
Register of Legal Entities

Independent auditor's report to the shareholders of AB Linas Agro Group

Report on the Financial Statements

We have audited the accompanying financial statements of AB Linas Agro Group, a public limited liability company registered in the Republic of Lithuania (hereinafter the Company), and the consolidated financial statements of AB Linas Agro Group and subsidiaries (hereinafter the Group), which comprise the statements of financial position as at 30 June 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes (comprising a summary of significant accounting policies and other explanatory information).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as set forth by the International Federation of Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 30 June 2015, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Furthermore, we have read the consolidated Annual Report for the year ended 30 June 2015 and have not noted any material inconsistencies between the financial information included in it and the financial statements for the year ended 30 June 2015.

UAB ERNST & YOUNG BALTIC
Audit company's licence No. 001335

Jonas Akelis
Auditor's licence
No. 000003

The audit was completed on 28 September 2015.

(all amounts are in thousand euros unless otherwise stated)

STATEMENTS OF FINANCIAL POSITION

ASSETS	**Notes**	**Group**		**Company**	
		As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Non-current assets					
Intangible assets	5	901	366	269	165
Property, plant and equipment	6	104,213	101,882	–	–
Investment property	7	1,523	1,559	124	132
Animals, livestock and poultry	10	8,127	7,303	–	–
Non-current financial assets					
Investments into subsidiaries	3	–	–	94,975	89,494
Investments into associates	3	–	–	1,751	1,751
Other investments and prepayments for financial assets	8	17	17	–	2,820
Non-current receivables	9	903	1,624	647	–
Non-current receivables from related parties	9, 32	1,175	347	6,468	5,485
Total non-current financial assets		2,095	1,988	103,841	99,550
Deferred income tax asset	28	1,955	2,185	–	–
Total non-current assets		**118,814**	**115,283**	**104,234**	**99,847**
Current assets					
Crops	10	15,436	14,219	–	–
Poultry	10	1,997	1,953	–	–
Inventories	11	56,415	67,644	–	–
Prepayments	12	8,729	5,064	30	19
Accounts receivable					
Trade receivables	13	96,700	89,094	–	–
Receivables from related parties	32	19	265	3,830	3,749
Income tax receivable		901	1,501	–	86
Other accounts receivable	14	9,500	6,822	720	1,372
Total accounts receivable		107,120	97,682	4,550	5,207
Other current financial assets	15	519	627	–	–
Cash and cash equivalents	16	6,680	8,632	232	595
Total current assets		**196,896**	**195,821**	**4,812**	**5,821**
Total assets		**315,710**	**311,104**	**109,046**	**105,668**

(cont'd on the next page)

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

(all amounts are in thousand euros unless otherwise stated)

STATEMENTS OF FINANCIAL POSITION (CONT'D)

EQUITY AND LIABILITIES	Notes	Group		Company	
		As at 30 June 2015	As at 30 June 2014	As at 30 June 2015	As at 30 June 2014
Equity attributable to equity holders of the parent					
Share capital	1	46,032	46,032	46,032	46,032
Share premium		23,038	23,038	23,038	23,038
Legal reserve	17	2,704	2,360	2,704	2,360
Reserve for own shares	17	1,819	1,825	1,819	1,825
Own shares	17	(457)	(458)	(457)	(458)
Foreign currency translation reserve	17	(22)	(44)	–	–
Retained earnings		84,197	76,550	26,890	24,025
Total equity attributable to equity holders of the parent		**157,311**	**149,303**	**100,026**	**96,822**
Non-controlling interest	33	**1,826**	**2,790**	–	–
Total equity		**159,137**	**152,093**	**100,026**	**96,822**
Liabilities					
Non-current liabilities					
Grants and subsidies	18	6,646	6,950	–	–
Non-current borrowings	19, 32	22,729	28,033	2,654	4,900
Finance lease obligations	20	1,789	1,682	–	–
Non-current trade payables		183	325	175	–
Non-current payables to related parties	32	–	–	51	49
Deferred income tax liability	28	1,157	1,529	–	–
Non-current employee benefits		266	194	3	–
Total non-current liabilities		**32,770**	**38,713**	**2,883**	**4,949**
Current liabilities					
Current portion of non-current borrowings	19	13,313	6,283	4,900	1,400
Current portion of finance lease obligations	20	803	810	–	–
Current borrowings	19, 32	64,256	63,058	185	1,646
Trade payables	22	28,179	32,203	188	2
Payables to related parties	32	21	2,160	810	813
Income tax payable		303	472	18	–
Derivative financial instruments	15	581	252	–	–
Other current liabilities	23	16,347	15,060	36	36
Total current liabilities		**123,803**	**120,298**	**6,137**	**3,897**
Total equity and liabilities		**315,710**	**311,104**	**109,046**	**105,668**

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

Managing Director	Darius Zubas	28 September 2015
Finance Director	Tomas Tumėnas	28 September 2015
Chief Accountant	Ramutė Masiokaitė	28 September 2015

(all amounts are in thousand euros unless otherwise stated)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Financial year ended 30 June 2015	30 June2014
Sales	4	573,766	584,557
Cost of sales	24	(532,286)	(541,358)
Gross profit		**41,480**	**43,199**
Operating (expenses)	25	(30,887)	(29,688)
Other income	26	2,540	13,588
Other (expenses)	26	(796)	(812)
Operating profit		**12,337**	**26,287**
Income from financing activities	27	591	606
(Expenses) from financing activities	27	(2,568)	(2,888)
Profit before tax		**10,360**	**24,005**
Income tax	28	(1,166)	(365)
Net profit		**9,194**	**23,640**
Net profit attributable to:			
Equity holders of the parent		8,726	21,257
Non-controlling interest		468	2,383
		9,194	**23,640**
Basic and diluted earnings per share (EUR)	29	0.06	0.13
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		22	(4)
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		**22**	**(4)**
Total comprehensive income, after tax		**9,216**	**23,636**
Total comprehensive income attributable to:			
The shareholders of the Company		8,748	21,253
Non-controlling interest		468	2,383
		9,216	**23,636**

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

(all amounts are in thousand euros unless otherwise stated)

COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

	Notes	Financial year ended	
		30 June 2015	30 June 2014
Income	4	5,212	7,085
Operating (expenses)	25	(778)	(647)
Operating profit		**4,434**	**6,438**
Income from financing activities	27	524	703
(Expenses) from financing activities	27	(227)	(258)
Profit before tax		**4,731**	**6,883**
Income tax		(80)	(3)
Net profit		**4,651**	**6,880**
Other comprehensive income		–	–
Total comprehensive income		**4,651**	**6,880**

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

Managing Director	Darius Zubas		28 September 2015
Finance Director	Tomas Tumėnas		28 September 2015
Chief Accountant	Ramutė Masiokaitė		28 September 2015

(all amounts are in thousand euros unless otherwise stated)

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 trans-lation reserve**	**Retained earnings**	**Subtotal**	**Non-control-ling interest**	**Total**
Balance as at 1 July 2013		**46,032**	**(458)**	**23,038**	**2,274**	**464**	**(40)**	**55,291**	**126,601**	**977**	**127,578**
Net profit for the year		–	–	–	–	–	–	21,257	21,257	2,383	23,640
Other comprehensive income		–	–	–	–	–	(4)	–	(4)	–	(4)
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**(4)**	**21,257**	**21,253**	**2,383**	**23,636**
Declared dividends by Company	29	–	–	–	–	–	–	(1,736)	(1,736)	–	(1,736)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(37)	(37)
Reserves made		–	–	–	86	1,361	–	(1,447)	–	–	–
Acquisition of subsidiaries		–	–	–	–	–	–	–	–	2,711	2,711
Acquisition of minority interest		–	–	–	–	–	–	3,185	3,185	(3,244)	(59)
Balance as at 30 June 2014		**46,032**	**(458)**	**23,038**	**2,360**	**1,825**	**(44)**	**76,550**	**149,303**	**2,790**	**152,093**
Balance as at 1 July 2014		**46,032**	**(458)**	**23,038**	**2,360**	**1,825**	**(44)**	**76,550**	**149,303**	**2,790**	**152,093**
Net profit for the year		–	–	–	–	–	–	8,726	8,726	468	9,194
Other comprehensive income		–	–	–	–	–	22	–	22	–	22
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**22**	**8,726**	**8,748**	**468**	**9,216**
Disposal of own shares		–	1	–	–	–	–	(1)	–	–	–
Disposal of minority interest in subsidiaries		–	–	–	–	–	–	–	–	86	86
Declared dividends by Company	29	–	–	–	–	–	–	(1,447)	(1,447)	–	(1,447)
Declared dividends by subsidiaries		–	–	–	–	–	–	–	–	(10)	(10)
Transfer to reserves		–	–	–	344	(6)	–	(338)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	707	707	(1,508)	(801)
Balance as at 30 June 2015		**46,032**	**(457)**	**23,038**	**2,704**	**1,819**	**(22)**	**84,197**	**157,311**	**1,826**	**159,137**

(cont'd on the next page)

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

(all amounts are in thousand euros unless otherwise stated)

COMPANY'S STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Retained earnings	Total
Balance as at 1 July 2013		**46,032**	**(458)**	**23,038**	**2,274**	**464**	**20,328**	**91,678**
Net profit for the year		–	–	–	–	–	6,880	6,880
Other comprehensive income		–	–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**6,880**	**6,880**
Declared dividends by the Company	29	–	–	–	–	–	(1,736)	(1,736)
Transfer to reserves		–	–	–	86	1,361	(1,447)	–
Balance as at 30 June 2014		**46,032**	**(458)**	**23,038**	**2,360**	**1,825**	**24,025**	**96,822**
Balance as at 1 July 2014		**46,032**	**(458)**	**23,038**	**2,360**	**1,825**	**24,025**	**96,822**
Net profit for the year		–	–	–	–	–	4,651	4,651
Other comprehensive income		–	–	–	–	–	–	–
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**4,651**	**4,651**
Disposal of own shares		–	1	–	–	–	(1)	–
Declared dividends by the Company	29	–	–	–	–	–	(1,447)	(1,447)
Transfer to reserves		–	–	–	344	(6)	(338)	–
Balance as at 30 June 2015		**46,032**	**(457)**	**23,038**	**2,704**	**1,819**	**26,890**	**100,026**

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

Managing Director	Darius Zubas		28 September 2015
Finance Director	Tomas Tumėnas		28 September 2015
Chief Accountant	Ramutė Masiokaitė		28 September 2015

(all amounts are in thousand euros unless otherwise stated)

CASH FLOW STATEMENTS

	Notes	Group Financial year ended		Company Financial year ended	
		30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Cash flows from (to) operating activities					
Net profit		9,194	23,640	4,651	6,880
Adjustments for non-cash items:					
Depreciation and amortisation	5, 6, 7	9,399	8,364	18	11
Subsidies amortisation	18	(900)	(854)	–	–
(Gain) on disposal of property, plant and equipment	26	(117)	(282)	–	–
Change in impairment of property, plant and equipment and investment property	6, 7	(25)	25	–	–
Group (gain) loss on acquisition of subsidiaries	3, 26	–	(6,407)	(285)	–
(Gain) on disposal of subsidiary	26	–	(1,618)	–	–
(Gain) on disposal of other investments	26	(359)	–	–	–
Change in allowance and write-offs for receivables and prepayments	25	753	2,678	–	–
Inventories write down to net realisable value	11	302	283	–	–
Change in accrued expenses		303	1,121	–	–
Change in fair value of biological assets	24	(3,612)	479	–	–
Liabilities write off	26	(24)	(4,096)	–	–
Change in deferred income tax	28	(142)	(1,449)	–	3
Current income tax expenses	28	1,308	1,815	80	–
Expenses (income) from change in fair value of financial instruments		272	(1,159)	–	–
Change of provision for onerous contracts	24	–	(16)	–	–
Dividend (income)		(45)	(126)	(4,200)	(7,004)
Interest (income)	27	(591)	(606)	(524)	(703)
Interest expenses	27	2,568	2,888	227	258
		18,284	**24,680**	**(33)**	**(555)**
Changes in working capital:					
Decrease (increase) in biological assets		2,130	(144)	–	–
Decrease (increase) in inventories		11,297	(10,245)	–	–
(Increase) in prepayments		(3,669)	(1,489)	(11)	–
(Increase) decrease in trade and other accounts receivable		(8,146)	1,761	243	(282)
(Increase) decrease in restricted cash	15	(2)	9	–	–
(Decrease) increase in trade and other accounts payable		(2,816)	(8,714)	7	(467)
Income tax (paid)		(1,649)	(2,866)	–	–
Net cash flows from (to) operating activities		**15,429**	**2,992**	**206**	**(1,304)**

(cont'd on the next page)

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

(all amounts are in thousand euros unless otherwise stated)

CASH FLOW STATEMENTS (CONT'D)

	Notes	Group Financial year ended		Company Financial year ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
Cash flows from (to) investing activities					
(Acquisition) of intangible assets, property, plant and equipment and investment property	5, 6, 7	(13,709)	(8,661)	(114)	(74)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		812	1,618	–	–
Acquisition of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods	3	(200)	(10,685)	(599)	(8,092)
Payment for previously unpaid financial assets		(1,510)	–	–	–
(Acquisition) of other investments	3	–	(26)	–	–
Proceeds from disposals of other investments	15	434	–	–	–
Disposal of subsidiaries (less disposed cash balance in the Group)		–	1,313	–	–
Prepayments for financial assets	8	–	–	–	(1,519)
Loans (granted)		(3,911)	(5,257)	(5,030)	(18,720)
Repayment of granted loans		1,653	4,214	2,645	7,480
Interest received		350	458	208	240
Dividends received		45	126	4,200	5,453
Net cash flows from (to) investing activities		**(16,036)**	**(16,900)**	**1,310**	**(15,232)**
Cash flows from (to) financing activities					
Proceeds from loans		83,718	94,071	1,448	18,809
(Repayment) of loans		(80,154)	(76,490)	(1,656)	(700)
Finance lease (payments)		(1,039)	(1,097)	–	–
Grants received	18	626	622	–	–
Interest (paid)		(2,588)	(2,651)	(224)	(184)
Dividends (paid) to non-controlling shareholders		(10)	(37)	–	–
Dividends (paid)		(1,447)	(1,736)	(1,447)	(1,736)
Acquisition of non-controlling interest		(451)	(59)	–	–
Net cash flows from (to) financing activities		**(1,345)**	**12,623**	**(1,879)**	**16,189**
Net (decrease) increase in cash and cash equivalents		**(1,952)**	**(1,285)**	**(363)**	**(347)**
Cash and cash equivalents at the beginning of the year	16	**8,632**	**9,917**	**595**	**942**
Cash and cash equivalents at the end of the year	16	**6,680**	**8,632**	**232**	**595**

(cont'd on the next page)

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

(all amounts are in thousand euros unless otherwise stated)

CASH FLOW STATEMENTS (CONT'D)

Supplemental information of cash flows:

		Group		Company	
		Financial year ended		Financial year ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
Non-cash operating activity:					
Income tax payable set off with VAT receivable		171	1,691	61	–
Non-cash investing activity:					
Property, plant and equipment acquisitions financed by finance lease		1,176	818	–	–
Property, plant and equipment acquisitions financed by working capital		–	1,044	–	–
Unpaid acquisition of financial assets		350	1,510	350	811
Non-cash loans granted (reclassified from prepayments for financial assets)		–	–	–	1,170
Non-cash acquisition of subsidiaries (reclassified from prepayments for financial assets)	3	2,820	1,400	2,820	1,400
Non-cash increase in share capital of subsidiaries and associates (set off with current and non-current loans granted to related parties, interest receivable)		–	–	1,425	8,487
Dividends receivable set off with loans payable to subsidiaries and associates		–	–	–	1,552
Non-cash financing activity:					
Non-cash repayment of Company's loan received by setting off with loan granted by the Company		–	–	–	11,066

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

Managing Director	Darius Zubas	28 September 2015
Finance Director	Tomas Tumėnas	28 September 2015
Chief Accountant	Ramutė Masiokaitė	28 September 2015

(all amounts are in thousand euros unless otherwise stated)

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 30 June 2015 and as at 30 June 2014 the shareholders of the Company were:

	As at 30 June 2015		**As at 30 June2014**	
	Number of shares held	**Percentage**	**Number of shares held**	**Percentage**
Akola ApS (Denmark)	88,984,443	55.99%	88,984,443	55.99%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank AS (Estonia) clients	10,720,893	6.75%	10,404,440	6.55%
SEB AS OMNIBUS (Luxembourg) clients	12,026,834	7.57%	12,866,897	8.10%
Other shareholders (private and institutional investors)	30,158,233	18.96%	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 EUR 0.29 each as at 30 June 2015 (EUR 0.29 each as at 30 June 2014) and were fully paid as at 30 June 2015 and as at 30 June 2014.

During the year ended 30 June 2015 due to adoption of euro the par value for a share has changed – 0.29 euro instead of 1 litas par value per share.

The Company holds 788,972 of its own shares, percentage 0.50%, as at 30 June 2015 (790,972 as at 30 June 2014). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2015 and as at 30 June 2014.

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

As at 30 June 2015 the number of employees of the Group was 2,334 (2,266 as at 30 June 2014).
As at 30 June 2015 and 30 June 2014 the number of employees of the Company was 9.

The Company's management approved these financial statements on 28 September 2015. The shareholders of the Company have a statutory right to approve these financial statements or not to approve them and to require preparation of a new set of financial statements.

No changes in share capital occurred during the years ending 30 June 2015 and 30 June 2014.

2. ACCOUNTING PRINCIPLES

If not stated otherwise, the Company's standalone financial statements are prepared using the same accounting policies as the ones used by the Group.

The principal accounting policies adopted in preparing the Group's financial statements for the year ended 30 June 2015 are as follows:

2.1.BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for biological assets, commitments to purchase agricultural produce (unrecognized firm commitment), derivative financial instruments and financial instruments held for trading which have been measured at fair value.

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU).

Adoption of new and/or changed IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

The following new and/or amended IFRSs have been adopted by the Group during the financial year:

- Amendment to IAS 28 Investments in Associates and Joint Ventures
- Amendment to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendment to IAS 36 Impairment of Assets
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interests in Other Entities
- Annual Improvements to IFRSs 2011 – 2013 Cycle
- IFRIC Interpretation 21: Levies

Annual Improvements to IFRSs 2011 – 2013 Cycle is a collection of amendments to the following IFRSs:

- IFRS 1 *First-time adoption of IFRS*
- IFRS 3 *Business Combinations*
- IFRS 13 *Fair value Measurement*
- IAS 40 *Investment property*

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group/Company, its impact is described below:

- IFRS 12 IFRS 12 Disclosures of Interests in Other Entities – IFRS 12 combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures are also required such as disclosing the judgments made to determine control over another entity. The amendment did not have any impact on the financial position or performance of the Group, however it resulted in additional disclosures (see Note 33).

Standards issued but not yet effective and not early adopted

The Group has not applied the following IFRS and IFRIC interpretations that have been issued as at the date of authorisation of these financial statements for issue, but which are not yet effective:

Amendments to IAS 1 *Presentation of financial statements: Disclosure Initiative* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The Group has not yet evaluated the impact of the implementation of this standard.

Amendments to IAS 16 *Property, Plant & Equipment and IAS 38 Intangible assets: Clarification of Acceptable Methods of Depreciation and Amortization* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

The amendment provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. It is clarified that a revenue-based method is not considered to be an appropriate manifestation of consumption. The implementation of this amendment will have no impact on the financial statements of the Group, as the Group does not use revenue-based depreciation and amortisation methods.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.1. BASIS OF PREPARATION (CONT'D)

Standards issued but not yet effective and not early adopted (cont'd)

Amendments to IAS 16 *Property, Plant & Equipment* and IAS 41 *Agriculture: Bearer Plants* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

Bearer plants will now be within the scope of IAS 16 Property, Plant and Equipment and will be subject to all of the requirements therein. The implementation of this amendment will have no impact on the financial statements of the Group, as the Group does not have bearer plants.

Amendments to IAS 19 *Employee Benefits* (effective for financial years beginning on or after 1 February 2015)

The amendments address accounting for the employee contributions to a defined benefit plan. Since the Group's employees do not make such contributions, the implementation of this amendment will not have any impact on the financial statements of the Group.

Amendments to IAS 27 *Equity method in separate financial statements* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The Company has not yet evaluated the impact of the implementation of this standard.

IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2018, once endorsed by the EU)

IFRS 9 replaces IAS 39 and introduces new requirements for classification and measurement, impairment and hedge accounting. The Group has not yet evaluated the impact of the implementation of this standard.

Amendments to IFRS 10, IFRS 12 and IAS 28 - *Investment Entities: Applying the consolidation exception* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. The implementation of this amendment will not have any impact on the financial statements of the Company, as the Company is not an investment entity.

Amendments to IFRS 10 and IAS 28 – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business and partial gain or loss is recognised when a transaction involves assets that do not constitute a business. The Group has not yet evaluated the impact of the implementation of this standard.

Amendment to IFRS 11 *Joint arrangements: Accounting for Acquisitions of Interests in Joint Operations* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The implementation of this amendment will have no impact on the financial statements of the Group.

IFRS 14 *Regulatory Deferral Accounts* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU)

IFRS 14 provides first-time adopters of IFRS with relief from derecognizing rate-regulated assets and liabilities. The implementation of this standard will not have any impact on the Group.

IFRS 15 *Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2018, once endorsed by the EU)

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Group has not yet evaluated the impact of the implementation of this standard.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.1.BASIS OF PREPARATION (CONT'D)

Improvements to IFRSs

In December 2013 IASB issued the Annual Improvements to IFRSs 2010 – 2012 Cycle (effective for financial years beginning on or after 1 February 2015):

- IFRS 2 *Share-based Payment*
- IFRS 3 *Business Combinations*
- IFRS 8 *Operating Segments*
- IFRS 13 *Fair value Measurement*
- IAS 16 *Property, Plant and Equipment*
- IAS 24 *Related Party Disclosures*
- IAS 38 *Intangible Assets*

In September 2014 IASB issued the Annual Improvements to IFRSs 2012 – 2014 Cycle (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU):

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operation*
- IFRS 7 *Financial Instruments: Disclosures*
- IAS 19 *Employee Benefits*
- IAS 34 *Interim Financial Reporting*

The adoption of these amendments may result in changes to the Group's accounting policies or disclosures but will not have any impact on the financial position or performance of the Group.

The Company and the Group plans to adopt the above mentioned standards and interpretations on their effectiveness date provided they are endorsed by the EU.

2.2.FUNCTIONAL AND PRESENTATION CURRENCY

The amounts shown in these financial statements are presented in the local currency of the Republic of Lithuania, euro (EUR) which replaced the previously effective currency of the Republic of Lithuania – Lithuanian litas. The functional currency of the Group companies operating in Lithuania is EUR. The functional currencies of foreign subsidiaries are the respective foreign currencies of the country of residence. Items included in the financial statements of these subsidiaries are measured using their functional currency.

Transactions in foreign currencies are initially recorded in the functional currency as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange as at the date of the statement of financial position. Translation difference is presented under Other income and/or expenses caption in the Group's financial statements and under operating expenses caption in the Company's separate financial statements.

The assets and liabilities of foreign subsidiaries are translated into EUR at the reporting date using the rate of exchange as at the date of the statement of financial position, and their statements of comprehensive income are translated at the average exchange rates for the year. The exchange differences arising on this translation are recognised in a separate component of equity. On disposal of a foreign subsidiary, the deferred cumulative amount recognised in other equity relating to that foreign operation is recognised in the statement of comprehensive income under Other income and/or expenses caption.

From 2 February 2002 until 31 December 2014 Lithuanian litas was pegged to euro and on 1 January 2015 converted to euro at the rate of 3.4528 litas for 1 euro. The exchange rates in relation to other currencies are set daily by the Bank of Lithuania.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.3.PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date, using consistent accounting policies.

Subsidiary is an entity directly or indirectly controlled by the Company. The Company controls an entity when it can or has a right to receive a variable returns from this relation and it can have impact on these returns due to the power to govern the entity to which the investment is made.

Subsidiaries are consolidated from the date from which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling shareholders' interests are shown separately in the statement of financial position and the statement of comprehensive income.

In the parent's separate financial statements investments into subsidiaries are accounted for using the cost method. The carrying value of investments is reduced to recognise an impairment loss of the value of the investments, such reduction being determined and made for each investment individually.

From 1 January 2010 losses of a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. Prior to 1 January 2010 losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these losses. Losses prior to 1 January 2010 were not reallocated between non-controlling interests and the parent shareholders.

Acquisitions and disposals of non-controlling interest by the Group are accounted as equity transaction: the difference between the carrying value of the net assets acquired from/disposed to the non-controlling interests in the Group's financial statements and the acquisition price/proceeds from disposal is accounted directly in equity.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through statement of comprehensive income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.4.INVESTMENTS INTO ASSOCIATES

An associate is an entity in which the Group has significant influence. The Group recognises its interests in the associates applying the equity method. The financial statements of the associates are prepared for the same reporting year as the Group, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. Impairment assessment of investments into associates is performed when there is an indication that the asset may be impaired or the impairment losses recognised in prior years no longer exist.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Investments into associates in the Company's separate financial statements are carried at cost less impairment.

2.5.INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the Company and the cost of asset can be measured reliably.

The useful lives of intangible assets can be either definite or indefinite.

After initial recognition intangible assets with finite lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over the best estimate of their useful lives. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets other than goodwill.

Intangible assets with indefinite lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from the indefinite to finite is made on a prospective basis.

Licenses

Amounts paid for licenses are capitalised and then amortised over their validity period of 3 - 4 years.

Software

The costs of acquisition of new software are capitalised and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortised over a period of 3 - 4 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group expects from the originally assessed standard of performance of existing software systems are recognised as an expense when the restoration or maintenance work is carried out.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.6.PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred.

Depreciation is computed on a straight-line basis over the following useful lives:

Buildings and structures	15–40 years
Machinery and equipment	4–15 years
Vehicles	4–10 years
Other property, plant and equipment	3–20 years

The useful lives, residual values and depreciation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. Construction in progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and ready for the intended use.

2.7.INVESTMENT PROPERTY

Investment property is stated at cost less accumulated depreciation and is adjusted for recognised impairment loss.

The initial cost of investment property comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the investment property is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred.

Depreciation is calculated on the straight-line method to write-off the cost of each asset (except of land) to their residual values over their estimated useful life of 20 - 40 years.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Transfers to and from investment property are made when and only when there is an evidence of change in an asset's use.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.8.FINANCIAL ASSETS (EXCEPT FOR DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS)

According to IAS 39 *Financial Instruments: Recognition and Measurement* the Group's financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, or available-for-sale financial assets, as appropriate. All purchases and sales of financial assets are recognised on the trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets at fair value through profit or loss

The category of financial assets at fair value through profit or loss includes financial assets classified as held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments that are intended to be held-to-maturity are subsequently measured at amortised cost. Gains and losses are recognised in the statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortisation process. Currently the Group and the Company does not have any held-to-maturity investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recorded at the fair value of the consideration given. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with unrealised gains or losses (except for impairment and gain or losses from foreign currencies exchange) being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in other comprehensive income is included in the statement of comprehensive income. Where the fair value of the available for sale financial assets cannot be measured reliably, these assets are accounted for at cost. Currently the Group and the Company does not have any available-for-sale financial assets.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.9.DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.10.BIOLOGICAL ASSETS

The Group's biological assets include animals and livestock, poultry and crops.

Animals and livestock are accounted for at fair value less costs to sell. The fair value of milking cows is measured using discounted cash flows method. Other livestock is measured at comparable market prices.

Poultry is accounted for at fair value less costs to sell. The fair value of poultry is measured based on future value of chickens/meat broilers/eggs less costs to maintain.

Crops are accounted for at fair value less costs to sell. The fair value of crops is measured at comparable market prices.

Agricultural produce harvested from an entity's biological assets is measured at its fair value less estimated costs to sell at the point of harvest. Such measurement is further the cost of inventories.

2.11.INVENTORIES

Inventories are valued at the lower of cost and net realisable value, after impairment evaluation for obsolete and slow moving items. Net realisable value is the selling price in the ordinary course of business, less the costs of completion and distribution. Cost of raw materials that are segregated for specific projects is determined using specific identification method; cost of other inventory is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealisable inventory has been fully written-off.

Under inventories caption the Group also accounts for commitments to purchase agricultural produce (unrecognized firm commitment) (Note 2.15.).

2.12.CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flows statement, cash and cash equivalents comprise cash on hand and in current bank accounts as well as deposits in bank with original term of three months or less.

Restricted cash held as a deposit for trading in the futures exchange is accounted as other current financial asset.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.13.NON-CURRENT ASSETS HELD FOR SALE

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.14.FINANCIAL LIABILITIES

Interest bearing loans and borrowings

Borrowings are initially recognised at fair value of proceeds received less the costs of transaction. They are subsequently carried at amortised cost, the difference between net proceeds and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, except for the accounting treatment of the capitalized part which is presented below.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. Other borrowing costs are expensed as incurred. The Group capitalises borrowing costs for all eligible assets where construction was commenced on or after 1 July 2009. Borrowings are classified as non-current if the completion of a refinancing agreement before the reporting date provides evidence that the substance of the liability at the reporting date was non-current.

Factoring

A factoring transaction is a funding transaction where the Group transfers to the factor claim rights from a debtor for a determined reward. The Group alienates the rights to receivables due at a future date according to invoices. The Group's factoring transactions comprise factoring transactions with recourse (the factor is entitled to selling the overdue claim back to the Group). The factoring expenses comprise the lump-sum contract fee charged on the conclusion of the contract, commission fees charged for processing the invoices, and interest expenses depending on the duration of the payment term set by the debtor. Factored accounts receivable with recourse are recorded under current borrowings and trade receivables captions in the financial statements. The Group derecognises the borrowings and the trade receivables at the moment when the debtor settles the liability with the factor.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issue of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

Trade liabilities

Trade liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the trade liabilities are derecognised, as well as through the amortisation process.

2.15.DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group engages in derivative financial instruments transactions, such as futures contracts, to hedge purchase and sale price fluctuation risk. On the agreement date and subsequently derivative financial instruments are accounted for at fair value. Fair value is derived from quoted market prices (level 1). The estimated fair values of these contracts are reported in the statement of financial position as assets for contracts having a positive fair value and liabilities for contracts with a negative fair value. Gain or losses from changes in the fair value of derivative financial instruments are recognised in the statement of comprehensive income.
Other derivatives not used for hedge accounting are also accounted for at fair value (level 2) with gain or losses from changes in the fair value recognised in the statement of comprehensive income.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.15.DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONT'D)

For the purposes of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; and (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction. The Group and the Company currently does not have cash flow hedge.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or losses from re-measuring the hedging instrument to fair value is recognised immediately in the statement of comprehensive income. The hedged item is adjusted for fair value changes relating to the risk being hedged and the difference is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of comprehensive income.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of comprehensive income.

Any gains or losses arising from changes in the fair value of the hedging instruments, which do not qualify for hedge accounting, are taken directly to the statement of comprehensive income for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

2.16.FINANCE AND OPERATING LEASE OBLIGATIONS

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance lease – the Group as a lessee

Leases where the lessor transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. The Group recognises finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, to the present value of the minimum lease payments. The rate of discount used when calculating the present value of minimum payments of finance lease is the interest rate implicit in the lease, when it is possible to determine it, in other cases, the Group's incremental interest rate on borrowings applies. Directly attributable initial costs are included into the asset value. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

The depreciation is accounted for finance lease assets. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned. The leased assets are not depreciated over the period longer than the lease term, unless the Group, according to the lease contract, gets transferred their ownership after the lease term is over.

Operating lease – the Group as a lessee

Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Operating lease – the Group as a lessor

Assets leased out under operating leases are included in property, plant and equipment and investment property in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment of the Group. Rental income is recognised on a straight-line basis over the lease term.

2.17.SHARE CAPITAL

Ordinary shares are stated at their par value. Any excess of the consideration received for the shares sold over their par value is shown as share premium. Incremental external costs directly attributable to the issue of new shares are accounted for as a deduction from share premium.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.18.PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group re-evaluates provisions at each reporting date and adjusts them in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Onerous contracts provision

Onerous contracts provision is recognised when the Group has a present obligation (legal or constructive) to purchase the goods from a third party in the future for a price higher than the market selling price at the reporting date or to sell the goods to a third party in the future for a price lower than the market purchase price at the reporting date. The difference between the value of the contract and its market price at the reporting date is charged to cost of sales in the statement of comprehensive income. Such accounting treatment of the Group's contracts is applied as long as these contracts have not been accounted for as derivatives (Note 2.27).

2.19.NON-CURRENT EMPLOYEE BENEFITS

According to the requirements of Lithuanian Labor Code, each employee leaving the Group at the age of retirement is entitled to a one-off payment in the amount of 2 months' salary. In addition employees of the Group are entitled to employment benefits which are approved by the Board of the Company.

Starting from 1 January 2013 after the amendments to IAS 19 became effective, the actuarial gains and losses are recognized in the statement of other comprehensive income.

The past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Any gains or losses appearing as a result of curtailment and/or settlement are recognised in the statement of comprehensive income as incurred. Starting from 1 January 2013 after the amendments to IAS 19 became effective, the past service costs are recognized in the statement of comprehensive income as incurred.

The above mentioned employee benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Obligation is recognized in the statement of financial position and reflects the present value of these benefits on the date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognized in the statement of other comprehensive income as incurred.

2.20.GRANTS AND SUBSIDIES

Government grants and subsidies (hereinafter "grants") are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants received in the form of cash intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants. The amount of the asset related grants is recognised as deferred income in the financial statements as used in parts according to the depreciation of the assets associated with this grant. In the statement of comprehensive income, a relevant expense account is reduced by the amount of grant amortisation.

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

2.21.INCOME TAX

The Group companies are taxed individually, irrespective of the overall results of the Group. Income tax charge is based on profit for the year and considers deferred taxation. The charge for taxation included in these financial statements is based on the calculation made by the management in accordance with tax legislation of the Republic of Lithuania and respective countries, where the Group companies are registered.

(all amounts are in thousand euros unless otherwise stated)

2.ACCOUNTING PRINCIPLES (CONT'D)

2.21.INCOME TAX (CONT'D)

In the year ended 30 June 2015 and 30 June 2014 the standard income tax rate for the Group non-agricultural companies operating in Lithuania was – 15%.

Certain tax provisions are applicable to the agricultural entities: if the share of agricultural products supplied and services provided to the entities engaged in agricultural activities exceeded 50% of the total sales of the legal entities producing agricultural products and specialised service companies, these entities are subject to reduced income tax of 5%.

The entities of the Group which are subject to reduced income tax rate are Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB, Biržai district Medeikių ŽŪB, Panevėžys district Aukštadvario ŽŪB, Užupės ŽŪB, Kėdainiai district Labūnavos ŽŪB, Panevėžys district Žibartonys ŽŪB.

For companies operating in Lithuania tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments not designated for hedging. Starting from 1 January 2014 the transferable tax loss cannot cover more than 70% of the taxable profit of the current year. Such carrying forward is disrupted if the company changes its activities due to which these losses were incurred except when the company does not continue its activities due to reasons which do not depend on the company itself. The losses from disposal of securities and/or derivative financial instruments not designated for hedge (as described in note 2.15) can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. For companies operating in Latvia and Denmark tax losses can be carried forward for indefinite period.

Income tax for the foreign subsidiaries is accounted for according to tax legislation of those foreign countries. The standard income tax rates in the foreign countries are as follows:

	Financial year ended	
	30 June 2015	**30 June 2014**
Republic of Latvia	15%	15%
Republic of Estonia*	–	–
Kingdom of Denmark	23.5%	24.5%

**In Estonia, the taxation of profit of operating subsidiaries is deferred until the profit appropriation moment, i.e. payment of dividends. Furthermore, the dividends paid by the Group's companies in Estonia are taxed at the withholding tax rate of 20% as at 30 June 2015 (21% as at 30 June 2014).*

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets have been recognised in the statement of financial position to the extent the management believes they will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

2.22.REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognised net of VAT and discounts.

Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and rewards has been completed.

The Group sells seeds, fertilizers and other related inputs to agricultural produce growers on the deferred payment terms until the harvest is taken and then receivable is paid or offset with harvested grain by the agricultural produce growers. The Group recognises the sale of inputs at the moment of transfer to agricultural produce growers as the risk and rewards are transferred at that moment while revenue is measured at the fair value of the consideration received or receivable.

Revenue from services is recognised when services are rendered.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.22. REVENUE RECOGNITION (CONT'D)

Interest income is recognised on an accrual basis (by using effective interest rate). Dividend income is recognised when dividends attributable to the Group are declared.

Revenue recognition gross versus net

If the Group is acting as the principal in the relationship between the supplier and the customer, the revenue is recognised on a gross basis, with the amount remitted to the supplier being accounted for as a cost of sale. However, if the Group is acting as an agent for the supplier in its relationship with the customer, only the net amount of commission retained is recognised as revenue.

Whether the Group is acting as principal or agent in the transaction with the customer is a matter of judgment that depends on the relevant facts and circumstances. However, the Group considers the following indicators of gross revenue recognition (i.e., indicators that the Group is acting as principal in the transaction with the customer):

- The Group is the primary obligor under the terms of the contracts;
- The Group bears any general and physical inventory risks;
- The Group is able to determine the sales price;
- The Group is able to change the product;
- The Group has discretion in supplier selection;
- The Group is involved in the determination of product or service specifications;
- The Group bears any credit risks.

2.23.EXPENSE RECOGNITION

Expenses are recognised on the basis of accrual and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

The amount of expenses is usually accounted for as the amount paid or due to be paid, excluding VAT. In those cases when long period of payment is established and the interest is not distinguished, the amount of expenses is estimated by discounting the amount of payment using the market interest rate.

2.24.IMPAIRMENT OF ASSETS

Financial assets

Financial assets are reviewed for impairment at each reporting date.

For financial assets carried at amortised cost, whenever it is probable that the Group will not collect all amounts due according to the contractual terms of loans or receivables, an impairment or bad debt loss is recognised in the statement of comprehensive income. The reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised cost that would have been had the impairment not been recognised.

In relation to trade and other receivables, an allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.24.IMPAIRMENT OF ASSETS (CONT'D)

Other assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required (e.g. goodwill), the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by independent valuations, valuation multiples, or other available fair value indicators.

Impairment losses are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

2.25.SEGMENT INFORMATION

In these financial statements an operating segment means a constituent part of the Group participating in production of an individual product or provision of a service or a group of related products or services, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

In these financial statements information about geographical areas means a constituent part of the Group revenue from external customers attributed to the Group's country of domicile and attributed to all foreign countries in total from which the Group derives revenue and non-current assets other than financial assets and deferred tax assets located in the Group's country of domicile and located in all foreign countries in total in which the Group holds assets.

2.26.FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.26.FAIR VALUE MEASUREMENT (CONT'D)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuations are performed by the Group's and the Company's management at each reporting date. For the purpose of fair value disclosures, the Group and the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of asset or liability and the level of the fair value hierarchy as explained above.

2.27.USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies.

Significant accounting judgments

The significant areas of judgment used in the preparation of these financial statements are described as follows.

Determining control of Karčemos kooperatinė bendrovė

The Group indirectly controls 23.98% of shares of Karčemos kooperatinė bendrovė (through Panevėžys district Žibartonių ŽŪB and UAB Linas Agro Grūdų centras KŪB), however, the Group has the ability to receive a variable returns from this investee and can have impact on these returns due to the power to govern the entity to which the investment is made through contractual agreements. Therefore management of the Group has concluded that the Group has control of Karčemos kooperatinė bendrovė.

Accounting for trading contracts

Within grains and oilseeds as well as feedstuffs segments, the Group's activity is an agricultural goods intermediary (buying and selling different types of grain, oilseeds, rapeseed, etc.). The Group buys and sells agricultural goods at a fixed price for a specified delivery period in the future. The terms of the Group's contracts permit net settlement; however, in practice, contracts result in physical delivery, except for rapeseed extraction delivered on term FOB Neuss/Spyck. The Group acts as an intermediary by entering into purchase and sales contracts with producers and users of the agricultural goods, creating links within the value chain for the agricultural goods for a stable customer base, making profits from a distributor margin rather than from fluctuations in price or a broker traders' margin. As a result, the Group's purchases and sales contracts are entered into in accordance with the expected purchase and sale requirements and, therefore, have not been accounted for as derivatives within the scope of IAS 39, except for those contracts which are hedged (Note 2.15) and contracts concluded on terms FOB Neuss/Spyck which are usually net cash settled.

Receivables from agricultural produce growers and payments on agricultural produce growers' behalf

Within its agricultural inputs segment, the Group is engaged in selling fertilizers and plant protection products to agricultural produce growers as well as pays on behalf of agricultural produce growers to suppliers of seeds or directly pays to agricultural produce growers (Notes 12 and 13). The balances arising from these transactions are non-interest bearing and are generally settled within 120 - 360 days by delivering grain to the Group. These transactions constitute common arrangements in the industry, they are entered into between distributors and agricultural produce growers under similar terms, and usual settlement is by delivery of grain, as opposed to an unconditional right to receive cash; therefore, no discounting is performed on these balances. Trade receivables arising on sales of fertilizers and plant protection products are presented within trade receivables caption in the statement of financial position, while payments on behalf of agricultural produce growers, which do not derive from sales transactions, are presented as prepayments in the statement of financial position.

(all amounts are in thousand euros unless otherwise stated)

2.ACCOUNTING PRINCIPLES (CONT'D)

2.27.USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Significant accounting estimates

The significant areas of estimation used in the preparation of these financial statements relate to depreciation (Notes 2.6, 2.7, 6 and 7), fair value estimation of biological assets (Note 10), impairment evaluation (Notes 2.24, 2.27, 6, 7, 8, 9, 11, 12, 13 and 14) and estimation of fair value of assets acquired and liabilities assumed in business combinations (Note 3). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of biological assets

As at 30 June 2015 and 30 June 2014 the Group did not have an independent appraisal of its biological assets. According to IFRS, such assets must be recorded at fair value. Biological assets consist of three groups: animals and livestock, poultry and crops which are accounted for at fair value less costs to sell (Note 2.10).

The fair value of biological assets of the Group is determined on a recurring basis. The management determines key assumption based on historical figures and the best estimate as at the reporting date. Applied unobservable assumptions are challenged on a regular basis and adjusted after back testing is performed. Other observable inputs used are based on publicly available sources (prices in the market). The management of the Group constantly analyses the changes in fair value and assesses what has the biggest influence on it – quantity produced, sales prices and etc.

Animals and livestock are valued in two ways: milking cows are valued using discounted cash flows method less costs to sell (level 3) and other groups of livestock at market prices less cost to sell at the reporting date (level 2). Crops are valued at market prices less costs to sell at the reporting date (level 3).

Poultry are valued in the following way:

Hatching chicken are valued based on the future value of the produced eggs less costs to maintain the chicken until end of its production period, slaughter costs as well as costs to sell at the reporting date (level 3).

Meat broilers are evaluated taking into account the average age of the chicken and its respective market value between the value range of day one and value at the moment of slaughtering the chicken (level 3).

Milking cows

The management of the Group decided to assess fair value of milking cows based on the discounted cash flows method because there is no active reliable market for such livestock and because this method is the most accurate estimation of the fair value of milking cows.

As at 30 June 2015 the key assumptions used to determine fair value of milking cows are the estimated milk selling price for the expected average productive life of a milking cow (EUR 0.27 for the year ending 30 June 2016 and EUR 0.28 for the year ending 30 June 2017) used to calculate the expected future cash inflows as well as pre-tax discount rate (7%). As at 30 June 2014 the key assumptions used to determine fair value of milking cows were the estimated milk selling price (EUR 0.29 for the year ending 30 June 2015 and EUR 0.3 for the year ending 30 June 2016) used to calculate the expected future cash inflows as well as pre-tax discount rate (8%).

The following table demonstrates the sensitivity of the fair value of milking cows to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2015		**30 June 2014**	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Milk price	+ 15%	2,061	+ 15%	2,078
Milk price	- 15%	(2,179)	- 15%	(2,078)
Discount rate	+ 1 p.p.	(59)	+ 1 p.p.	(47)
Discount rate	- 1 p.p.	60	- 1 p.p.	48

(all amounts are in thousand euros unless otherwise stated)

2.ACCOUNTING PRINCIPLES (CONT'D)

2.27.USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Valuation of biological assets (cont'd)

Crops

As at 30 June 2014 and 2015 the key assumptions used to determine fair value of crops are the estimated yield ranges depending on the type of crops (2.2 – 9 tones/ha for the year ending 30 June 2015 and 2.7 – 9.3 tones/ha for the year ending 30 June 2014) and the expected sales price, which was based on the estimated future grain and oilseeds sales price of the deliveries taking place September – December of the respective year.

The following table demonstrates the sensitivity of the fair value of crops to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2015		30 June 2014	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Yield	+ 5%	660	+ 5%	591
Yield	- 5%	(660)	- 5%	(591)
Price	+ 5%	560	+ 5%	491
Price	- 5%	(560)	- 5%	(491)

Poultry

As at 30 June 2015 and 2014 the main assumptions used to determine fair value of hatching chicken are the price of the incubation eggs (EUR 0.14-0.29 for the unit) which was estimated based on publicly available yearly average market price and the average number of hatching eggs produced per hatching chicken in her lifetime (146 units).

The following table demonstrates the sensitivity of the fair value of hatching chickens to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2015		30 June 2014	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Number of eggs per lifecycle/price of eggs	+ 5%	208	+ 5%	171
Number of eggs per lifecycle/price of eggs	- 5%	(208)	- 5%	(171)

As at 30 June 2015 and 2014 the main assumptions used to determine fair value of broilers are the market price of chickens (EUR 0.29-0.48 for 1 day old and EUR 2-2.3 for 36 days old) which was estimated based on actual purchases/sales taking place close to the 30 June 2015 and broiler weight of 2.13 kg as at 36 days old (as at 30 June 2014 – 2.15 kg as at 36 days old).

The following table demonstrates the sensitivity of the fair value of broilers to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2015		30 June 2014	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Weight	+ 5%	35	+ 5%	46
Weight	- 5%	(41)	- 5%	(71)
Price	+ 5%	43	+ 5%	52
Price	- 5%	(43)	- 5%	(52)

Impairment of property, plant and equipment (excluding land)

The Group makes an assessment, at least annually, whether there are any indications that property, plant and equipment have suffered impairment. If that is the case, the Group makes an impairment test. The recoverable amount of cash-generating units is determined based on value in use calculations that use a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested.

As at 30 June 2015 and 30 June 2014 there were no reasonably possible changes in the key assumptions which would cause the carrying amount of property, plant and equipment to exceed its recoverable amount, except for the already impaired assets.

2.ACCOUNTING PRINCIPLES (CONT'D)

2.27.USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Impairment of land (accounted for as property, plant and equipment and investment property)
The Group makes an assessment, at least annually, whether there are any indications that land accounted for as property, plant and equipment and investment property has suffered impairment. If that is the case, the Group makes an impairment test. The recoverable amount of land is determined as fair value less cost to sell based on comparable market prices for similar land provided by independent valuators.

As at 30 June 2015 and 30 June 2014 there were no reasonably possible changes in the key assumptions which would cause the carrying amount of land to exceed its recoverable amount, except for the already impaired assets.

Impairment of the Company's investments
As at 30 June 2015 and 30 June 2014 the Company has investments in subsidiaries and associates. As at 30 June 2015 and 30 June 2014 the Company made an assessment of whether the value of the investments should be impaired. The recoverable amount of investment in AB Linas Agro was determined based on the value in use calculations that use a discounted cash flow model. The cash flows are derived from the forecast for the next three years and do not include restructuring activities that AB Linas Agro is not yet committed to or significant future investments that will enhance the asset base of the investee being tested.

As at 30 June 2015 and 30 June 2014 the recoverable amount of the investment into AB Linas Agro is most sensitive to the pre-tax discount rate (11.8% and 12.4% respectively) used for the discounted cash flow model as well as the expected future cash inflows and the growth rate (2%) used for extrapolation purposes.

The recoverable amount of investment into subsidiaries AS Putnu fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks was determined based on the value in use calculations that use a discounted cash flow model. The above mentioned subsidiaries were assessed as one cash generating unit. The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. As at 30 June 2015 and 2014 the recoverable amount of the investment into subsidiaries AS Putnu fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks is most sensitive to the pre-tax discount rate of 14.1% which is used for the discounted cash flow model.

As at 30 June 2015 and 30 June 2014 there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into AB Linas Agro, AS Putnu fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks to exceed its recoverable amount.

Where necessary, the Company also performed an impairment test for other investments in subsidiaries and associates using possible selling prices method. According to the test performed, where required, as at 30 June 2015 and 30 June 2014 the Company accounted for impairment so as the carrying amount of the investments would not exceed their respective recoverable amounts (Note 3).

2.28.CONTINGENCIES

Contingent liabilities are not recognised in the financial statements, except for contingent liabilities associated with business combinations. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2.29.SUBSEQUENT EVENTS

Subsequent events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

2.30. OFFSETTING AND COMPARATIVE FIGURES

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except for the cases when certain IFRS specifically requires or allows such set-off.

1 January 2015 is the day of Euro adoption in Lithuania, thus on this day the functional and presentation currency of the Company and presentation currency of the Group was converted from litas to euro at conversion rate of 3.45280 LTL for 1 EUR according to irrevocable decision of the European Council.

Numbers in tables may vary as they are written in round figures up to one thousand euros. Such rounding variations are trivial for our financial reports.

(all amounts are in thousand euros unless otherwise stated)

3.GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 June 2015 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		Cost of investment in the Company		Main activities
		30 June 2015	30 June 2014	30 June 2015	30 June 2014	
Investments into directly controlled subsidiaries						
AB Linas Agro	Lithuania	100%	100%	56,556	56,556	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	12,553	11,128	Management of the subsidiaries engaged in agriculture
UAB Dotnuvos Projektai	Lithuania	100%	100%	10,688	10,688	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	341	341	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	704	704	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	439	432	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	433	360	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	553	466	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	96.47%	84.36%	6,017	2,129	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	96.47%	84.36%	–	–	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	5,854	5,854	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	790	790	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	47	47	Chicken breeding and sale
SIA Erfolg Group	Latvia	96.47%	–	–	–	Not operating company
				94,975	**89,494**	

As at 30 June 2015 and 2014 shares of AS Putnu fabrika Kekava and SIA Lielzeltini which are held by the Company was pledged to banks as a collateral for the loans (Note 19).

(all amounts are in thousand euros unless otherwise stated)

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

	Place of registration	Effective share of The stock held by the Group		Cost of investment in the Company		Main activities
		30 June 2015	30 June 2014	30 June 2015	30 June 2014	
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%	1,133	1,133	Preparation and warehousing of grains for trade
Linas 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%	199	199	Rent and management of agricultural purposes land
ŽŪB Landvesta 4*	Lithuania	100%	100%	109	109	Rent and management of agricultural purposes land
ŽŪB Landvesta 5*	Lithuania	100%	100%	282	282	Rent and management of agricultural purposes land
ŽŪB Landvesta 6*	Lithuania	100%	100%	83	83	Rent and management of agricultural purposes land
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)						
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.48%	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	97.41%	96.92%	–	–	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.20%	93.40%	–	–	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	98.64%	–	–	Mixed agricultural activities
Užupės ŽŪB*	Lithuania	100%	100%	1	1	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	–	–	Rent and management of agricultural purposes land
Liquidate UAB Žemės ūkio investicijos	Lithuania	100%	100%	–	–	Not operating company
Panevėžys district Žibartonių ŽŪB*	Lithuania	99.80%	99.80%	1	1	Mixed agricultural activities
	Investments into associates			1,808	1,808	
	(Less) impairment			(57)	(57)	
				1,751	**1,751**	

** UAB Linas Agro Grūdų Centras KŪB, ŽŪB Landvesta 3, ŽŪB Landvesta 4, ŽŪB Landvesta 5, ŽŪB Landvesta 6, Užupės ŽŪB and Panevėžys district Žibartonių ŽŪB are associates of the Company as at 30 June 2015 and 2014.The respective share held directly by the Company as at 30 June 2015 and 2014 was 24.7%; 13.91%; 19.77%; 41.48%; 15.51%; 0.05%; 0.1%.*

(all amounts are in thousand euros unless otherwise stated)

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

	Place of regist-ration	Effective share of the stock held by the Group		Cost of investment in the Company		Main activities
		30 June 2015	30 June 2014	30 June 2015	30 June 2014	
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
Investments into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)						
Karčemos kooperatinė bendrovė	Lithuania	3.98%*	19.92%*	–	–	Preparation and warehousing of grains for trade

** The Group indirectly controls 23.98% 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 12 month period ended 30 June 2015

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 and 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%. The difference of EUR 615 thousand gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

On 27 October 2014 AS Putnu fabrika Kekava acquired 100% of shares of SIA Erfolg Group. SIA Erfolg Group is not engaged in any business activity ant its assets are not material to the financial statements.

During 12 month period, ended 30 June 2015, the Company additionally acquired 7.01% AS Putnu fabrika Kekava share capital for EUR 783 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 20 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The effective share of SIA PFK Trader held by the Group increased during 12 month period, ended 30 June 2015, due to acquisitions of AS Putnu fabrika Kekava shares which has 100% ownership of SIA PFK Trader.

During 12 month period, ended 30 June 2015, the Group acquired 1.80% Sidabravo ŽŪB share capital for EUR 13 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 60 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Group acquired 0.49% Panevėžys district Aukštadvario ŽŪB share capital for EUR 1 thousand. The difference of EUR 12 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Also the Group acquired 0.2% ŽŪK Kupiškio grūdai share capital for EUR 4 thousand from the minority shareholders. The consideration transferred was equal to the carrying value of interest acquired.

During 12 month period, ended 30 June 2015, UAB Fossio, not operating entity, was connected up to UAB Linas Agro Grūdų Centras.

During 12 month period, ended 30 June 2015, the Group sold 15.97% minority interest in Karčemos kooperatinė bendrovė for EUR 86 thousand. The consideration received was equal to the carrying value of interest sold.

During 12 month period, ended 30 June 2015, the Company increased share capital of UAB Linas Agro Konsultacijos, UAB Lineliai, Noreikiškių ŽŪB, ŽŪB Landvesta 2 in amount of EUR 1,425 thousand, EUR 87 thousand, EUR 73 thousand, EUR 7 thousand, respectively. The share capital of UAB Linas Agro Konsultacijos was increased by capitalization of the granted loan, interest receivable.

(all amounts are in thousand euros unless otherwise stated)

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

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 Žibartonys ŽŪB (98.07%), for EUR 5,230 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 for consolidation purposes	**31 August 2013**
Property, plant and equipment and investment property	5,356
Animals and livestock	2,034
Crops	751
Inventories	2,728
Prepayments and other current assets	658
Cash and cash equivalents	78
Total assets	**11,605**
Deferred tax liability	(175)
Grants and subsidies	(161)
Non-current borrowings	(845)
Current borrowings	(525)
Trade payables	(1,238)
Other liabilities	(409)
Total liabilities	**(3,353)**
Total identifiable net assets at fair value	**8,252**
Non-controlling interest measured at the proportionate share of net assets at fair value	(101)
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	2,763
Total purchase consideration	**5,388**
Cash consideration transferred	3,878
Less: cash acquired	(78)
Total purchase consideration, net of cash acquired	**3,800**

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	5,073	6,492
Profit (loss)	487	450

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.

(all amounts are in thousand euros unless otherwise stated)

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 EUR 2,129 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 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 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	24,087
Poultry	2,425
Inventories	2,240
Prepayments and other current assets	2,984
Cash and cash equivalents	173
Total assets	**31,909**
Deferred tax liability	(664)
Grants and subsidies	(2,230)
Non-current borrowings	(2,061)
Other non-current liabilities	(1,368)
Current borrowings	(10,401)
Trade payables	(4,820)
Other liabilities	(4,618)*
Total liabilities	**(26,162)**
Total identifiable net assets at fair value	**5,747**
Non-controlling interest measured at the proportionate share of net assets at fair value	(2,610)
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	1,009
Total purchase consideration	**2,128**
Cash consideration transferred	**729****
Less: cash acquired	(174)
Total purchase consideration, net of cash acquired	**555**

**During the year ended 30 June 2014 liabilities in the amount of EUR 4,096 were written off for subsidiary AS Putnu Fabrika Kekava due to successfully implemented restructuring plan.*
***As at 30 June 2013 the Company made EUR 1,400 thousand prepayment for AS Putnu Fabrika Kekava shares to acquire.*

The net assets recognised in the 30 June 2014 financial statements were based on a provisional assessment of their fair value. The valuation had not been completed by the date the 2014 financial statements were approved for issue by management.

In October 2014, the valuation was completed and the acquisition date fair values determined. It was concluded that fair value of the net assets acquired is equal to the provisional values presented in the financial statements for the period ended 30 June 2014.

(all amounts are in thousand euros unless otherwise stated)

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)

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

	Trade receivables
The gross contractual amounts receivable	6,196
The best estimate at the acquisition date of the contractual cash flows not expected to be collected	(3,302)
The fair value of the receivables	2,894

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	26,585	39,556
Profit (loss)	6,748	8,618

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.

(all amounts are in thousand euros unless otherwise stated)

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 Lielzeltini for EUR 5,854 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	14,557
Financial assets	3,117
Poultry	531
Inventories	3,158
Prepayments and other current assets	3,092
Cash and cash equivalents	352
Total assets	**24,806**
Deferred tax liability	(907)
Grants and subsidies	(770)
Non-current borrowings	(9,405)
Current borrowings	(2,102)
Trade payables	(2,894)
Other liabilities	(682)
Total liabilities	**(16,760)**
Total identifiable net assets at fair value	**8,046**
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	2,192
Total purchase consideration	**5,854**
Cash consideration transferred	**5,854**
Less: cash acquired	(351)
Total purchase consideration, net of cash acquired	**5,503**

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	3,165	1,018
The best estimate at the acquisition date of the contractual cash flows not expected to be collected	(664)	(201)
The fair value of the receivables	2,501	817

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	12,758	29,146
Profit (loss)	488	1,829

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.

(all amounts are in thousand euros unless otherwise stated)

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 EUR 790 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	844
Inventories	120
Prepayments and other current assets	1,008
Cash and cash equivalents	13
Total assets	**1,985**
Deferred tax liability	(10)
Grants and subsidies	(138)
Non-current borrowings	(611)
Other non-current liabilities	–
Trade payables	(69)
Other liabilities	(48)
Total liabilities	**(876)**
Total identifiable net assets at fair value	**1,109**
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	319
Total purchase consideration	**790**
Cash consideration transferred	**790**
Less: cash acquired	(13)
Total purchase consideration, net of cash acquired	**777**

On 7 February 2014 the Group acquired 100% shares of SIA Broileks for EUR 52 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	420
Inventories	35
Prepayments and other current assets	151
Cash and cash equivalents	2
Total assets	**608**
Grants and subsidies	(122)
Non-current borrowings	(44)
Current borrowings	(106)
Trade payables	(2)
Other liabilities	(157)
Total liabilities	**(431)**
Total identifiable net assets at fair value	**177**
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 26)	125
Total purchase consideration	**52**
Cash consideration transferred	**52**
Less: cash acquired	(2)
Total purchase consideration, net of cash acquired	**50**

(all amounts are in thousand euros unless otherwise stated)

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 EUR 47 thousand, 1.1% Panevėžys district Žibartonių ŽŪB share capital for EUR 13 thousand. All the shares were acquired from the non-controlling shareholders. The difference of EUR 269 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 39.92% as at 30 June 2014 with a result of EUR 7 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 EUR 2,910 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 EUR 134 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	526
Deferred tax asset	52
Current assets	232
Liabilities	(1,111)
Net asset of subsidiary sold by Group	**(301)**
Gain recognized on disposal of subsidiary, recognised under Other income (Note 26)	**1,619**
Sales price (received in cash)	1,318
Less: cash disposed in subsidiary	(5)
Selling price less cash disposed	**1,313**

(all amounts are in thousand euros unless otherwise stated)

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 beet pulp, soymeal, vegetable oil, rapecake and other feedstuffs, grain storage and logistics services;
- 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;
- 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;
- 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 **Financial year ended 30 June 2015**	**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 elimina-tions**	**Total**
Revenue								
Third parties	381,172	117,129	14,904	60,540	21	–	–	573,766
Intersegment	7,141	8,247	10,249	1,640	–	–	(27,277)[1)]	–
Total revenue	**388,313**	**125,376**	**25,153**	**62,180**	**21**	**–**	**(27,277)[1)]**	**573,766**
Results								
Operating expenses[6)]	(6,536)	(11,521)	(2,694)	(6,892)	–	(3,244)	–	(30,887)
Depreciation and amortisation	(2,188)	(1,358)	(1,704)	(3,190)	–	(59)	–	(8,499)
Write-off bad debts and provisions for doubtful debts	–	(736)	–	(16)	(1)	–	–	(753)
Impairment of property, plant and equipment	–	–	25	–	–	–	–	25
Segment operating profit (loss)	**7,484**	**965**	**3,532**	**3,193**	**97**	**(2,934)**	**–**	**12,337**
Assets								
Capital expenditure[2)]	5,002	2,756	3,214	2,561	–	220	–	13,753
Non-current assets (excluding investments into associates)	29,384	11,604	32,986	39,206	1,116	4,518[3)]	–	118,814
Current assets	25,108	120,195	21,419	16,823	40	13,311[4)]	–	196,896
Total assets	**54,492**	**131,799**	**54,405**	**56,029**	**1,156**	**17,829**	**–**	**315,710**
Current liabilities	21,305	75,108	2,299	6,875	61	18,155[5)]	–	123,803

(all amounts are in thousand euros unless otherwise stated)

4. SEGMENT INFORMATION (CONT'D)

Group **Financial year ended 30 June 2014**	**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 elimina-tions**	**Total**
Revenue								
Third parties	411,992	120,648	16,639	33,600	1,678	–	–	584,557
Intersegment	9,630	7,314	10,964	–	–	–	(27,908)[1)]	–
Total revenue	**421,622**	**127,962**	**27,603**	**33,600**	**1,678**	**–**	**(27,908)[1)]**	**584,557**
Results								
Operating expenses[6)]	(7,659)	(11,382)	(2,533)	(3,830)	(193)	(4,091)	–	(29,688)
Depreciation and amortisation	(1,962)	(1,378)	(2,194)	(1,781)	(152)	(175)	–	(7,642)
Provisions for onerous contracts	16	–	–	–	–	–	–	16
Write-off bad debts and provisions for doubtful debts	(883)	(1,603)	10	(199)	(3)	–	–	(2,678)
Write-off of liabilities	–	–	–	4,096	–	–	–	4,096
Impairment of property, plant and equipment	–	–	(25)	–	–	–	–	(25)
Gain (loss) on acquisition of subsidiary companies	–	–	2,763	3,644	–	–	–	6,407
Gain (loss) on disposal of subsidiary companies	–	–	–	–	1,618	–	–	1,618
Segment operating profit (loss)	**10,978**	**1,796**	**4,848**	**9,888**	**2,745**	**(3,968)**	**–**	**26,287**
Assets								
Capital expenditure[2)]	2,474	1,593	3,836	931	–	345	–	9,179
Non-current assets (excluding investments into associates)	26,227	11,031	32,069	39,931	2,245	3,780[3)]	–	115,283
Current assets	40,179	105,310	20,401	14,878	771	14,282[4)]	–	195,821
Total assets	**66,406**	**116,341**	**52,470**	**54,809**	**3,016**	**18,062**	**–**	**311,104**
Current liabilities	33,591	57,650	5,653	7,197	84	16,123[5)]	–	120,298

1) Intersegment revenue are eliminated on consolidation.
2) Capital expenditure consists of additions of intangible assets, property, plant and equipment and investment property.
3) The amount includes not rented investment property, part of property, plant and equipment, other investments, prepayments for financial assets, non-current loans receivable from related parties, non-current loans receivable from employees and deferred income tax asset.
4) The amount includes current loans receivable from related parties, part of other accounts receivable (excluding receivable from National Paying Agency), restricted cash, cash and cash equivalents.
5) As at 30 June 2015 and 2014 the amount mainly includes income and other taxes payable, current payables to and current loans payable to related parties, and part of borrowings, which are managed on the Group basis.
6) The operating expenses of administration, management departments are shown in Not attributed to any specified segment. The operating expenses of agricultural department are shown in the following order: ½ share in Grain and feedstuff handling and merchandising segment, the rest share in Products and services for farming.

(all amounts are in thousand euros unless otherwise stated)

4. SEGMENT INFORMATION (CONT'D)

Sales / Income includes:

	Group		Company	
	Financial year ended			
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Sales of goods	565,483	578,016	–	–
Sales of services	8,283	6,541	623	28
Dividends from subsidiaries	–	–	4,200	6,744
Rental income from investment and other property	–	–	56	52
Dividends from associates	–	–	333	261
	573,766	**584,557**	**5,212**	**7,085**

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

	Group	
	12 month period ended	
Revenue from external customers	**30 June 2015**	**30 June 2014**
Lithuania	143,218	151,269
Europe (except for Scandinavian countries, CIS and Lithuania)	189,151	148,799
Scandinavian countries	95,646	112,360
Africa	18,671	26,914
Asia	114,731	136,883
CIS	12,349	8,332
	573,766	**584,557**

Revenue from largest customer amounted to EUR 54,392 thousand for the year ended 30 June 2015. Revenue from largest customer amounted to EUR 83,134 thousand for the year ended 30 June 2014. Sales for largest customers are accounted for under grain and feedstuff handling and merchandising caption of business segments as at 30 June 2015 and 2014.

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

Non-current assets	Group	
	As at 30 June 2015	**As at 30 June 2014**
Lithuania	61,842	61,126
Latvia	43,310	41,321
Estonia	1,474	1,344
Denmark	11	16
	106,637	**103,807**

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

(all amounts are in thousand euros unless otherwise stated)

5.INTANGIBLE ASSETS

Group	**Software**	**Other intangible assets**	**Total**
Cost:			
Balance as at 30 June 2013	597	100	697
Additions	101	–	101
Additions of subsidiaries	35	–	35
Write-offs	(1)	(4)	(5)
Balance as at 30 June 2014	732	96	828
Additions	75	534	609
Write-offs	(3)	(17)	(20)
Balance as at 30 June 2015	804	613	1,417
Accumulated amortization:			
Balance as at 30 June 2013	386	21	407
Charge for the year	53	6	59
Write-offs	–	(4)	(4)
Balance as at 30 June 2014	439	23	462
Charge for the year	56	18	74
Write-offs	(3)	(17)	(20)
Balance as at 30 June 2015	492	24	516
Net book value as at 30 June 2015	**312**	**589**	**901**
Net book value as at 30 June 2014	**293**	**73**	**366**
Net book value as at 30 June 2013	**211**	**79**	**290**

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

Part of the intangible assets of the Group with the acquisition value of EUR 483 thousand as at 30 June 2015 was fully amortized (EUR 422 thousand as at 30 June 2014) but was still in active use.

(all amounts are in thousand euros unless otherwise stated)

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	5,121	43,417	25,182	4,213	3,976	2,266	84,175
Additions	1,900	22	3,144	369	620	3,016	9,071
Acquisition of subsidiaries	4,601	30,678	8,017	848	832	241	45,217
Disposals and write-offs	(106)	(164)	(1,304)	(577)	(326)	(82)	(2,559)
Transfers from investment property	1,631	238	–	–	–	–	1,869
Reclassifications	50	3,038	501	32	42	(3,663)	–
Exchange differences	(1)	(1)	(1)	(1)	1	1	(2)
Disposals of subsidiaries	–	–	(633)	–	(84)	–	(717)
Balance as at 30 June 2014	13,196	77,228	34,906	4,884	5,061	1,779	137,054
Additions	47	1,340	3,391	666	872	6,725	13,041
Disposals and write-offs	(9)	(201)	(866)	(566)	(321)	(25)	(1,988)
Transfers from investment property	107	–	–	–	–	–	107
Reclassifications	4	2,121	656	–	(11)	(2,770)	–
Balance as at 30 June 2015	13,345	80,488	38,087	4,984	5,601	5,709	148,214
Accumulated depreciation:							
Balance as at 30 June 2013	–	11,194	11,872	1,504	2,313	–	26,883
Charge for the year	–	4,079	3,605	961	590	–	9,235
Disposals and write-offs	–	(98)	(460)	(492)	(237)	–	(1,287)
Transfers from investment property	–	36	–	–	–	–	36
Reclassifications	–	–	(17)	17	–	–	–
Exchange differences	–	5	(1)	–	–	–	4
Disposals of subsidiaries	–	–	(144)	–	(47)	–	(191)
Balance as at 30 June 2014	–	15,216	14,855	1,990	2,619	–	34,680
Charge for the year	–	5,156	3,345	850	795	–	10,146
Disposals and write-offs	–	(76)	(443)	(464)	(309)	–	(1,292)
Reclassifications	–	–	6	–	(6)	–	–
Balance as at 30 June 2015	–	20,296	17,763	2,376	3,099	–	43,534
Impairment losses:							
Balance as at 30 June 2013	–	456	10	–	1	–	467
(Reversal) charge for the year	46	(22)	1	–	–	–	25
Balance as at 30 June 2014	46	434	11	–	1	–	492
(Reversal) charge for the year	(25)	–	–	–	–	–	(25)
Balance as at 30 June 2015	21	434	11	–	1	–	467
Net book value as at 30 June 2015	**13,324**	**59,758**	**20,313**	**2,608**	**2,501**	**5,709**	**104,213**
Net book value as at 30 June 2014	**13,150**	**61,578**	**20,040**	**2,894**	**2,441**	**1,779**	**101,882**
Net book value as at 30 June 2013	**5,121**	**31,767**	**13,300**	**2,709**	**1,662**	**2,266**	**56,825**

(all amounts are in thousand euros unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group's depreciation charge for the years ended 30 June 2015 and 30 June 2014 was included into the following captions of the statement of financial position and the statement of comprehensive income:

	Financial year ended	
	30 June 2015	**30 June 2014**
Cost of sales	7,554	6,689
Biological assets	685	650
Operating expenses	1,649	1,509
Other expenses	106	88
Raw materials and other inventories	152	299
	10,146	**9,235**

Depreciation amount was decreased in the statement of comprehensive income by EUR 879 thousand for the year ended 30 June 2015 (EUR 781 thousand for the year ended 30 June 2014) by the amortisation of grants received by the Group (Note 18).

As at 30 June 2015 part of property, plant and equipment of the Group with the net book value of EUR 75,782 thousand (EUR 76,547 thousand as at 30 June 2014), was pledged to banks as a collateral for the loans (Note 19).

Part of property, plant and equipment with the acquisition cost of EUR 17,370 thousand was fully depreciated as at 30 June 2015 (EUR 16,185 thousand as at 30 June 2014), but was still in active use.

(all amounts are in thousand euros unless otherwise stated)

7.INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income and land and buildings which were not used in the Group's activities as at 30 June 2015.

Cost:	**Land**	**Buildings**	**Total**
Balance as at 30 June 2013	3,120	400	3,520
Additions	2	4	6
Acquisition of subsidiaries	–	11	11
Disposals and write-offs	(60)	–	(60)
Transfers to property, plant and equipment	(1,631)	(238)	(1,869)
Balance as at 30 June 2014	1,431	177	1,608
Additions	5	98	103
Disposals and write-offs	(16)	–	(16)
Transfers to property, plant and equipment	(107)	–	(107)
Balance as at 30 June 2015	1,313	275	1,588
Accumulated depreciation:			
Balance as at 30 June 2013	–	66	66
Charge for the year	–	19	19
Transfers to property, plant and equipment	–	(36)	(36)
Balance as at 30 June 2014	–	49	49
Charge for the year	–	16	16
Balance as at 30 June 2015	–	65	65
Impairment losses:			
Balance as at 30 June 2013	–	–	–
Balance as at 30 June 2014	–	–	–
Balance as at 30 June 2015	–	–	–
Net book value as at 30 June 2015	**1,313**	**210**	**1,523**
Net book value as at 30 June 2014	**1,431**	**128**	**1,559**
Net book value as at 30 June 2013	**3,120**	**334**	**3,454**

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

Cost:	**Buildings**
Balance as at 30 June 2013, 30 June 2014 and 30 June 2015	181
Accumulated depreciation:	
Balance as at 30 June 2013	41
Charge for the year	8
Balance as at 30 June 2014	49
Charge for the year	8
Balance as at 30 June 2015	57
Net book value as at 30 June 2015	**124**
Net book value as at 30 June 2014	**132**
Net book value as at 30 June 2013	**140**

Depreciation expenses of investment property are included within other expenses in the statement of comprehensive income.

(all amounts are in thousand euros unless otherwise stated)

7. INVESTMENT PROPERTY (CONT'D)

As at 30 June 2015 part of investment property of the Group with the net book value of EUR 1,356 thousand (EUR 1,422 thousand as at 30 June 2014), was pledged to banks as a collateral for the loans (Note 19). As at 30 June 2015 and 30 June 2014 the Company has pledged all its investment property to the bank as collateral for the loan received by its subsidiary AB Linas Agro (Note 19).

As at 30 June 2015 part of investment property of the Group and the Company with the net book value of EUR 48 thousand and EUR 34 thousand, respectively (EUR 36 thousand and EUR 36 thousand, respectively as at 30 June 2014) was not used in the Group's and the Company's activities.

Fair value of the Group's and the Company's investment property as at 30 June 2015 is EUR 3,547 thousand and EUR 495 thousand, respectively (as at 30 June 2014 EUR 3,672 thousand and EUR 495 thousand, respectively). Fair value has been determined based on valuations performed by independent valuators at near reporting date using the comparable prices method (Level 2).

8.OTHER INVESTMENTS AND PREPAYMENTS FOR FINANCIAL ASSETS

Other investments and prepayments of the Group and the Company consist of:

	Group		Company	
	As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Prepayment for increase of share capital of AS Putnu fabrika Kekava	–	–	–	2,820
Other investments	17	17	–	–
	17	**17**	–	**2,820**

The Company has increased the share capital of AS Putnu Fabrika Kekava by covering with loans granted by the Company and other receivables amounting to EUR 2,820 thousand during the year ended 30 June 2014.

9.NON-CURRENT RECEIVABLES

	Group		Company	
	As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Trade receivables from agricultural produce growers due after one year	9	16	–	–
Other trade receivables	–	1,053*	–	–
Loans receivable from related parties after one year (Note 32)	1,175	347	6,468	5,485
Loans receivable after one year	2,113**	486	647	–
Other non-current receivable	22	17	–	–
Loans to employees	49	52	–	–
Less: allowance for doubtful non-current receivables	(1,290)**	–	–	–
	2,078	**1,971**	**7,115**	**5,485**

** Other trade receivables mainly comprise of receivable for sold lignin which is presented as current receivable as at 30 June 2015 (Note 13).*
*** Non-current loan, which is fully impaired, as at 30 June 2014 was presented as current accounts receivable.*

(all amounts are in thousand euros unless otherwise stated)

9. NON-CURRENT RECEIVABLES (CONT'D)

Movements in the allowance for impairment of the Group's non-current receivables were as follows:

	Individually impaired
Balance as at 30 June 2013	–
Balance as at 30 June 2014	–
Transferred from other accounts receivables (Note 14)	1,290
Balance as at 30 June 2015	1,290

The ageing analysis of the Group's non-current receivables as at 30 June 2015 and 30 June 2014 is as follows:

	Non-current receivables neither past due nor impaired	Past due but not impaired				Total
		Less than 90 days	91 - 180 days	180 - 270 days	More than 271 days	
2014	1,971	–	–	–	–	1,971
2015	2,078	–	–	–	–	2,078

On 30 March 2010 AB Linas Agro and AB Klaipėdos jūrų krovinių kompanija (hereinafter – KLASCO) signed a long term cooperation agreement for expansion of a grain terminal. AB Linas Agro participates by partly financing (in total EUR 1,289 thousand) expansion of the grain terminal and will have an exclusive right for five years to use the silage warehouses stowing 40 thousand tons of grain and to use the terminal for loading.

As at 30 June 2015 the balance of AB Linas Agro receivable from KLASCO amounted to EUR 279 thousand. The amount is disclosed as current loans receivable (EUR 279 thousand, respectively as at 30 June 2014 – EUR 279 thousand). As at 30 June 2014 its non-current part is disclosed as non-current loans receivable (EUR 279 thousand).

The Group's and Company's non-current receivables were neither due nor impaired as at 30 June 2014.

(all amounts are in thousand euros unless otherwise stated)

10.BIOLOGICAL ASSETS

Fair value of the Group's animals and livestock:

	Milking cows (level 3)	Heifers (level 2)	Bulls and fattening cattle (level 2)	Horses (level 2)	Poultry (level 3)	Total animals and livestock
Fair value as at 30 June 2013	3,752	1,379	507	2	–	5,640
Acquisition of subsidiary (Note 3)	1,199	444	392	–	2,956	4,991
Acquisition	–	39	–	1	4,632	4,672
Births	–	79	121	–	313	513
Makeweight	–	1,689	945	–	22,972	25,606
Transfers between groups	453	(1,362)	909	–	–	–
Disposals	(153)	(211)	(1,935)	(1)	(27,337)	(29,637)
Write-offs and falls	(81)	(17)	(19)	(1)	(357)	(475)
Change in fair value of biological assets (Note 24)	(1,799)	–	(119)	–	(136)	(2,054)
Fair value as at 30 June 2014	3,371	2,040	801	1	3,043	9,256
Acquisition	–	157	33	–	5,755	5,945
Births	–	95	134	–	471	700
Makeweight	2	1,662	1,024	–	33,053	35,741
Transfers between groups	698	(1,634)	936	–	–	–
Disposals	(227)	(366)	(1,873)	–	(38,019)	(40,485)
Write-offs and falls	(75)	(23)	(20)	–	(954)	(1,072)
Change in fair value of biological assets (Note 24)	74	–	(125)	–	90	39
Fair value as at 30 June 2015	3,843	1,931	910	1	3,439	10,124

Quantity according to biological assets group:	Milking cows (level 3)	Heifers (level 2)	Bulls and fattening cattle (level 2)	Horses (level 2)	Poultry (level 3)	Total animals and livestock
As at 30 June 2015	3,209	2,921	1,873	5	1,915,343	1,923,351
As at 30 June 2014	2,999	3,013	1,660	5	1,860,649	1,868,326
Output according to biological assets group for the year ended (t) (unaudited):						
As at 30 June 2015	26,985	542	730	–	30,732	58,989
As at 30 June 2014	23,502	433	796	3	15,859	40,593

(all amounts are in thousand euros unless otherwise stated)

10.BIOLOGICAL ASSETS (CONT'D)

Fair value of the Group's crops (level 3):

	Winter cultures	**Summer cultures**	**Rapeseeds**	**Feeding cultures**	**Total crops**
Fair value as at 30 June 2013	4,394	3,364	3,056	1,045	11,859
Additions	4,581	5,507	3,211	1,749	15,048
Acquisitions of subsidiaries (Note 3)	7	299	41	404	751
Transfers between groups	(93)	114	(25)	4	–
Harvested assets	(5,226)	(4,455)	(3,534)	(1,799)	(15,014)
Fair value adjustment on biological assets (Note 24)	(349)	1,965	(69)	28	1,575
Fair value as at 30 June 2014	3,314	6,794	2,680	1,431	14,219
Additions	5,782	4,606	2,944	2,170	15,502
Transfers between groups	–	(53)	–	53	–
Harvested assets	(4,229)	(7,864)	(3,487)	(2,278)	(17,858)
Fair value adjustment on biological assets (Note 24)	1,638	1,218	733	(16)	3,573
Fair value as at 30 June 2015	6,505	4,701	2,870	1,360	15,436

Fair value adjustment for winter cultures and rapeseeds as at 30 June 2014 was influenced by expenses related to winterkill in amount of EUR 1,268 thousand which occurred due to climatic events.

Crops under groups:	**Winter cultures**	**Summer cultures**	**Rapeseeds**	**Feeding cultures**	**Total crops**
Total sowed (ha) as at 30 June 2014	3,423	7,557	3,193	2,630	16,803
Total sowed (ha) as at 30 June 2015	6,460	5,474	2,232	2,653	16,819
Harvested crops under groups (unaudited):					
Total harvest for the year ended 30 June 2014 (t)	32,870	23,811	9,302	42,644	108,627
Total harvest for the year ended 30 June 2015 (t)	22,911	45,321	9,749	89,045	167,026

As at 30 June 2015 and 30 June 2014 the management of the Group treats all animals and livestock (excluding eggs and broilers) as non-current assets and all crops, eggs and broilers as current.

All changes in fair value of biological assets were accounted for under cost of sales caption in the statement of comprehensive income.

During the years ended 30 June 2015 and 2014 there were no transfers between the different levels of fair value hierarchy.

As at 30 June 2015 part of animals and livestock of the Group with the carrying value of EUR 6,152 thousand (EUR 4,926 thousand as at 30 June 2014) was pledged to banks as a collateral for the loans (Note 19).

(all amounts are in thousand euros unless otherwise stated)

11.INVENTORIES

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Purchased goods for resale	49,814	56,796
Raw materials and other inventories	6,955	10,988
Commitments to purchase agricultural produce (Note 15)	331	243
Less: net realisable value allowance	(685)	(383)
	56,415	**67,644**

The carrying value of the Group's inventories accounted for at net realizable value as at 30 June 2015 amounted to EUR 4,356 thousand (EUR 1,192 thousand as at 30 June 2014). The amount of write-down of inventories to net realizable value recognized as an expense in the year ended 30 June 2015 is EUR 302 thousand (EUR 283 thousand in the year ended 30 June 2014), and is recognized in cost of sales of the statement of comprehensive income.

As at 30 June 2015 part of inventories of the Group with the carrying value of EUR 31,017 thousand (EUR 32,664 thousand as at 30 June 2014) was pledged to banks as collateral for the loans (Note 19).

12.PREPAYMENTS

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Prepayments to agricultural produce growers	569	907
Prepayments to other suppliers	8,160	4,157
Less: allowance for doubtful prepayments to other suppliers	–	–
	8,729	**5,064**

During year ended 30 June 2015 and 30 June 2014, prepayments were made directly to agricultural produce growers of production and others. These payments are non-interest bearing and are generally collectible from the agricultural produce growers within 120 - 360 days by delivering grain to the Group.

(all amounts are in thousand euros unless otherwise stated)

13.TRADE RECEIVABLES

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Trade receivables from agricultural produce growers	39,060	40,274
Trade receivables from other customers	61,007	52,806
Less: allowance for doubtful trade receivables	(3,367)	(3,986)
	96,700	**89,094**

As at 30 June 2015 the Group holds lignin as a collateral for the part of trade receivables (amounting to EUR 1,362 thousand) which could be sold or repledged if the debtor defaulted. The fair value of the collateral amounts to EUR 2,291 thousand (level 3). There are no significant terms and conditions associated with the use of collateral.

Changes in allowance for trade receivables for the years ended 30 June 2015 and 30 June 2014 were included into operating expenses in the statement of comprehensive income.

Trade receivables from other customers are non-interest bearing and are generally collectible on 30–90 days term. Trade receivables from agricultural produce growers are non-interest bearing and are generally settled within 120–360 days by delivering grain to the Group.

As at 30 June 2015 the Group's trade receivables with the nominal value of EUR 969 thousand (EUR 2,613 thousand as at 30 June 2014) were impaired and fully provided for.

Movements in the allowance for impairment of the Group's trade receivables were as follows:

	Individually impaired
Balance as at 30 June 2013	7,448
Charge for the year	931
Reversed during the year	(160)
Written-off during the year	(4,233)
Balance as at 30 June 2014	3,986
Charge for the year	603
Reversed during the year	(25)
Written-off during the year	(1,197)
Balance as at 30 June 2015	3,367

The ageing analysis of the Group's trade receivables as at 30 June 2015 and 30 June 2014 is as follows:

	Trade receivables neither past due nor impaired	**Past due but not impaired**				**Total**
		Less than 90 days	**91 - 180 days**	**180 - 270 days**	**More than 271 days**	
2014	80,433	7,334	145	120	1,062	89,094
2015	88,522	6,902	708	117	451	96,700

As at 30 June 2015 the Group transferred rights to part of its trade receivables with the value of EUR 87,116 thousand (EUR 87,274 thousand as at 30 June 2014) to banks as collateral for the loans (Note 19). Factorised trade receivables in the amount of EUR 6,944 thousand as at 30 June 2015 (EUR 6,637 thousand as at 30 June 2014) are included in aggregate amount of collateral for the loans. Additionally, as collateral for the loans as at 30 June 2015 the Group transferred rights to the banks for future receivables with the value of EUR 53 thousand (EUR 80 thousand as at 30 June 2014) arising from the investment property rent contracts.

(all amounts are in thousand euros unless otherwise stated)

14.OTHER ACCOUNTS RECEIVABLE

	Group	
Financial assets	**As at 30 June 2015**	**As at 30 June 2014**
National Paying Agency	1,858	2,467
Loans receivable	2,738	2,745
Loans granted to the Group employees	33	37
Interest receivable	146	257
Accrued income	751	521
Receivable for assets held for sale	134	201
Other receivables	3,050*	833
Less: allowance for doubtful loans receivable	(514)	(1,652)
	8,196	**5,409**
Non-financial assets		
VAT receivable	1,253	1,387
Other recoverable taxes	51	26
	1,304	1,413
	9,500	**6,822**

**Increase in other receivables was mainly influenced by the takeover debts which are pledged by the assets of the respective parties.*

Changes in allowance for other accounts receivables for the years ended 30 June 2015 were included into operating expenses in the statement of comprehensive income.

Movements in the allowance for impairment of the Group's other accounts receivable were as follows:

	Individually impaired
Balance as at 30 June 2013	–
Charge for the year	1,652
Balance as at 30 June 2014	1,652
Charge for the year	232
Transferred to non-current receivables (Note 9)	(1,290)
Written-off during the year	(80)
Balance as at 30 June 2015	514

The ageing analysis of the Group's other receivables (except for non-financial assets) as at 30 June 2015 and 30 June 2014 is as follows:

	Other accounts receivable neither past due nor impaired	**Past due but not impaired**				**Total**
		Less than 90 days	**91 - 180 days**	**181 - 270 days**	**More than 271 days**	
2014	5,398	10	1	–	–	5,409
2015	5,659	2,490	46	1	–	8,196

(all amounts are in thousand euros unless otherwise stated)

15.OTHER CURRENT FINANCIAL ASSETS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses the hierarchy described in Note 2.26 for determining and disclosing the fair value of financial instruments by valuation technique:

			Group	
			As at 30 June 2015	As at 30 June 2014
Other current financial assets				
Other derivative financial instruments	Level 2		–	109
Restricted cash		b)	440	438
Foreign exchange forward and swap contracts	Level 2		79	–
Other			–	80
			519	**627**
Derivative financial instruments (liabilities)				
Derivative financial instruments designated as hedges	Level 1	a)	(490)	(252)
Other derivative financial instruments	Level 2		(91)	–
			(581)	**(252)**

The Group concludes forward agreements (with fixed price) with Lithuanian and Latvian agricultural production growers for purchase and with domestic and international customers for sale of agricultural produce. Part of purchase/sales agreements are not matched which raises the price fluctuation risk. To hedge the arising risk of price fluctuations for the not covered purchase/sale commitments the Group concludes futures contracts that are traded on NYSE Euronext Paris SA exchange.

a) Derivative financial instruments used to hedge the price risk were attributed to the category of fair value hedge. As at 30 June 2015 the fair value of such futures contracts was equal to EUR 490 thousand of loss (EUR 252 thousand of losses as at 30 June 2014). These results are accounted for in cost of sales in the statement of comprehensive income. As at 30 June 2015 hedged item (commitments to purchase agricultural produce) of EUR 331 thousand of gain (EUR 243 thousand of gain as at 30 June 2014) is accounted for as inventories (Note 11) in the statement of financial position and in cost of sales in the statement of comprehensive income by netting with gain and losses arising from the hedge instrument. During the year ended 30 June 2015 the Group incurred EUR 163 thousand of loss from hedged item (commitments to purchase agricultural produce) (during the year ended 30 June 2014 – EUR 665 thousand of gain)

b) As at 30 June 2015 and 30 June 2014 restricted cash balance mostly consists of cash at bank account, held as a deposit for trading in the futures exchange.

In the cases when fair value of other financial assets cannot be reliably determined based on available active market data, the fair value is assessed based on mathematical models. Where possible observable market inputs are used in the models, in other instances certain assumptions are used.

(all amounts are in thousand euros unless otherwise stated)

16.CASH AND EQUIVALENTS

	Group		Company	
	As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Cash at bank	6,614	8,556	232	595
Money market instruments with maturity of less than three months	–	–	–	–
Cash in transit	10	28	–	–
Cash on hand	56	48	–	–
	6,680	**8,632**	**232**	**595**

As at 30 June 2015 the Group pledged cash of EUR 1,275 thousand (EUR 2,452 thousand as at 30 June 2014) to banks as collateral for the loans (Note 19).

As at 30 June 2015 and 30 June 2014 there were no restrictions on use of cash balances held in the pledged accounts (Note 19).

17.RESERVES

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5% of net profit, calculated in accordance with International Financial Reporting Standards, are compulsory until the reserve reaches 10% of the share capital. Legal reserve was not fully formed as at 30 June 2015 and 30 June 2014.

Reserve for own shares

A reserve for own shares acquisition was formed based on the decision of the annual general meeting of the Company's shareholders, held on 27 October 2011 and 24 October 2013 in amount of EUR 464 thousand and EUR 1,361 thousand respectively. Purpose of acquisition of own shares is to maintain and increase the price of the Company's shares. Period during which the Company may purchase own shares is from 24 October 2011 till 24 April 2015.

During the year ended 30 June 2015 the Company disposed of 2,000 own shares, net result of this transaction is recognised directly to the statement of changes in equity. During the year ended 30 June 2014 the Company did not acquire its own shares.

Foreign currency translation reserve

The foreign currency translation reserve results from translation differences arising on consolidation of Linas Agro A/S as at 30 June 2015.

Other reserves

Other reserves are formed based on the decision of the General Shareholders' Meeting on appropriation of distributable profit. These reserves can be used only for the purposes approved by the General Shareholders' Meeting.

18.GRANTS AND SUBSIDIES

The movement of grants received by the Group is as follows:

Balance as at 30 June 2013	4,789
Received	622
Acquisition of subsidiaries (Note 3)	3,421
Amortisation	(954)
Balance as at 30 June 2014	7,878
Received	626
Amortisation	(987)
Balance as at 30 June 2015	7,517

(all amounts are in thousand euros unless otherwise stated)

18. GRANTS AND SUBSIDIES (CONT'D)

As at 30 June 2015 the amount is disclosed in the statement of financial position as non-current liabilities (EUR 6,646 thousand) and other current liabilities (EUR 871 thousand) (as at 30 June 2014 EUR 6,950 thousand as non-current liabilities and EUR 928 thousand - as other current liabilities).

The major part of the Group's grants consists of the funds received from the European Union and National Paying Agency for the purpose of an acquisition of machinery and equipment (property, plant and equipment).

The amortisation of grants of the Group for the years ended 30 June 2015 and 30 June 2014 was included into the following captions of the statement of financial position and the statement of comprehensive income:

	Group Financial year ended 30 June 2015	 30 June 2014
Cost of sales (reduces the depreciation expenses of related assets)	879	781
Biological assets	82	79
Raw materials and other inventories	5	20
Other income	–	68
Other operating expenses	21	5
	987	**953**

For the years ended 30 June 2015 and 30 June 2014 the Group also received subsidies for animals and livestock, crops and milk in the total amount of EUR 2,773 thousand and EUR 2,998 thousand, respectively, which were accounted for in the sales caption of the statement of comprehensive income.

19.BORROWINGS

	Group		Company	
	As at 30 June 2015	As at 30 June 2014	As at 30 June 2015	As at 30 June 2014
Non-current borrowings				
Bank borrowings secured by the Group assets	22,729	28,024	–	4,900
Other non-current borrowings	–	9	–	–
Other non-current related parties borrowings (Note 32)	–	–	2,654	–
	22,729	28,033	2,654	4,900
Current borrowings				
Current portion of non-current bank borrowings	13,313	6,283	4,900	1,400
Current bank borrowings secured by the Group assets	55,560	54,657	–	–
Other current borrowings	8,696	8,401	–	–
Other current related parties borrowings (Note 32)	–	–	185	1,646
	77,569	69,341	5,085	3,046
	100,298	**97,374**	**7,739**	**7,946**

Interest payable is normally settled monthly throughout the financial year.

As at 30 June 2015 and 30 June 2014 property, plant and equipment, investment property, biological assets, inventories, trade receivables and bank accounts were pledged to banks as a collateral for the loans (Notes 3, 6, 7, 10, 11, 13, 16).

Compliance with the covenants of the borrowings agreements

During the year ended 30 June 2015 the Group and the Company did not comply with the covenants of the part of non-current borrowing agreements. In the case of non-compliance the creditors have the right to ask for the early repayment. Non-current portion of such borrowings, amounting to EUR 4,582 thousand and EUR 3,500 thousand, respectively, is presented as current liability in the financial statements of the Group and the Company.

(all amounts are in thousand euros unless otherwise stated)

19. BORROWINGS (CONT'D)

Weighted average effective interest rates of borrowings outstanding at the year-end:

	Group		Company	
	As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Current borrowings	1.76%	2.06%	2.63%	–
Non-current borrowings	2.27%	2.63%	2.60%	2.76%

Borrowings at the end of the year in national and foreign currencies (EUR equivalent):

	Group		Company	
	As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Borrowings denominated in:				
EUR	99,759	55,908	7,739	7,506
USD	539	3,722	–	–
LTL	–	37,744	–	440
	100,298	**97,374**	**7,739**	**7,946**

As at 30 June 2015 the Group's not utilized credit lines comprise EUR 74,620 thousand (EUR 38,902 thousand as at 30 June 2014).

20.FINANCE LEASE OBLIGATIONS

The assets leased by the Group under finance lease contracts consist of buildings and structures, machinery and equipment, vehicles and other property, plant and equipment. The terms of lease do not include restrictions on the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements. Apart from the lease payments, the most significant liabilities under the lease contracts are maintenance and insurance. The terms of finance lease vary from 3 to 5 years.

The split of the net book value of the assets acquired under finance lease is as follows:

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Buildings and structures	514	79
Machinery and equipment	383	830
Vehicles	910	1,406
Other property, plant and equipment	65	160
	1,872	**2,475**

Principal amounts of finance lease payables at the year-end denominated in national and foreign currencies are as follows:

	Group	
	As at 30 June 2015	**As at 30 June 2014**
EUR	2,592	1,658
LTL	–	834
	2,592	**2,492**

As at 30 June 2015 the interest rate on the finance lease obligations in EUR varies depending on the EURLIBOR, EURIBOR and ranges from 1.00% to 5.67%. The interest rate for the remaining portion of the finance lease liability in EUR outstanding as at 30 June 2015 is fixed, i.e. from 2% to 5%.

As at 30 June 2014 the interest rate on the finance lease obligations in EUR varies depending on the EURLIBOR, EURIBOR and VILIBOR and ranges from 1.12% to 4.5%. The interest rate for the remaining portion of the finance lease liability in LTL outstanding as at 30 June 2014 is fixed, i.e. from 2% to 5%.

(all amounts are in thousand euros unless otherwise stated)

20. FINANCE LEASE OBLIGATIONS (CONT'D)

Minimal future minimum lease payments under the above mentioned finance lease contracts are as follows:

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Within one year	886	882
From one to five years	1,393	1,403
After five years	663	507
Total finance lease obligations	**2,942**	**2,792**
Interest	(350)	(300)
Present value of finance lease obligations	2,592	2,492
Finance lease obligations are accounted for as:		
- current	803	810
- non-current	1,789	1,682

21.OPERATING LEASE

The Group concluded several contracts of operating lease. The terms of lease do not include restrictions on the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements. For the year ended 30 June 2015 the lease expenses of the Group amounted to EUR 609 thousand (EUR 547 thousand for the year ended 30 June 2014).

Minimal future lease payments according to the signed lease contracts are as follows:

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Within one year	918	485
From one to five years	1,786	1,098
After five years	35	588
Total	**2,739**	**2,171**
Denominated in (EUR equivalent):		
- EUR	2,171	687
- LTL	–	1,484

The Company does not have operating lease agreements as at 30 June 2015 and 30 June 2014.

22.TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 360-day term.

(all amounts are in thousand euros unless otherwise stated)

23.OTHER CURRENT LIABILITIES

	Group	
	As at 30 June 2015	**As at 30 June 2014**
Bonuses to employees	2,813	4,068
Vacation accrual	2,721	2,486
Advances received	860	472
Payroll related liabilities	2,868	2,110
VAT payable	2,972	2,679
Current portion of grants (Note 18)	871	928
Other liabilities	3,242	2,317
	16,347	**15,060**

Other current liabilities are non-interest bearing and have an average term of three months.

24.COST OF SALES

	Group Financial year ended	
	30 June 2015	**30 June 2014**
Cost of inventories recognised as an expense	460,176	481,261
Logistics expenses	42,627	34,490
Wages and salaries and social security	17,998	12,903
Provision for onerous contracts	–	(16)
Depreciation	6,675	5,907
Utilities expenses	5,991	3,227
Change in fair value of biological assets (Note 10)	(3,612)	479
Change in fair value of financial instruments	608	293
Other	1,823	2,814
	532,286	**541,358**

25.OPERATING EXPENSES

	Group		Company	
	Financial year ended			
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Wages and salaries and social security	18,097	16,162	17	17
Change in allowance for and write-offs of receivables and prepayments	753	2,678	–	–
Consulting expenses	1,167	1,146	647	432
Depreciation and amortization	1,707	1,568	18	3
Advertisement, marketing	1,705	1,041	–	–
Bank fees	827	850	–	–
Change in impairment of property, plant and equipment (Note 6)	(25)	25	–	–
Currency exchange loss	–	–	–	6
Other*	6,656	6,218	96	189
	30,887	**29,688**	**778**	**647**

**The largest part of other operating expenses as at 30 June 2015 comprises of logistics and fuel expenses in amount of EUR 1,653 thousand (EUR 1,612 thousand as at 30 June 2014), rent and related expenses in amount of EUR 1,136 thousand (EUR 970 thousand as at 30 June 2014) and other taxes in amount EUR 463 thousand (EUR 300 thousand as at 30 June 2014).*

(all amounts are in thousand euros unless otherwise stated)

26. OTHER INCOME (EXPENSES)

	Group	
	Financial year ended	
Other income	**30 June 2015**	**30 June 2014**
Rental income from investment property and property, plant and equipment	222	541
Gain from disposal of investment property and property, plant and equipment	220	420
Gain from acquisition of subsidiaries (Note 3)	–	6,407
Gain from disposal of subsidiaries (Note 3)	–	1,618
Gain from disposal other investments	359	–
Change in fair value of currency financial instruments	1,078	–
Write-off of liabilities (Note 3)	24	4,096
Other income	637	506
	2,540	**13,588**
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties	(181)	(147)
Loss from disposal of property, plant and equipment	(103)	(76)
Currency exchange loss	(320)	(362)
Change in fair value of currency financial instruments	–	(130)
Other expenses	(192)	(97)
	(796)	**(812)**

27. INCOME (EXPENSES) FROM FINANCING ACTIVITIES

	Group		Company	
	Financial year ended		Financial year ended	
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Income from financing activities				
Interest income	587	594	524	703
Income from overdue payments	4	12	–	–
	591	**606**	**524**	**703**
(Expenses) from financing activities				
Interest expenses	(2,496)	(2,707)	(227)	(258)
Expenses for overdue payments	(72)	(181)	–	–
	(2,568)	**(2,888)**	**(227)**	**(258)**

28. INCOME TAX

	Group	
	Financial year ended	
	30 June 2015	**30 June 2014**
Current income tax expense	1,310	1,691
Income tax correction for prior periods	(2)	123
Deferred income tax (income) expense	(142)	(1,449)
Income tax expenses recorded in the statement of comprehensive income	**1,166**	**365**

(all amounts are in thousand euros unless otherwise stated)

28. INCOME TAX (CONT'D)

	Group	
	Financial year ended	
	As at 30 June 2015	As at 30 June 2014
Deferred income tax asset		
Tax loss carry forward (available indefinitely)	1,796	1,962
Accruals	676	690
Investment incentive	242	212
Allowance for trade receivables	664	870
Impairment of investment property	91	92
Impairment of property, plant and equipment	106	109
Allowance for inventories	200	138
Fair value of financial instruments	77	46
Other	109	5
Total deferred income tax asset	**3,961**	**4,126**
Deferred income tax liability		
Property, plant and equipment (difference between tax and accounting values)	(2,821)	(3,273)
Fair value of biological assets	(194)	(118)
Other	(148)	(79)
Total deferred income tax liability	**(3,163)**	**(3,470)**
Deferred income tax, net	**798**	**656**
Accounted for as deferred income tax asset in the statements of financial position	1,955	2,185
Accounted for as deferred income tax liability in the statements of financial position	1,157	1,529

The Group's deferred income tax asset and liability were set-off to the extent they relate to the same tax administration institution and the same taxable entity.

As at 30 June 2015 and 30 June 2014 the Group has not recognised deferred tax asset for the following temporary differences:

	Group	
	As at 30 June 2015	As at 30 June 2014
Tax loss carry forward	885	828
Allowance for trade receivables	502	296
Investment incentive	–	162
Impairment of property, plant and equipment	–	20
Accrued expenses	–	8
	1,434	**1,314**

Temporary differences are available indefinitely, unless stated otherwise above.

Deferred tax asset has not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have a history of losses.

(all amounts are in thousand euros unless otherwise stated)

28. INCOME TAX (CONT'D)

There are no temporary differences associated with investments in associates as at 30 June 2015 and 2014.

The changes of temporary differences before and after tax effect in the Group were as follows:

	Balance as at 30 June 2014	Recognised in statement of comprehensive income	Recognition of previously unrecognized deferred tax asset	Balance as at 30 June 2015
Tax loss carry forward (available indefinitely)	13,784	(1,510)	989	13,262
Accruals	4,893	(257)	–	4,636
Investment incentive	1,650	124	509	2,283
Differences in tax base for trade receivables	6,939	(1,950)	–	4,989
Impairment of investment property	372	235	–	607
Impairment of property, plant and equipment	811	(167)	–	645
Fair value of financial instruments	305	209	–	514
Fair value of biological assets	(1,585)	(640)	–	(2,225)
Property, plant and equipment (difference between tax and accounting values)	(21,960)	3,653	–	(18,307)
Allowance for inventories	919	415	–	1,334
Other	1,336	(1,398)	–	(62)
Total temporary differences	**7,464**	**(1,286)**	**1,498**	**7,676**
Deferred income tax, net	**656**	**(87)**	**229**	**798**

The income tax can be reconciled to the theoretical amount, which would be calculated by applying the basic income tax rate to the Group's profit before tax as follows:

	Group Financial year ended	
	30 June 2015	**30 June 2014**
Profit before tax	10,360	24,005
Income tax expenses, applying the statutory rate in Lithuania (15%)	1,554	3,601
Effect of different tax rates in Estonia, Denmark, 5% tax rate for the entities engaged in agricultural activities (Note 2.21.)	(4)	(134)
Utilization of previously unrecognized deferred tax asset	(229)	(1,036)
Income tax correction for prior periods	(2)	123
Temporary differences for which no deferred taxes were recognized	104	125
Permanent differences*	(258)	(2,314)
Total income tax (income) expenses	**1,166**	**365**

** As at 30 June 2014 permanent differences mainly exists due to the bargain purchases of subsidiaries, gain on disposal of subsidiary (see Note 3) and write off of liabilities (Note 26).*

29.BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares for the years ended 30 June 2015 and 30 June 2014 was as follows:

Calculation of weighted average for the year ended 30 June 2015	**Number of shares**	**Par value (EUR)**	**Issued/365 (days)**	**Weighted average**
Shares issued as at 30 June 2014	158,149,426	0.29	1/365	433,286
Disposal of own shares 1 July 2014	1,000	0.29	2/365	866,578
Disposal of own shares 3 July 2014	1,000	0.29	362/365	156,851,551
Shares issued as at 30 June 2015	158,151,426			158,151,415

Calculation of weighted average for the year ended 30 June 2014	**Number of shares**	**Par value (EUR)**	**Issued/365 (days)**	**Weighted average**
Shares issued as at 30 June 2013	158,149,426	0.29	365/365	158,149,426
Shares issued as at 30 June 2014	158,149,426			158,149,426

The Group does not have any potential shares; therefore basic and diluted earnings per share are the same. Calculation of the basic and diluted earnings per share is presented below:

	Financial year ended	
	30 June 2015	**30 June 2014**
Net profit, attributable to the shareholders of the parent (in EUR thousand)	8,726	21,257
Weighted average number of ordinary shares outstanding for the year	158,151,415	158,149,426
Basic and diluted earnings per share (in EUR)	0.06	0.13

For the year ended 30 June 2014 the Company paid EUR 1,447 thousand dividends, or EUR 0.009 per share. The Board of the Company plans to offer to pay EUR 1,200 thousand dividends, or EUR 0.008 per share, for the year ended 30 June 2015.

30.FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT

Credit risk

None of the Group's customers comprise more than 10% of the Group's trade receivables; therefore there is no significant credit risk concentration in the Group.

The Group's procedures are in force to ensure that sales are made to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit. As at 30 June 2015 part of AB Linas Agro trade receivables were insured with the insurance limit equal to equivalent of EUR 9,545 thousand (EUR 11,388 thousand as at 30 June 2014).

The Group does not guarantee obligations of other parties.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the statements of financial position. Consequently, the Group considers that its maximum exposure is reflected by the amount of trade, related party and other accounts receivable, net of allowance for doubtful accounts recognised at the reporting date. Part of the trade and other accounts receivables is secured with pledged assets (Notes 13 and 14).

30. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

Interest rate risk

The major part of the Group's borrowings is with variable rates, related to LIBOR, EURIBOR and VILIBOR, which creates an interest rate risk. There were no financial instruments designated to manage the exposure to fluctuation in interest rates outstanding as at 30 June 2015 and 30 June 2014.

The sensitivity analysis of the pre-tax profit of the Group, considering that all other variables will remain constant, to possible changes in the interest rates is presented in the table below. There is no direct effect to equity from changes in interest rate.

	Effect on the profit before income tax for the year ended (in EUR thousand)			
	Increase / decrease of basis points	30 June 2015	Increase / decrease of basis points	30 June 2014
EUR	+150	(1,469)	+150	(841)
EUR	-30	294	- 30	168
LTL	–	–	+150	(549)
LTL	–	–	-30	110
USD	–	–	+150	(20)
USD	–	–	- 30	4

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans. The Group's liquidity (total current assets / total current liabilities) and quick ((total current assets – crops, current portion of animals and livestock and inventories) / total current liabilities) ratios as at 30 June 2015 were 1.59 and 0.99, respectively (as at 30 June 2014 1.63 and 0.93, respectively).

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (scheduled payments including interest).

Group	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current borrowings	–	1,804	5,412	7,687	21,089	717	36,709
Lease liabilities	–	153	729	704	698	508	2,792
Current borrowings	6,140	54,069	3,219	–	–	–	63,428
Other non-current liabilities	–	–	–	352	5	3	360
Derivative financial instruments	–	252	–	–	–	–	252
Current trade payables	927	21,043	10,233	–	–	–	32,203
Payables to related parties	–	2,160	–	–	–	–	2,160
Other liabilities	86	467	136	–	–	–	689
Balance as at 30 June 2014	**7,153**	**79,948**	**19,729**	**8,743**	**21,792**	**1,228**	**138,593**
Non-current borrowings	7,226	2,813	4,188	15,020	7,814	431	37,492
Lease liabilities	–	165	721	698	695	663	2,942
Current borrowings	185	63,620	547	–	–	–	64,352
Other non-current liabilities	–	–	–	183	–	–	183
Derivative financial instruments	–	581	–	–	–	–	581
Current trade payables	620	21,727	5,832	–	–	–	28,179
Payables to related parties	–	21	–	–	–	–	21
Other liabilities	–	1,620	121	–	–	–	1,741
Balance as at 30 June 2015	**8,031**	**90,547**	**11,409**	**15,901**	**8,509**	**1,094**	**135,491**

(all amounts are in thousand euros unless otherwise stated)

30. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (scheduled payments including interest).

Company	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current borrowings	–	745	812	1,518	3,629	–	6,704
Current borrowings from related parties	–	–	1,661	–	–	–	1,661
Non-current payable to related parties	–	–	–	–	–	49	49
Current trade payables	–	2	–	–	–	–	2
Payables to related parties	–	3	810	–	–	–	813
Other liabilities	–	32	–	–	–	–	32
Balance as at 30 June 2014	–	**782**	**3,283**	**1,518**	**3,629**	**49**	**9,261**
Non-current borrowings	5,012	–	–	–	–	–	5,012
Non-current borrowings from related parties	–	19	226	68	2,753	–	3,066
Non-current trade payables	–	–	–	175	–	–	175
Non-current payable to related parties	–	–	–	–	–	51	51
Current trade payables	–	13	175	–	–	–	188
Payables to related parties	–	–	810	–	–	–	810
Other liabilities	–	32	–	–	–	–	32
Balance as at 30 June 2015	**5,012**	**64**	**1,211**	**243**	**2,753**	**51**	**9,334**

Foreign exchange risk

Major currency risks of the Group occur due to the fact that the Group borrows foreign currency denominated funds as well as is involved in imports and exports. The Group's policy is to match cash flows arising from highly probable future sales and purchases in each foreign currency. When the Group opens a position in USD (i.e., goods are bought for USD and sold for EUR or vice versa), it manages USD exposure by changing positions in its credit line, i.e., buys or sells USD to close the open position.

The major part of the Group's monetary assets and liabilities as at 30 June 2015 is denominated in EUR (as at 30 June 2014 - are denominated in LTL or EUR, to which LTL was pegged), consequently the management of the Group believes that foreign exchange risk on EUR is insignificant. The Group used financial derivatives to manage the USD foreign currency exchange risk.

Monetary assets and liabilities stated in various currencies as at 30 June 2015 and 30 June 2014 were as follows (EUR equivalent):

Group	As at 30 June 2015		As at 30 June 2014	
	Assets	Liabilities	Assets	Liabilities
LTL	–	–	63,920	54,030
EUR	113,478	146,345	41,654	88,205
USD	3,126	947	3,830	7,419
DKK	383	553	526	923
PLN	1,250	73	960	54
	118,237	**147,918**	**110,890**	**150,631**

30. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

Foreign exchange risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in respect of currency exchange rate, with all other variables held constant of the Group's profit before tax (due to change in the fair value of monetary assets and liabilities). There is no direct effect to equity from changes in currency exchange rates.

	Increase/ decrease in exchange rate	Effect on the profit before income tax for the year ended (in EUR thousand)	
		30 June 2015	**30 June 2014**
USD	+ 15.00%	327	538
USD	- 15.00%	(327)	(538)
PLN	+ 15.00%	177	136
PLN	- 15.00%	(177)	(136)

Sensitivity to a reasonable possible change of DKK is not disclosed as it is not significant to the financial statements.

Financial risk, arising from biological assets, management strategy

The Group is engaged in wholesale trade of milk, therefore, is exposed to risks arising from changes in milk prices. The Group's wholesale agreements for milk do not represent financial instruments but represent a significant price risk. The Group does not anticipate that milk prices will be in prolonged decline in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of the decline in milk prices. The Group reviews its outlook for milk prices regularly in considering the need for active risk management.

Market price risk

The Group is exposed to the market price risk which is managed with the hedge accounting described in Note 15.

Fair value of financial instruments

The Group's principal financial instruments not carried at fair value are trade, related party and other accounts receivable, trade, related party and other payables, non-current and current borrowings.

Fair value is defined as disclosed in Note 2.26. Fair values of assets and liabilities are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The carrying amounts of the Group's financial assets and liabilities (which are not carried at fair value) approximate fair value and are classified as level 3 according to the fair value hierarchy described in the Note 2.26.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

1. The carrying amount of trade, related party and other accounts receivable, current trade, related party and other accounts payable and current borrowings approximates fair value (level 3).
2. The fair value of non-current debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The fair value of non-current borrowings with variable and fixed interest rates approximates their carrying amounts (level 3).

Capital management

For capital management purposes the Group's capital is equal to equity in the statement of financial position amounting to EUR 157,311 thousand as at 30 June 2015 (EUR 149,303 thousand as at 30 June 2014).

The primary objective of the Group's capital management is to ensure that it maintains a strong creditworthiness and healthy capital ratios in order to support its business and maximise shareholder value. The Group holds high capital for possible future expansion and further development of the Group.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2015 and 30 June 2014.

(all amounts are in thousand euros unless otherwise stated)

30. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

Capital management (cont'd)

The Company and the Group's subsidiaries registered in Lithuania and Estonia are obliged to keep its equity at no less than 50% of its share capital, as imposed by the Laws on Companies of the Republic of Lithuania and the Republic of Estonia. The Company and the Group's subsidiaries registered in Lithuania comply with this requirement. The Group subsidiary registered in Estonia doesn't comply with this requirement. The Group's subsidiaries registered in Latvia are obliged to keep its equity at no less than 0, as imposed by the Law on Companies of the Republic of Latvia. The Group's subsidiaries registered in Latvia comply with this requirement, except for SIA PFK TRADER and SIA Erfolg Group. The Group's management does not expect any negative consequences to the Group and is planning to take actions to mitigate these non-compliances.

The Group and the Company manages capital using a leverage ratio, which is 1 minus total equity divided by total assets of the Group and the Company. The Group's policy is to keep the leverage ratio below 75%.

	Group		**Company**	
	As at 30 June 2015	**As at 30 June 2014**	**As at 30 June 2015**	**As at 30 June 2014**
Total equity	159,137	152,093	100,026	96,822
Total assets	315,710	311,104	109,046	105,668
Total equity / Total assets	50%	49%	92%	92%
Leverage ratio	50%	51%	8%	8%

31.COMMITMENTS AND CONTINGENCIES

As at 30 June 2015 the Group is committed to purchase property, plant and equipment for the total amount of EUR 534 thousand (EUR 1,446 thousand as at 30 June 2014).

A few Group companies (Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB and Panevėžys district Žibartonių 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 the end of 2015, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių 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, AS Putnu fabrika Kekava, 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, AS Putnu fabrika Kekava- up to 2017, SIA Cerova – up to 2018 and 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 and Latvia amounting to EUR 4,528 thousand as at 30 June 2015 (EUR 6,889 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 EUR 68 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 30 June 2015 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 EUR 4,894 thousand (DKK 36,414 thousand) and not EUR 1,571 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 EUR 3,323 thousand (DKK 24,692 thousand) (tax value EUR 781 thousand (DKK 6,173 thousand)). Deferred 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.

(all amounts are in thousand euros unless otherwise stated)

31. COMMITMENTS AND CONTINGENCIES (CONT'D)

During the financial year ended 30 June 2015 the management of the Group initiated actions to reach the agreement between Lithuanian and Danish tax authorities. As at financial statements date there were no decisions reached as the investigation might last up to two years.

As at 30 June 2015 the balance of guarantees and warranties issued by the Company to the banks for the controlled companies (directly and indirectly controlled subsidiaries) amounted to EUR 61,711 thousand (EUR 22,154 thousand as at 30 June 2014).
The Company's guarantees are issued for the loans granted to these companies. The Company is obliged to repay the companies' liabilities to banks in full, if the subsidiaries are not able to do it themselves. The management of the Group believes that the subsidiaries on behalf of which guarantees and warranties were issued will meet their liabilities to the creditors, therefore, no provisions in respect of these guarantees were accounted for in the financial statements as at 30 June 2015 and 30 June 2014.

32.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 30 June 2015 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 12 month period ended 30 June 2015 and 30 June 2014 were as follows:
2015

	Purchases	Sales	Trade receivables	Non-current loans receivable	Current payables
Akola ApS group companies	3,444	14,300	19	814	21
Members of the board	–	17	–	361	–
	3,444	**14,317**	**19**	**1,175**	**21**

2014	**Purchases**	**Sales**	**Receivables**			**Payables**
			Trade receivables	**Current loans receivable**	**Non-current loans receivable**	
Akola ApS group companies	6,979	16,782	7	257	–	2,160
Members of the board	–	8	1	–	347	–
	6,979	**16,790**	**8**	**257**	**347**	**2,160**

(all amounts are in thousand euros unless otherwise stated)

32.RELATED PARTIES TRANSACTIONS (CONT'D)

The Company's transactions with related parties in the years ended 30 June 2015 and 30 June 2014 were as follows:

2015	**Purchases**	**Income**	**Receivables**				**Payables**		
			Non-current loans receivable	**Current loans receivable**	**Trade receivables**	**Non-current payables**	**Current Payables**	**Non-current loans received**	**Current loans received**
Akola ApS group companies	–	14	814	–	–		–	–	–
Subsidiaries	77	5,344	5,654	3,830	207	51	810	2,654	185
	77	**5,358**	**6,468**	**3,830**	**207**	**51**	**810**	**2,654**	**185**

2014	**Purchases**	**Income**	**Receivables**		**Prepayments for financial assets**		**Payables**	
			Non-current loans receivable	**Current loans receivable**		**Non-current payables**	**Current Payables**	**Current loans received**
Akola ApS group companies	–	–	–	–	–	–	–	–
Subsidiaries	185	7,743	5,485	3,749	2,820	49	813	1,646
	185	**7,743**	**5,485**	**3,749**	**2,820**	**49**	**813**	**1,646**

As at 30 June 2015 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%. As at 30 June 2014 interest rates of the Group for non-current loans receivable from related parties are equal to 4%, 4.2% and 3 month EURIBOR + 2.45% margin, interest rates of the Group for current loans receivable from related parties are equal to 3 month EURIBOR + 2.45% and 3 month EURIBOR + 4.2% margin.

As at 30 June 2015 and 2014 rates of the Company for non-current loans receivable from related parties are 4% and 3 month EURIBOR + 2.45% margin. As at 30 June 2015 rates of the Company for current loans receivable from related parties are 6% and 6.5%. As at 30 June 2014 rates of the Company for current loans receivable from related parties are varies from 4% to 6.5%.

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 not due neither impaired as at 30 June 2015 and 30 June 2014.

Remuneration of the management and other payments

The Group's management consists of the Company's board of directors and directors of each of the company in the Group. The Group's management remuneration amounted to EUR 3,437 thousand (including EUR 1,042 thousand of bonuses to the board of directors of AB Linas Agro) for the year ended 30 June 2015 (EUR 3,253 thousand (including EUR 1,129 thousand of bonuses to the board of directors of AB Linas Agro) for the year ended 30 June 2014). For the year ended 30 June 2015 the Group's management received EUR 220 thousand dividends from the Company (for the year ended 30 June 2014 the Group's management received EUR 264 thousand dividends from the Company).

For the year ended 30 June 2015 the Group's management has also received EUR 54 thousand of rent payments (EUR 2 thousand of rent payments for the year ended 30 June 2014).

The Company's management consists of the board of directors and a managing director. For the year ended 30 June 2015 the Company's management remuneration amounted to EUR 4 thousand (EUR 4 thousand for the year ended 30 June 2014).

No other payments or property transfers to/from the management were made or accrued; no other loans or guarantees were received / granted in the years ended 30 June 2015 and 30 June 2014.

(all amounts are in thousand euros unless otherwise stated)

33.MATERIALLY PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	30 June 2015	30 June 2014
AS Putnu fabrika Kekava	Latvia	3.53%	15.64%
Karčemos Kooperatinė Bendrovė	Lithuania	76.02%	60.08%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of comprehensive income:

	AS Putnu fabrika Kekava		Karčemos Kooperatinė Bendrovė	
	Financial year ended			
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Revenue	40,811	26,585	1,097	756
Net profit (loss)	877	7,007	542	124
Total comprehensive income	**877**	**7,007**	**542**	**124**
Attributable to non-controlling interests	31	1,096	412	74
Dividends paid to non-controlling interests	–	–	–	–

Summarised statement of financial position:

	AS Putnu fabrika Kekava		Karčemos Kooperatinė Bendrovė	
	Financial year ended			
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Current assets	7,634	7,038	459	293
Non-current assets	26,895	26,633	3,857	3,984
Current liabilities	5,420	5,124	406	466
Non-current liabilities	9,294	15,788	3,235	3,678
Total equity	**19,815**	**12,759**	**675**	**133**
Attributable to Non-controlling interests	699	1,996	513	80

Summarised cash flow statement:

	AS Putnu fabrika Kekava		Karčemos Kooperatinė Bendrovė	
	Financial year ended			
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**
Operating activities	(3,850)	1,032	414	494
Investing activities	(1,319)	(584)	11	(17)
Financing activities	4,674	66	(524)	(339)
Net increase/(decrease) in cash and cash equivalents	**(495)**	**514**	**(99)**	**138**

34.SUBSEQUENT EVENTS

Group

On 3 July 2015 the AB Linas Agro signed the credit line agreement with AB DNB Bank. The total credit limit is EUR 10 million.

On 10 July 2015 AB Linas Agro prolonged the credit line agreement with AB SEB Bank till 10 July 2017. The total credit limit is EUR 80 million.

On 27 July 2015 AB Linas Agro prolonged guarantee agreement with SEB and DNB banks in Latvia till 28 July 2017, regarding the EUR 30 million credit line of subsidiary SIA Linas Agro.

On 6 August 2015 AB Linas Agro signed the credit line agreement with AB DNB Bank. The total credit limit is EUR 1 million.

On 9 July 2015 UAB Dotnuvos projektai signed the credit line agreement amendment with AB SEB Bank according which the limit of supplier`s guarantee was increased to 3,000 thousand EUR. In addition, UAB Dotnuvos projektai signed factoring and credit line agreements` prolongation for the forthcoming year.

On 9 July UAB Linas Agro Grūdų centras KŪB changed credit line agreement with AB SEB Bank, where repayment of the loan in amount of EUR 1,205 thousand was prolonged until 1 October 2018.

On 18 August 2015 UAB Žemės ūkio investicijos was unregistered from the Register of Legal Entities of the Republic of Lithuania.

On 26 August 2015 UAB Linas Agro Grūdų centras KŪB prolonged working capital credit line agreement with AB SEB Bank for one year.

Company

On 30 July 2015 the Company additionally acquired 299 shares of AS Putnu fabrika Kekava for EUR 6 thousands.

During July – August 2015 the Company increased Noreikiškių ŽŪB share capital from EUR 433 thousand to EUR 449 thousand, ŽŪB Landvesta 4 share capital from EUR 533,753 to EUR 603,777 and made a decision for the increase of share capital of UAB Lineliai from EUR 553 thousand to 638 thousand.