



AB LINAS AGRO GROUP CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 9 MONTH PERIOD OF THE YEAR 2015/16

(UNAUDITED)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2016	As at 30 June 2015
ASSETS			
Non-current assets			
Intangible assets	5	1,162	901
Property, plant and equipment	6	108,090	104,213
Investment property	7	1,389	1,523
Animals and livestock		6,943	8,127
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		1,121	903
Non-current receivables from related parties	12	800	1,175
Total non-current financial assets		1,938	2,095
Deferred income tax asset		1,964	1,955
Total non-current assets		121,486	118,814
Current assets			
Crops		3,303	15,436
Livestock		2,090	1,997
Inventories		99,391	56,415
Prepayments		7,556	8,729
Accounts receivable			
Trade receivables		85,702	96,700
Receivables from related parties	12	66	19
Income tax receivable		218	901
Other accounts receivable		2,711	9,500
Total accounts receivable		88,697	107,120
Other current financial assets		2,301	519
Cash and cash equivalents		13,769	6,680
Total current assets		217,107	196,896
Total assets		338,593	315,710

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONT'D)

	Notes	As at 31 March 2016	As at 30 June 2015
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,032
Share premium	1	23,038	23,038
Legal reserve		2,936	2,704
Reserve for own shares		–	1,819
Own shares (-)		(455)	(457)
Foreign currency translation reserve		(22)	(22)
Other reserve		105	–
Retained earnings		87,487	84,197
Total equity attributable to equity holders of the parent		159,182	157,311
Non-controlling interest		2,400	1,826
Total equity		161,582	159,137
Liabilities			
Non-current liabilities			
Grants and subsidies		6,734	6,646
Non-current borrowings	8	29,190	22,729
Finance lease obligations		1,383	1,789
Non-current trade payables		8	183
Deferred income tax liability		627	1,157
Non-current employee benefits		266	266
Total non-current liabilities		38,208	32,770
Current liabilities			
Current portion of non-current borrowings	8	7,079	13,313
Current portion of finance lease obligations		793	803
Current borrowings	8, 12	76,954	64,256
Trade payables		35,698	28,179
Payables to related parties	12	717	21
Income tax payable		1,235	303
Derivative financial instruments		–	581
Other current liabilities		16,327	16,347
Total current liabilities		138,803	123,803
Total equity and liabilities		338,593	315,710

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 March)

	Notes	2015/2016 9 month	2014/2015 9 month
Sales	4	474,324	445,052
Cost of sales		(445,716)	(417,242)
Gross profit		28,608	27,810
Operating (expenses)	9	(23,972)	(21,714)
Other income	10	1,217	1,210
Other (expenses)		(343)	(975)
Operating profit		5,510	6,331
Income from financing activities		481	512
(Expenses) from financing activities		(2,071)	(2,009)
Profit before tax		3,920	4,834
Income tax		(887)	(1,065)
Net profit		3,033	3,769
Net profit attributable to:			
Equity holders of the parent		3,048	3,455
Non-controlling interest		(15)	314
		3,033	3,769
Basic and diluted earnings per share (EUR)		0.02	0.02
Net profit		3,033	3,769
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		–	22
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	22
Total comprehensive income, after tax		3,033	3,791
Total comprehensive income attributable to:			
The shareholders of the Company		3,048	3,477
Non-controlling interest		(15)	314
		3,033	3,791

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 January to 31 March)

	Notes	2015/2016 3 Q	2014/2015 3 Q
Sales	4	107,343	134,686
Cost of sales		(104,001)	(123,615)
Gross profit		3,342	11,071
Operating (expenses)	9	(7,208)	(7,921)
Other income	10	289	241
Other (expenses)		(169)	(791)
Operating profit		(3,746)	2,600
Income from financing activities		88	202
(Expenses) from financing activities		(808)	(668)
Profit before tax		(4,466)	2,134
Income tax		424	(429)
Net profit		(4,042)	1,705
Net profit attributable to:			
Equity holders of the parent		(3,953)	1,729
Non-controlling interest		(89)	(24)
		(4,042)	1,705
Basic and diluted earnings per share (EUR)		(0.02)	0.01
Net profit		(4,042)	1,705
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		–	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Total comprehensive income, after tax		(4,042)	1,705
Total comprehensive income attributable to:			
The shareholders of the Company		(3,953)	1,729
Non-controlling interest		(89)	(24)
		(4,042)	1,705

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent

Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2014	46,032	(457)	23,038	2,360	1,825	(44)	–	76,549	149,303	2,790	152,093
Net profit for the year	–	–	–	–	–	–	–	3,455	3,455	314	3,769
Other comprehensive income	–	–	–	–	–	22	–	–	22	–	22
Total comprehensive income	–	–	–	–	–	22	–	3,455	3,477	314	3,791
Declared dividends by company	–	–	–	–	–	–	–	(1,448)	(1,448)	–	(1,448)
Dividends declared by the subsidiaries	–	–	–	–	–	–	–	–	–	(10)	(10)
Transfer to reserves	–	–	–	344	(6)	–	–	(338)	–	–	–
Acquisition of minority interest	–	–	–	–	–	–	–	406	406	(836)	(430)
Balance as at 31 March 2015	46,032	(457)	23,038	2,704	1,819	(22)	–	78,624	151,738	2,258	153,996
Balance as at 1 July 2015	46,032	(457)	23,038	2,704	1,819	(22)	–	84,197	157,311	1,826	159,137
Net profit for the year	–	–	–	–	–	–	–	3,048	3,048	(15)	3,033
Total comprehensive income	–	–	–	–	–	–	–	3,048	3,048	(15)	3,033
Transfer of own shares	–	2	–	–	–	–	–	(2)	–	–	–
Declared dividends by company	–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Share capital value adjustment due to conversion to euro	61	–	–	–	–	–	–	(61)	–	–	–
Reserves made	–	–	–	232	(1,819)	–	105	1,482	–	–	–
Dividends declared by the subsidiaries	–	–	–	–	–	–	–	–	–	(10)	(10)
Disposal of minority interest in subsidiaries	–	–	–	–	–	–	–	–	–	634	634
Acquisition of minority interest	–	–	–	–	–	–	–	25	25	(35)	(10)
Balance as at 31 March 2016	46,093	(455)	23,038	2,936	–	(22)	105	87,487	159,182	2,400	161,582

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

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2015/2016 3 Q	2014/2015 3 Q
Cash flows from (to) operating activities			
Net profit		3,033	3,769
Adjustments for non-cash items:			
Depreciation and amortisation		7,701	7,068
Subsidies amortisation		(661)	(673)
(Gain) on disposal of property, plant and equipment		(224)	(113)
(Gain) on disposal of other investments		–	(359)
Change in allowance and write-offs for receivables and prepayments		(273)	806
Inventories write down to net realisable value		14	14
Change in accrued expenses		(1)	(952)
Change in fair value of biological assets		1,037	420
Change in deferred income tax		(459)	23
Current income tax expenses		1,347	1,042
Liabilities write of		(4)	(12)
Expenses (income) from change in fair value of financial instruments		(432)	171
Dividend (income)		–	(45)
Interest (income)		(481)	(512)
Interest expenses		2,071	2,009
		12,668	12,656
Changes in working capital:			
Decrease in biological assets		12,407	9,928
(Increase) in inventories		(42,929)	(25,084)
Decrease in prepayments		1,173	2,060
Decrease in trade and other accounts receivable		15,697	24,407
(Increase) decrease in restricted cash		(567)	198
(Decrease) in trade and other accounts payable		(12,040)	(6,529)
Income tax (paid)		(609)	(1,343)
Net cash flows from (to) operating activities		(14,200)	16,293

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2015/2016 3 Q	2014/2015 3 Q
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(14,597)	(7,652)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		737	554
(Acquisition) of subsidiaries (less received cash balance in the Group)	3	–	(200)
Disposal of other investments	3	–	434
Proceeds from disposals of subsidiaries		–	71
Loans (granted)		(1,003)	(2,384)
Repayment of granted loans		2,948	1,182
Interest received		185	99
Dividends received		–	156
Net cash flows from (to) investing activities		(11,730)	(7,740)
Cash flows from (to) financing activities			
Proceeds from loans		102,992	65,098
(Repayment) of loans		(66,364)	(70,294)
Finance lease (payments)		(654)	(680)
Interest (paid)		(1,733)	(1,700)
Dividends (paid) to non-controlling shareholders		(10)	(10)
Dividends (paid)		(1,202)	(1,448)
Acquisition of non-controlling interest		(10)	(431)
Net cash flows from (to) financing activities		33,019	(9,465)
Net (decrease) increase in cash and cash equivalents		7,089	(912)
Cash and cash equivalents at the beginning of the year		6,680	8,632
Cash and cash equivalents at the end of the year		13,769	7,720
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		431	661
Property, plant and equipment acquisitions financed by finance lease		664	285

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

As at 31 March 2016 and as at 30 June 2015 the shareholders of the Company were:

	As at 31 March 2016		As at 30 June 2015	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	97,169,646	61.14%	88,984,443	55.99%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank AS (Estonia) clients	11,773,292	7.41%	10,720,893	6.75%
SEB AS OMNIBUS (Luxembourg) clients	–	–	12,026,834	7.57%
Other shareholders (private and institutional investors)	32,947,465	20.72%	30,158,233	18.96%
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 31 March 2016 (EUR 0.29 each as at 30 June 2015) and were fully paid as at 31 March 2016 and as at 30 June 2015.

The Company holds 785,972 of its own shares, percentage 0.50%, as at 31 March 2016 (788,972 as at 30 June 2015). Subsidiaries and other related companies did not hold any shares of the Company as at 31 March 2016 and as at 30 June 2015.

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 31 March 2016 the number of employees of the Group was 2,226 (2,334 as at 30 June 2015).

No changes in share capital occurred during the years ending 31 March 2016 and 30 June 2015.

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2014/2015 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 31 March 2016 and as at 30 June 2015 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 March 2016	30 June 2015	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuvos Projektai	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	93.48%	96.47%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	93.48%	96.47%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
SIA Erfolg Group	Latvia	93.48%	96.47%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 March 2016	30 June 2015	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.53%	98.48%	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	97.76%	97.41%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.29%	95.20%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	98.64%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Žemės ūkio investicijos	Lithuania	–	100%	Liquidated
Panevėžys district Žibartonių ŽŪB	Lithuania	99.90%	99.80%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuvos Projektai)				
SIA DOTNUVOS PROJEKTAI	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuvos Projektai	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centras	Latvia	100%	100%	Preparation and warehousing of grains for trade
Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)				
Karčemos kooperatinė bendrovė	Lithuania	4.00%*	3.98%*	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 9 month period ended 31 March 2016

During 9 month period, ended 31 March 2016, the Company acquired 0.09% AS Putnu fabrika Kekava share capital for EUR 9 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 9 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Company canceled agreement of acquisition of 3.08% AS Putnu fabrika Kekava share capital from the non-controlling shareholders.

During 9 month period, ended 31 March 2016, the Group acquired 0.09% Sidabravo ŽŪB share capital for EUR 1 thousand, 0.35% Panevėžio district Aukštadvario ŽŪB share capital for EUR 1 thousand. All shares were acquired from the non-controlling shareholders. The difference of EUR 11 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 9 month period the Group made restructurization of Užupės ŽŪB and Panevėžio district Žibartonių ŽŪB. Share capital of Panevėžio district Žibartonių ŽŪB was increased by contribution of Užupės ŽŪB property, plant and equipment. This consolidation have resulted in an increase of the effective Group ownership of Panevėžio district Žibartonių ŽŪB by 99.80% up to 99.90%.

Changes in the Group during the year 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 and 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.

4. SEGMENT INFORMATION

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

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, vegetable oil, rapeseed and other feedstuffs, grain storage and logistics services;
- the 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 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.

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

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 31 March 2016								
Revenue								
Third parties	320,599	99,041	9,784	44,863	37	–	–	474,324
Intersegment	3,257	5,617	11,914	–	–	–	(20,788) ¹⁾	–
Total revenue	323,856	104,658	21,698	44,863	37	–	(20,788)¹⁾	474,324
Results								
Operating expenses	(5,707)	(9,366)	(2,234)	(3,732)	(16)	(2,917)	–	(23,972)
Segment operating profit (loss)	10,378	506	(3,728)	1,102	53	(2,801)	–	5,510
Group								
Financial year ended 31 March 2015								
Revenue								
Third parties	314,014	76,549	9,677	44,389	423	–	–	445,052
Intersegment	12,059	5,238	9,822	–	481	–	(27,600) ¹⁾	–
Total revenue	326,073	81,787	19,499	44,389	904	–	(27,600)¹⁾	445,052
Results								
Operating expenses	(4,340)	(7,553)	(2,065)	(3,746)	(61)	(3,949)	–	(21,714)
Segment operating profit (loss)	7,311	235	(1,245)	3,697	65	(3,732)	–	6,331

1) Intersegment revenue is eliminated on consolidation.

4. SEGMENT INFORMATION (CONT'D)

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

Revenue from external customers	9 month period ended	
	31 March 2016	31 March 2015
Lithuania	127,880	99,150
Europe (except for Scandinavian countries, CIS and Lithuania)	160,260	146,935
Scandinavian countries	49,108	69,435
Asia	92,402	5,098
Africa	36,270	115,752
CIS	8,404	8,682
	474,324	445,052

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

Non-current assets	As at 31 March 2016	As at 30 June 2015
Lithuania	60,458	61,842
Latvia	48,932	43,310
Estonia	1,245	1,474
Denmark	6	11
	110,641	106,637

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

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Total
Cost:			
Balance as at 30 June 2014	732	96	828
Additions	75	534	609
Write-offs	(3)	(17)	(20)
Balance as at 30 June 2015	804	613	1,417
Additions	13	320	333
Write-offs	–	(11)	(11)
Reclassifications	115	(115)	–
Balance as at 31 March 2016	932	807	1,739
Accumulated amortization:			
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
Charge for the year	51	21	72
Write-offs	–	(11)	(11)
Reclassifications	15	(15)	–
Balance as at 31 March 2016	558	19	577
Net book value as at 31 March 2016	374	788	1,162
Net book value as at 30 June 2015	312	589	901
Net book value as at 30 June 2014	293	73	366

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

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 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
Additions	20	161	3,624	700	330	9,091	13,926
Disposals and write-offs	(5)	(1,000)	(1,965)	(317)	(816)	(7)	(4,110)
Transfers from investment property	–	146	–	–	–	–	146
Reclassifications	–	4,807	1,328	2	14	(6,151)	–
Balance as at 31 March 2016	13,360	84,602	41,074	5,369	5,129	8,642	158,176
Accumulated depreciation:							
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
Charge for the year	–	4,154	2,703	619	637	–	8,113
Disposals and write-offs	–	(156)	(965)	(165)	(727)	–	(2,013)
Transfers from investment property	–	20	–	–	–	–	20
Balance as at 31 March 2016	–	24,314	19,501	2,830	3,009	–	49,654
Impairment losses:							
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
Disposals and write-offs	–	(35)	–	–	–	–	(35)
Balance as at 31 March 2016	21	399	11	–	1	–	432
Net book value as at 31 March 2016	13,339	59,889	21,562	2,539	2,119	8,642	108,090
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

7. INVESTMENT PROPERTY

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

Cost:	Land	Buildings	Total
Balance as at 30 June 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
Transfers to property, plant and equipment	–	(146)	(146)
Balance as at 31 March 2016	1,313	129	1,442
Accumulated depreciation:			
Balance as at 30 June 2014	–	49	49
Charge for the year	–	16	16
Balance as at 30 June 2015	–	65	65
Charge for the year	–	8	8
Transfers to property, plant and equipment	–	(20)	(20)
Balance as at 31 March 2016	–	53	53
Impairment losses:			
Balance as at 30 June 2014	–	–	–
Balance as at 30 June 2015	–	–	–
Balance as at 31 March 2016	–	–	–
Net book value as at 31 March 2016	1,313	76	1,389
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

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

8. BORROWINGS

	As at 31 March 2016	As at 30 June 2015
Non-current borrowings		
Bank borrowings secured by the Group assets	29,190	22,729
	29,190	22,729
Current borrowings		
Current portion of non-current bank borrowings	7,079	13,313
Current bank borrowings secured by the Group assets	75,133	55,560
Other current borrowings (Note 12)	1,821	8,696
	84,033	77,569
	113,223	100,298

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	9 month period ended	
	31 March 2016	31 March 2015
Wages and salaries and social security	15,703	12,998
Consulting expenses	657	849
Depreciation and amortization	1,266	1,340
Other	6,346	6,527
	23,972	21,714

10. OTHER INCOME (EXPENSES)

	9 month period ended	
	31 March 2016	31 March 2015
Other income		
Rental income from investment property and property, plant and equipment	176	161
Gain from currency exchange	293	–
Gain from disposal of investment property and property, plant and equipment	292	168
Gain from disposal of other investments	–	359
Write-off of liabilities	–	12
Other income	456	510
	1,217	1,210
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(182)	(165)
Loss from disposal of property, plant and equipment	(68)	(55)
Currency exchange loss	–	(708)
Other expenses	(93)	(47)
	(343)	(975)

11. COMMITMENTS AND CONTINGENCIES

As at 31 March 2016 the Group is committed to purchase property, plant and equipment for the total amount of EUR 12,597 thousand (EUR 534 thousand as at 30 June 2015).

A few companies of the Group (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, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB not to discontinue operations related to agricultural up to 2019, Šakiai district Lukšių ŽŪB up to -2020. 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 2020, 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 4,302 thousand as at 31 March 2016 (EUR 4,528 thousand as at 30 June 2015).

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 31 March 2016 and 30 June 2015.

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.

During the 9 month period ended 31 March 2016 the management of the Group initiated actions to reach the agreement between Lithuanian and Danish tax authorities. As at financial statements preparation date there were no decisions reached as the investigation might last up to two years.

12. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the years ended 31 March 2016 and 30 June 2015 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.

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 9 month period ended 31 March 2016 were as follows:

2015/2016	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current payable loans
			Trade receivables	Current loans receivable			
Akola ApS group companies	2,891	11,999	66	–	800	717	1,000
Members of management board	–	6	–	–	–	–	–

As at 31 March 2016 interest rates of the Group for non-current loans receivable from related parties are equal to 2.61%.

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 31 March 2016 interest rates of the Group for current payable loans to related parties are equal to 4%.

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

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

Terms and conditions of the financial assets and liabilities:

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

The Group's receivables from related parties were nor due neither impaired as at 31 March 2016 and 30 June 2015.

13. SUBSEQUENT EVENTS

On 20 April 2016 Group acquired 100% shares of SIA Paleo for EUR 4,590 thousand to further expand business activities in Latvia.