

CONSOLIDATED INTERIM REPORT

OF THE FINANCIAL YEAR 2014/15

OF AB LINAS AGRO GROUP

FOR 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2014



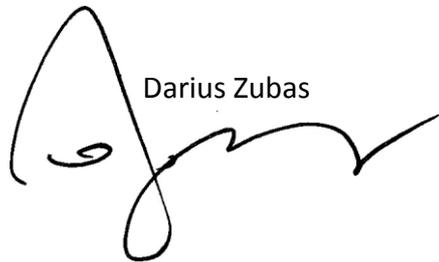


CONFIRMATION OF RESPONSIBLE PERSONS

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodical and Additional Information of the Bank of Lithuania, we, Darius Zubas, Managing Director of AB Linas Agro Group and Tomas Tumėnas, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the not audited AB Linas Agro Group Interim Consolidated Financial Statements for the three months of the financial year 2014/15, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or losses and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Interim Consolidated Report for the three months of the financial year 2014/15 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

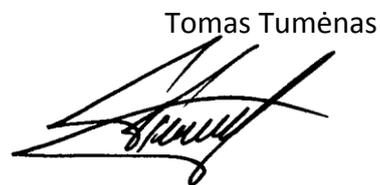
AB Linas Agro Group Managing Director

28 November 2014

Darius Zubas


AB Linas Agro Group Finance Director

28 November 2014

Tomas Tumėnas




COMPANY DETAILS

Company name	AB Linas Agro Group
Legal form	Public company
Date and place of registration	27/11/1995 in Panevezys
Code of legal entity	148030011
VAT identification number	LT480300113
Company register	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania
Phone	+370 45 50 73 03
Fax	+370 45 50 73 04
E-mail	<i>group@linasagro.lt</i>
Website	<i>www.linasagro.lt</i>
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in NASDAQ OMX Vilnius	LNA1L

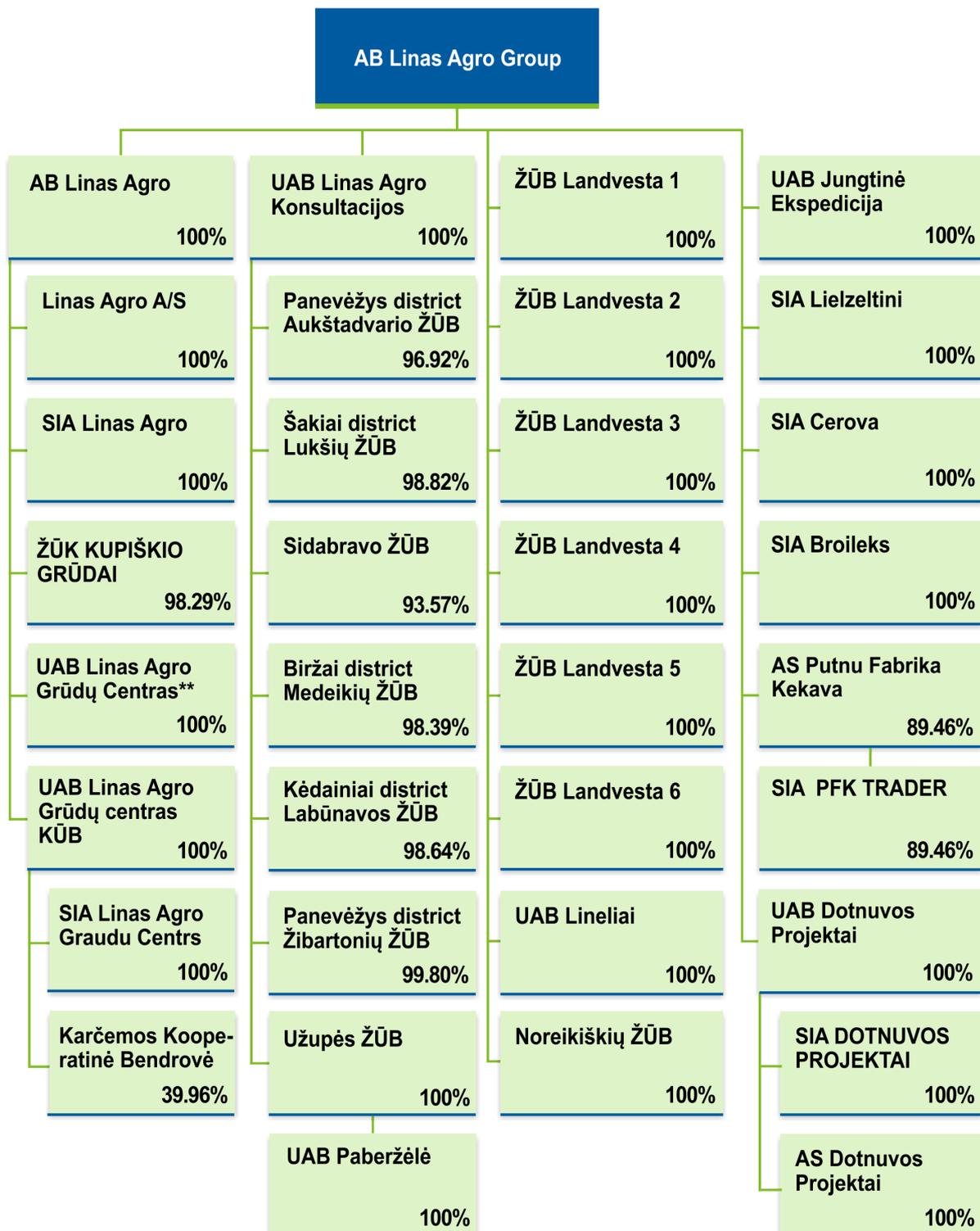
ABOUT THE GROUP

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and had 39 companies at the end of the reporting period, and operates in four countries – Lithuania, Latvia, Estonia and Denmark. As at 30 September, 2014 the total headcount of the Group amounted to 2,242 employees. The financial year of the Group begins on 1 July. The Company does not have any branches and representative offices.

STRUCTURAL CHART OF THE EFFECTIVE STOCK HELD BY AB LINAS AGRO GROUP (AS AT 30 SEPTEMBER 2014)*:

*Dormant companies UAB Gerera (100% shares), UAB Fossio (100% shares) – the company that goes through reorganization, UAB Dotnuvos Technika (100% shares) and UAB Žemės Ūkio Investicijos (100% shares) not included.

** Company takes part in reorganization, by merging UAB Fossio to it.



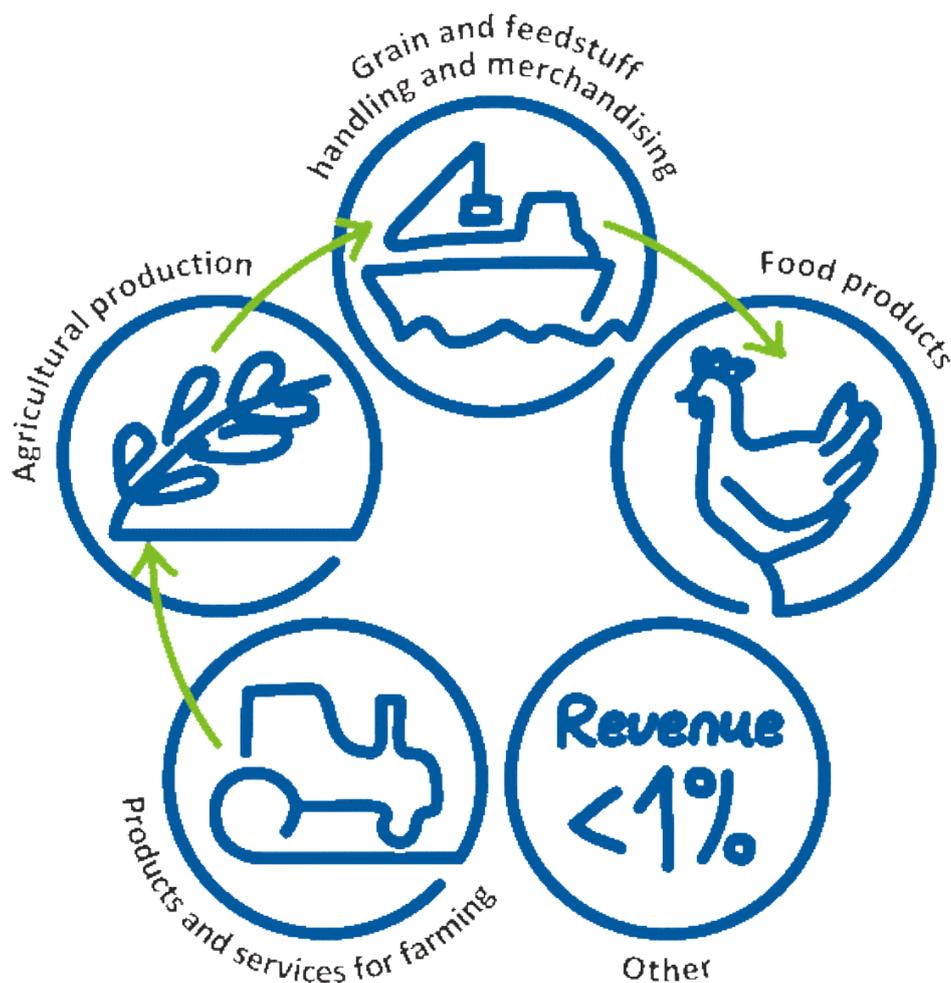


The subsidiaries controlled by the Company produce, handle and merchandise agricultural and food products, also provide products and services for farming. The Company performs only the management function and is not involved in any trading or production activities.

The Group is the leading exporter of grains and owns network of grain storage facilities. Also is one of the leaders in supplies of agricultural inputs (such as certified seeds, fertilizers and agricultural machinery) in Lithuania, *has seed* preparation plant. Also the Group is a major milk producer in Lithuania and poultry producer in Latvia.

The Group's activities are subdivided into five basic operating Segments: *Grain and Feedstuff Handling and Merchandising, Products and Services for Farming, Agricultural Production, Food products* and *Other*. Division into separate Segments is dictated by different types of products and character of related activities; however, activities of the Segments are often interconnected.

Food products – a new activity Segment that appeared in 2013/14 financial year after the Company acquired a group of Latvian poultry companies.



ACTIVITY AND FINANCIAL RESULTS OF THE GROUP



Consolidated revenue of AB Linas Agro Group in the first quarter of 2014/15 financial year totaled LTL 452 million and remained almost the same as compared to previous year (LTL 450 million).



The Group's sales volume in tons reached 421 thousand tons of various grains and agricultural inputs and was 14% more as compared to previous year (369 thousand tons).



Grain storage facilities owned by AB Linas Agro Group processed 401 thousand tons of various grains or 18% more as compared to the respective period of 2013/14 financial year.



The Group's gross profit reached LTL 31 million or was 14% less as compared to the respective period of the previous year (LTL 36 million). Consolidated EBITDA declined to LTL 21 million from LTL 31 million last year.



The Group's operating profit reached LTL 12.1 million or was 53% less as compared to the respective period of the previous year (LTL 25.8 million) and the net profit before tax amounted to LTL 10 million (compared to LTL 25 million previous year). The net profit attributable to the Group reached LTL 7 million (LTL 22 million previous year).



1. FINANCIAL RATIOS

	2014/15 3 months	2013/14 3 months	2012/13 3 months	2011/12 3 months
Revenue (thousand LTL)	451,801	450,337	338,668	443,933
Sales in tons	421,293	368,682	332,943	393,279
Gross profit (thousand LTL)	31,254	35,585	24,484	31,583
EBITDA (thousand LTL)	21,136	30,833	41,011	24,959
Operating profit (thousand LTL)	12,098	25,798	32,523	20,939
Net profit (thousand LTL)	7,711	22,254	90,498	84,345

2. OVERVIEW

According to International Grain Council (IGC) data the total world grains and oilseeds harvest in 2014 due is considered one of the highest in the last three years and is predicted that wheat harvest would reach 720 million tons (715 million tons in 2013) and soybeans – 312 million tons (285 million tons in 2013). Also global wheat ending stocks are expected to increase from 186 million tons to 193 million tons and soybeans stocks from 67 million tons to 90 million tons. The grain harvest in Lithuania should remain also one of the best and would amount to 4.9 million tons (4.6 million tons in 2013). Grain harvest in Latvia is expected to be 1.9 million tons or 11 % more if compared with the recent five-year average.

Good harvest and big inventories affected the global prices for grains and oilseeds which declined as compared to 2013. For instance, wheat price in MATIF Exchange over period July-September fluctuated between 165-180 euros per ton compared to 185-195 euros per ton a year before, the price for rapeseed was 325-335 euros per ton compared to 360-390 euros per ton in previous year.

Decline in the grain prices had an impact on farmer's decisions and many of them decided to store their grain till price recovers. Nevertheless, Group has been actively buying and simultaneously selling grain therefore was able to increase traded volumes of various products from 367 thousand tons last year to 421 thousand tons.

Consolidated revenues of AB Linas Agro Group over first three months of this financial year amounted to LTL 452 million or remained almost the same if compared to previous ones (LTL 450 million). The main reasons that had a positive impact for the growth in revenues was increased sales in grains and feedstuff handling and merchandising (revenues of that business Segment grew from LTL 302 million to LTL 307 million) and consolidation of the new business segment – *Food Products* within the Group. The revenues from food products sales amounted to LTL 54 million.

Decreased purchase prices for grains and milk had a negative impact on profitability of Group controlled farms. Moreover, European Union structural funds subsidy program for agricultural machinery upgrade has not been confirmed at governmental level, and this fact had a negative impact on sales of agricultural machinery in all Baltic countries. These were major reasons what negatively affected Group's

profitability so far. AB Linas Agro Group's gross profit dropped by 12% to LTL 31 million and operating profit – by 53% to LTL 12 million. Group's EBITDA stood at LTL 21 million as compared to LTL 31 million in 2013/14 financial year.

It should be noted that LTL 8 million profit from acquisition of Panevėžys district Žibartoniai agricultural company was recorded in previous financial year's operating profit. Therefore operating profit of AB Linas Agro Group declined from LTL 17 million to LTL 12 million.

3. PERFORMANCE RESULTS OF SEGMENTS

OPERATING PROFIT (LOSS) BY SEGMENTS, THOUSAND LTL:

	2014/15 3 months	2013/14 3 months	2012/13 3 months	2011/12 3 months
Grain and Feedstuff Handling and Merchandising	13,079	10,070	11,642	7,459
Products and Services for Farming	1,969	10,855	3,760	16,528
Agricultural Production	(5,158)	7,015	19,336	(2,918)
Food products	3,677	–	–	–
Other	112	(407)	(67)	(139)



GRAIN AND FEEDSTUFF HANDLING AND MERCHANDISING

Being the largest operating Segment, this one includes the sale of grain, oilseeds and feedstuffs, as well as grain storage and logistics services. The Group has been operating in this field since 1991. This activity generates most of the Group's revenue.

Despite decline in world grain and oilseed prices sales revenue of the largest activity Segment of the Group grew up from LTL 302 million to LTL 307 million and operating profit amounted to LTL 13 million (LTL 10 million in 2013/14 financial year). Revenue growth was driven by growth of grain sales from 204 thousand to 232 thousand tons. Growth in feedstuffs also has been recorded where has been traded 98 thousand tons as compared to 77 thousand in 2013/14 financial year.

Grain storage facilities owned by the Group collected and processed 401 thousand tons of various grains or 18% more as compared to the respective period of the previous year.

The Group started to build a new grain elevator with storage capacity of 8,000 tons at Jungenai village, Kalvarijos district. The new elevator is expected to start its operations in the beginning of 2015/16 financial year.



PRODUCTS AND SERVICES FOR FARMING

This business Segment includes the sale of seeds, plant protection products, fertilizers, agricultural and forestry machinery, grain storage and other equipment.

Supply of certified seeds, fertilizers, plant protection products to farmers is a long term activity of the Group. The grounds of this activity trace back to 1993, when the Group began entering into future production purchase contracts with farmers and crediting agricultural activities in exchange for the grown products. A great share of certified seeds is prepared at UAB Dotnuvos Projektai seed processing factory.

Supply of agricultural machinery is business activity, developed in three countries – Lithuania, Latvia and Estonia. This activity includes wholesale and retail trade of new and used agricultural and forest machinery and spare parts, as well as design and installation of grain cleaning, drying and storage facilities.

Sale revenues of this segment amounted to LTL 97 million or were by 1.5 times less as compared with previous year (LTL 149 million). Sales of agricultural machinery shrunk. Fertilizers sales were also lower.

As EU farmers' support program for acquisition of agricultural equipment is not confirmed in the Baltic States yet, the farmers have substantially postponed their purchases of these products. Due to this, Group's sales of agricultural machinery and equipment dropped and profitability of the segment decreased as well. Over the respective period, the market continued shrinking significantly (i.e. trade in tractors in Lithuania plunged by 26%, in Latvia – by 3.4 times and Estonia – by 25%). Group sales of agricultural machinery dropped from LTL 67 million to LTL 31 million (or from 265 units to 168 units). The overall decline in agricultural machinery market size was not so heavy in Lithuania, while in Latvia the market has shrunken almost 7 times over the respective period and Group's sales in Latvia dropped by 4.7 times.

Due to decreased prices of grains and quite harsh previous winter Lithuanian and Latvian farmers has planted less winter crops. Therefore sales of fertilizers declined from LTL 56.3 million to LTL 41.5 million.

Taking into consideration aforementioned reasons segment's operating profit dropped from LTL 11 million to LTL 2 million.

The Group expects that EU support program for acquisition of agricultural machinery and equipment would be confirmed by the governments of the Baltic States by the end of this calendar year or at the beginning of 2015. Therefore the Group expects the sales volumes in these product groups to recover in third and fourth quarters of 2014/15 financial year.

The Group expects recovery in sales of fertilizers in spring, and therefore a new liquid fertilizer's storage facility of 2,500 cubic meter capacity has been constructed in Kedainiai; newly reconstructed agricultural machinery service centers of UAB Dotnuvos Projektai were opened in Vilkauskis and Joniskis in July 2014, also brand new center opened in Valmiera, Latvia and one more service center is being constructed in Pasvalys, Lithuania.



AGRICULTURAL PRODUCTION

This business Segment covers cultivation of cereals, oilseed rape, sugar beet and other crops, production of milk and beef cattle farming. The Group owns seven agricultural companies situated on fertile land across Lithuania – Panevėžys District Aukštadvario ŽŪB, Panevėžys District Žibartonių ŽŪB, Kėdainiai District Labūnavos ŽŪB, Šakiai District Lukšių ŽŪB, Biržai District Medeikių ŽŪB, Užupės ŽŪB and Sidabravo ŽŪB.

Over the respective period Group controlled farms operated 17,090 ha of land. After severe winter the farms replanted 49% of winter crops in spring and harvested a record amount of grains – 78.9 thousand tons or 9% more as compared to previous year. The harvest of wheat amounted to 42.6 thousand tons, malting barley – 17.7 thousand tons, rapeseed – 10.4 thousand.

The average yield of wheat was 7.0 tons per hectare (6.1 tons per hectare in previous year, the average yield in Lithuania this year was 4.2 tons per hectare), for malting barley – 6.4 tons per hectare (5.7 tons per hectare last year and average yield in Lithuania was 3.4 tons per hectare), rapeseed – 3.3 tons per hectare (the average in Lithuania was 2.0 tons per hectare).

Group controlled farms own 3,058 milking cows and produced 6,420 tons of milk, also sold 6,130 tons of raw milk over the first three months or 10% more as compared with previous year (5,840 tons).

Due to Russian sanctions on exports of milk products the purchase price of raw milk decreased by 20.5% if compared with previous year.

Due to decline in grain and milk purchase prices revenue of the Segment dropped from LTL 28 million to LTL 23 million. The segment recorded LTL 5 million operating loss as compared to LTL 7 million profit in 2013/14 year. If we would eliminate profit of LTL 8 million from farm acquisition in 2013/14, Segment's operating loss would have amounted to LTL 1 million in the respective period of FY 2013/14.



FOOD PRODUCTS

This business Segment includes a whole cycle poultry business, including incubation of hatching eggs, broiler breeding, production of poultry and its products, feed manufacturing for self-supply and retail sale of chicken meat and its products. The Group has acquired shares of Latvian poultry company AS Putnu Fabrika Kekava in October, 2013 and the companies SIA Broileks, SIA Cerova and SIA Lielzeltini in February, 2014.

The company SIA Putnu Fabrika Kekava is included in the Group as from November 2013, and the other companies as from February 2014, respectively, their results are consolidated in the Group's results since then. Because of this the operating results of this business segment has not been accounted in 20103/2014 season.

The poultry companies sold 7,326 tons of poultry and various poultry products over referenced period.



Sale revenues of this business Segment amounted to LTL 54 million and operating profit was LTL 3.7 million. The operating margin of the segment stood at 7% if compared with 3% of Group's average operating margin in the first quarter of this financial year.



OTHER

This business Segment includes small activities, not attributable to other Segments, as an example services of elevator's to a third parties, sale of minor assets and etc.

The operating profit of the Segment amounted to 112 thousand litas as compared to 407 thousand litas loss in previous year.

4. FINANCIAL COSTS

Financial expenses over referenced period amounted to LTL 2.4 million and were 50% more than that in 2013/14 financial year (LTL 1.6 million). The main reason affecting increase in such expenditures was increase in financial debts from LTL 367 million to LTL 399 million. Long-term debt mainly increased due to consolidation of poultry companies and long-term loan received for financing of acquisition of poultry business.

5. CASH FLOWS

Group's cash flow from operating activities before the changes in working capital increased to LTL 19.8 million as compared to LTL 16.2 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative and amounted to LTL 19 million (negative LTL 140 million over the respective period of 2013/14 financial year), the reason was increase in stock because of active purchases of the Group of various grains during harvesting season. Group's cash and cash equivalents at the end of the reporting period amounted to LTL 62 million (LTL 20 million in 2013/14 financial year).

THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 September, 2014, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

2014-09-16 09:00:34 EEST	AB Linas Agro Group presentation to investors	Other information	Lt, En
2014-08-29 09:31:42 EEST	AB Linas Agro Group notification about interim twelve months financial results of the financial year 2013/2014	Interim information	Lt, En
2014-08-05 09:00:31 EEST	Credit line of LTL 228 million granted to company AB Linas Agro by SEB bankas	Notification on material event	Lt, En
2014-07-28 09:00:30 EEST	SEB and DNB Banks grants €30 million for SIA Linas Agro expansion	Other information	En
2014-07-11 10:57:31 EEST	Notification on Linas Agro Group AB manager's related party transaction	Notifications on transactions concluded by managers of the companies	Lt, En

OTHER EVENTS DURING THE REPORTING PERIOD

30/09/2014	SIA Lielzeltini Council was formed and representatives of the Group from Lithuania Darius Zubas, Andrius Pranckevičius and Gintaras Maželis were elected the members of it. They all are the members of the Council of AS Putnu Fabrika Kekava as well.
22/09/2014	UAB Linas Agro Konsultacijos and AB Linas Agro sold shares of farming company Panevėžys District Ēriškių ŽŪB.
18/09/2014	AB Linas Agro, the sole shareholder of companies UAB Fossio ir UAB Linas Agro Grūdų Centras, made decision decided to reorganize UAB Fossio and merge it to UAB Linas Agro Grūdų Centras.
Aug-Sept, 2014	Share capital of Noreikiškių ŽŪB increased from LTL 1,243,000 to LTL 1,315,000.



Jul-Sept, 2014	UAB Linas Agro Konsultacijos additionally acquired 2,199.21 worth of shares of Sidabravo ŽŪB.
26/08/2014	Share capital of UAB Lineliai increased from LTL 1,610,000 to LTL 1,790,000.
28/07/2014	The credit line in the amount of 30 million euros has been granted to SIA Linas Agro by SEB and DNB banks in Latvia.
09/07/2014	AB SEB bank has increased its credit line to AB Linas Agro issued a year before by LTL 28 million to LTL 228 million.
01/07/2014	Share capital of AS Putnu Fabrika Kekava was increased from LVL 8,973,944 to LVL 13,316,240, the number of shares owned by the Group after share capital increase is 89.46 pct. of share capital.

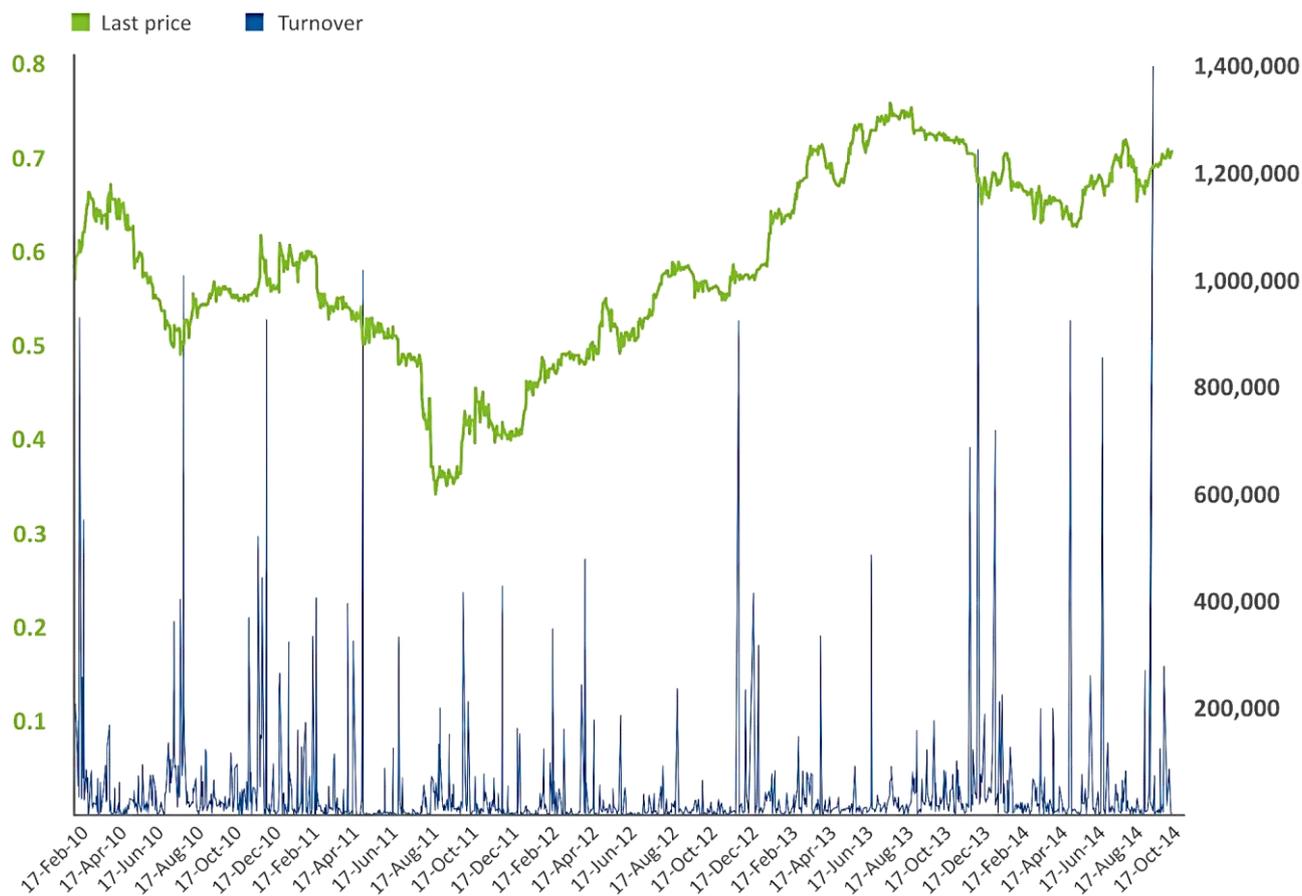
SUBSEQUENT EVENTS

Oct-Nov, 2014	Share capital of Noreikiškių ŽŪB was increased from LTL 1,315,000 to LTL 1,365,000.
Oct-Nov, 2014	UAB Linas Agro Konsultacijos additionally acquired 17,073.19 worth of shares of Sidabravo ŽŪB.
Nov, 2014	The Company additionally acquired 1,395 worth of shares of AS Putnu Fabrika Kekava.
26/11/2014	After the completion of the reorganization of UAB Fossio the company was deregistered, and its rights and obligations were passed to UAB Linas Agro Grūdų Centras. After merging UAB Fossio, the authorized capital of UAB Linas Agro Grūdų Centras increased from 130,000 to 590,600 litas.
20/11/2014	There was made a decision to increase the authorized capital of SIA Linas Agro Graudu Centrs from EUR 2,828 to EUR 1,656,828.



PRICES OF SHARES AND TURNOVER OF AB LINAS AGRO GROUP

Starting from 17 February 2010, the Company has been listed on NASDAQ OMX Vilnius Stock Exchange. Information on changes in the prices of Company's shares and turnover from starting trade until the end of the reporting period, i. e. 30 September 2014, is presented in the following diagram:



CONTACT PERSONS

Finance Director

Tomas Tumėnas

Ph. + 370 45 507 393

Email t.tumenas@linasagro.lt

Investor Relations Specialist

Agnė Barauskaitė

Ph. + 370 45 507 346

Email a.barauskaite@linasagro.lt



**AB LINAS AGRO GROUP
CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE 3 MONTH PERIOD OF THE YEAR 2014/15
(UNAUDITED)**

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September 2014	As at 30 June 2014
ASSETS			
Non-current assets			
Intangible assets	5	1,435	1,265
Property, plant and equipment	6	349,071	351,777
Investment property	7	5,288	5,384
Animals and livestock		26,604	25,216
Non-current financial assets			
Investments into subsidiaries		–	–
Investments into associates		–	–
Other investments and prepayments for financial assets		59	59
Non-current receivables		7,824	5,607
Non-current receivables from related parties	12	1,210	1,198
Total non-current financial assets		9,093	6,864
Deferred income tax asset		6,484	7,544
Total non-current assets		397,975	398,050
Current assets			
Crops		10,688	49,094
Livestock		5,608	6,742
Inventories		437,320	233,562
Prepayments		9,572	17,487
Accounts receivable			
Trade receivables		219,806	307,624
Receivables from related parties	12	3,415	914
Income tax receivable		4,705	5,181
Other accounts receivable		53,942	23,559
Total accounts receivable		281,868	337,278
Other current financial assets		5,613	2,164
Cash and cash equivalents		61,828	29,804
Total current assets		812,497	676,131
Total assets		1,210,472	1,074,181

(cont'd on the next page)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONT'D)

	Notes	As at 30 September 2014	As at 30 June 2014
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	158,940	158,940
Share premium	1	79,545	79,545
Legal reserve		8,148	8,148
Reserve for own shares		6,300	6,300
Own shares		(1,577)	(1,581)
Foreign currency translation reserve		(134)	(151)
Retained earnings		271,208	264,307
Total equity attributable to equity holders of the parent		522,430	515,508
Non-controlling interest		10,441	9,635
Total equity		532,871	525,143
Liabilities			
Non-current liabilities			
Grants and subsidies		24,266	23,998
Non-current borrowings	8	92,935	96,792
Finance lease obligations		5,567	5,809
Non-current trade payables		31	1,122
Deferred income tax liability		4,905	5,279
Non-current employee benefits		672	671
Total non-current liabilities		128,376	133,671
Current liabilities			
Current portion of non-current borrowings	8	22,967	21,693
Current portion of finance lease obligations		2,711	2,796
Current borrowings	8	282,800	217,727
Trade payables		178,461	111,192
Payables to related parties	12	2,697	7,458
Income tax payable		3,195	1,631
Derivative financial instruments		6,805	870
Other current liabilities		49,589	52,000
Total current liabilities		549,225	415,367
Total equity and liabilities		1,210,472	1,074,181

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 September)

	Notes	2014/2015 1 Q	2013/2014 1 Q
Sales	4	451,801	450,337
Cost of sales		(420,547)	(414,752)
Gross profit		31,254	35,585
Operating (expenses)	9	(22,873)	(19,203)
Other income	10	3,956	9,686
Other (expenses)		(239)	(270)
Operating profit		12,098	25,798
Income from financing activities		402	377
(Expenses) from financing activities		(2,351)	(1,564)
Profit before tax		10,149	24,611
Income tax		(2,438)	(2,357)
Net profit		7,711	22,254
Net profit attributable to:			
Equity holders of the parent		6,879	22,094
Non-controlling interest		832	160
		7,711	22,254
Basic and diluted earnings per share (LTL)		0.04	0.14
Net profit		7,711	22,254
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:		-	-
Exchange differences on translation of foreign operations		17	(7)
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		17	(7)
Total comprehensive income, after tax		7,728	22,247
Total comprehensive income attributable to:			
The shareholders of the Company		6,896	22,087
Non-controlling interest		832	160
		7,728	22,247

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent

Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2013	158,940	(1,581)	79,545	7,851	1,600	(138)	190,905	437,122	3,374	440,496
Net profit for the year	–	–	–	–	–	–	22,094	22,094	160	22,254
Other comprehensive income	–	–	–	–	–	(7)	–	(7)	–	(7)
Total comprehensive income	–	–	–	–	–	(7)	22,094	22,087	160	22,247
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	332	332
Acquisition of minority interest	–	–	–	–	–	–	–	–	(7)	(7)
Balance as at 30 September 2013	158,940	(1,581)	79,545	7,851	1,600	(145)	212,999	459,209	3,859	463,068
Balance as at 1 July 2014	158,940	(1,581)	79,545	8,148	6,300	(151)	264,307	515,508	9,635	525,143
Net profit for the year	–	–	–	–	–	–	6,879	6,879	832	7,711
Other comprehensive income	–	–	–	–	–	17	–	17	–	17
Total comprehensive income	–	–	–	–	–	17	6,879	6,896	832	7,728
Transfer of own shares	–	4	–	–	–	–	–	4	–	4
Acquisition of minority interest	–	–	–	–	–	–	22	22	(26)	(4)
Balance as at 30 September 2014	158,940	(1,577)	79,545	8,148	6,300	(134)	271,208	522,430	10,441	532,871

(cont'd on the next page)

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

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2014/2015 1 Q	2013/2014 1 Q
Cash flows from (to) operating activities			
Net profit		7,712	22,254
Adjustments for non-cash items:			
Depreciation and amortisation		8,561	4,854
Subsidies amortisation		(784)	(512)
(Gain) on disposal of property, plant and equipment		(266)	(47)
(Gain) loss on acquisition of subsidiaries		–	(8,044)
(Gain) on disposal of other investments		(1,239)	–
Change in allowance and write-offs for receivables and prepayments		236	209
Inventories write down to net realisable value		20	(345)
Change in accrued expenses		(827)	(2,317)
Change in fair value of biological assets		183	(734)
Change in deferred income tax		686	613
Current income tax expenses		1,753	1,743
Expenses (income) from change in fair value of financial instruments		1,963	(2,148)
Change of provision for onerous contracts		–	(56)
Dividend (income)		(156)	(434)
Interest (income)		(402)	(377)
Interest expenses		2,351	1,564
		19,791	16,223
Changes in working capital:			
Decrease in biological assets		38,470	27,961
(Increase)-in inventories		(199,845)	(222,836)
Decrease (increase) in prepayments		7,225	(7,673)
Decrease in trade and other accounts receivable		55,940	16,733
(Increase) in restricted cash		(2,072)	(691)
Increase in trade and other accounts payable		62,673	32,031
Income tax (paid)		(1,208)	(1,555)
Net cash flows from (to) operating activities		(19,026)	(139,807)

(cont'd on the next page)

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2014/2015 1 Q	2013/2014 1 Q
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(7,393)	(11,018)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		697	193
(Acquisition) of subsidiaries (less received cash balance in the Group)	3	(691)	(12,412)
Disposal of other investments	3	1,500	-
Prepayments for financial assets		-	(3,718)
Loans (granted)		(3,566)	(12,083)
Repayment of granted loans		827	2,208
Interest received		31	207
Dividends received		156	434
Net cash flows from (to) investing activities		(8,439)	(36,189)
Cash flows from (to) financing activities			
Proceeds from loans		219,846	204,847
(Repayment) of loans		(157,375)	(40,269)
Finance lease (payments)		(646)	(818)
Interest (paid)		(2,332)	(1,553)
Acquisition of non-controlling interest		(4)	-
Net cash flows from (to) financing activities		59,489	162,207
Net (decrease) increase in cash and cash equivalents		32,024	(13,789)
Cash and cash equivalents at the beginning of the year		29,804	34,240
Cash and cash equivalents at the end of the year		61,828	20,451
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		320	629

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

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

	As at 30 September 2014		As at 30 June 2014	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	88,984,443	55.99%	88,984,443	55.99%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank AS (Estonia) clients	12,197,783	7.67%	10,404,440	6.55%
SEB AS OMNIBUS (Luxembourg) clients	10,812,030	6.80%	12,866,897	8.10%
Other shareholders (private and institutional investors)	29,896,147	18.81%	29,634,623	18.63%
Total	158,940,398	100.00%	158,940,398	100.00%

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

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

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

As at 30 September 2014 the number of employees of the Group was 2,242 (2,266 as at 30 June 2014).

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

2. ACCOUNTING PRINCIPLES

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

3.GROUP STRUCTURE AND CHANGES IN THE GROUP

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 September 2014	30 June 2014	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuvos Projektai	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	89.46%	84.36%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	89.46%	84.36%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale

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

Investments into indirectly controlled subsidiaries (through AB Linas Agro)

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

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 September 2014	30 June 2014	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.29%	98.28%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.82%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	96.92%	96.92%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	93.57%	93.40%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	98.64%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Žemės ūkio investicijos	Lithuania	100%	100%	Not operating company
Panevėžys district Žibartonių ŽŪB	Lithuania	99.80%	99.80%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuvos Projektai)				
SIA DOTNUVOS PROJEKTAI	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuvos Projektai	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu 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	19.96%*	19.96%*	Preparation and warehousing of grains for trade

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

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

Changes in the Group during the 3 month period ended 30 September 2014

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

During 3 month period, ended 30 September 2014, the Group acquired 0.17% Sidabravo ŽŪB share capital for LTL 4 thousand. The shares were acquired from the non-controlling shareholders. The difference of LTL 22 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Changes in the Group during the year ended 30 June 2014

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

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

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

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

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

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

Changes in the Group during the year ended 30 June 2014 (cont'd)

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

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

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

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

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

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

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

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

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

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

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

Changes in the Group during the year ended 30 June 2014 (cont'd)

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

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

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

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

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

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

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

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

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

Changes in the Group during the year ended 30 June 2014 (cont'd)

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

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

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

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

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

Changes in the Group during the year ended 30 June 2014 (cont'd)

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

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

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

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

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

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

4. SEGMENT INFORMATION

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

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

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

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 30 September 2014								
Revenue								
Third parties	296,333	92,373	8,637	53,510	948	–	–	451,801
Intersegment	10,296	6,602	14,126	–	–	–	(31,024) ¹⁾	–
Total revenue	306,629	98,975	22,763	53,510	948	–	(31,024)¹⁾	451,801
Results								
Operating expenses	(4,374)	(7,983)	(1,556)	(5,906)	(20)	(3,034)	–	(22,873)
Segment operating profit (loss)	13,079	1,969	(5,158)	3,677	112	(1,581)	–	12,098

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 30 September 2013								
Revenue								
Third parties	301,671	139,971	8,579	–	116	–	–	450,337
Intersegment	803	8,566	19,309	–	264	–	(28,942) ¹⁾	–
Total revenue	302,474	148,537	27,888	–	380	–	(28,942)¹⁾	450,337
Results								
Operating expenses	(7,051)	(7,783)	(1,386)	–	(365)	(2,618)	–	(19,203)
Segment operating profit (loss)	10,070	10,855	7,015	–	(407)	(1,735)	–	25,798

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	3 month period ended	
	30 September 2014	30 September 2013
Lithuania	124,328	133,004
Europe (except for Scandinavian countries, CIS and Lithuania)	212,751	104,548
Scandinavian countries	62,689	99,790
Asia	41,065	106,341
CIS	10,968	6,654
	451,801	450,337

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

Non-current assets	As at 30 September 2014	As at 30 June 2014
Lithuania	210,892	211,055
Latvia	140,317	142,674
Estonia	4,537	4,641
Denmark	48	56
	355,794	358,426

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

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Total
Cost:			
Balance as at 30 June 2013	2,063	344	2,407
Additions	348	2	350
Additions of subsidiaries	121	1	122
Write-offs	(3)	(15)	(18)
Balance as at 30 June 2014	2,529	332	2,861
Additions	55	170	225
Additions of subsidiaries	–	–	–
Write-offs	(3)	(12)	(15)
Balance as at 30 September 2014	2,581	490	3,071
Accumulated amortization:			
Balance as at 30 June 2013	1,334	71	1,405
Charge for the year	182	23	205
Write-offs	(1)	(13)	(14)
Balance as at 30 June 2014	1,515	81	1,596
Charge for the year	49	6	55
Write-offs	(3)	(12)	(15)
Balance as at 30 September 2014	1,561	75	1,636
Net book value as at 30 September 2014	1,020	415	1,435
Net book value as at 30 June 2014	1,014	251	1,265
Net book value as at 30 June 2013	729	273	1,002

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

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2013	17,682	149,911	86,946	14,548	13,729	7,824	290,640
Additions	6,561	77	10,856	1,274	2,140	10,414	31,322
Acquisition of subsidiaries	15,888	105,924	27,681	2,926	2,874	834	156,127
Disposals and write-offs	(365)	(566)	(4,503)	(1,993)	(1,128)	(283)	(8,838)
Transfers from investment property	5,631	823	–	–	–	–	6,454
Reclassifications	171	10,489	1,731	111	147	(12,649)	–
Exchange differences	(2)	(5)	(2)	(4)	5	2	(6)
Disposals of subsidiaries	–	–	(2,187)	–	(290)	–	(2,477)
Balance as at 30 June 2014	45,566	266,653	120,522	16,862	17,477	6,142	473,222
Additions	–	199	3,278	94	284	3,028	6,883
Disposals and write-offs	–	–	(1,027)	(381)	(42)	(54)	(1,504)
Transfers from investment property	82	–	–	–	–	–	82
Reclassifications	–	2,792	235	19	2	(3,048)	–
Balance as at 30 September 2014	45,648	269,644	123,008	16,594	17,721	6,068	478,683
Accumulated depreciation:							
Balance as at 30 June 2013	–	38,650	40,991	5,192	7,989	–	92,822
Charge for the year	–	14,083	12,446	3,318	2,037	–	31,884
Disposals and write-offs	–	(339)	(1,587)	(1,698)	(817)	–	(4,441)
Transfers from investment property	–	124	–	–	–	–	124
Reclassifications	–	–	(58)	58	–	–	–
Exchange differences	–	19	(4)	–	–	–	15
Disposals of subsidiaries	–	–	(499)	–	(162)	–	(661)
Balance as at 30 June 2014	–	52,537	51,289	6,870	9,047	–	119,743
Charge for the year	–	4,496	3,104	776	641	–	9,017
Disposals and write-offs	–	–	(507)	(299)	(44)	–	(850)
Balance as at 30 September 2014	–	57,033	53,886	7,347	9,644	–	127,910
Impairment losses:							
Balance as at 30 June 2013	–	1,577	35	–	3	–	1,615
(Reversal) charge for the year	160	(77)	3	1	–	–	87
Balance as at 30 June 2014	160	1,500	38	1	3	–	1,702
Balance as at 30 September 2014	160	1,500	38	1	3	–	1,702
Net book value as at 30 September 2014	45,488	211,111	69,084	9,246	8,074	6,068	349,071
Net book value as at 30 June 2014	45,406	212,616	69,195	9,991	8,427	6,142	351,777
Net book value as at 30 June 2013	17,682	109,684	45,920	9,356	5,737	7,824	196,203

7. INVESTMENT PROPERTY

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

Cost:	Land	Buildings	Total
Balance as at 30 June 2013	10,773	1,380	12,153
Additions	7	15	22
Acquisition of subsidiaries	–	39	39
Disposals and write-offs	(209)	–	(209)
Transfers to property, plant and equipment	(5,631)	(823)	(6,454)
Balance as at 30 June 2014	4,940	611	5,551
Additions	–	–	–
Acquisition of subsidiaries	–	–	–
Disposals and write-offs	–	–	–
Transfers to property, plant and equipment	(82)	–	(82)
Balance as at 30 September 2014	4,858	611	5,469
Accumulated depreciation:			
Balance as at 30 June 2013	–	226	226
Charge for the year	–	65	65
Transfers to property, plant and equipment	–	(124)	(124)
Balance as at 30 June 2014	–	167	167
Charge for the year	–	14	14
Transfers to property, plant and equipment	–	–	–
Balance as at 30 September 2014	–	181	181
Impairment losses:			
Balance as at 30 June 2013	–	–	–
Balance as at 30 June 2014	–	–	–
Balance as at 30 September 2014	–	–	–
Net book value as at 30 September 2014	4,858	430	5,288
Net book value as at 30 June 2014	4,940	444	5,384
Net book value as at 30 June 2013	10,773	1,154	11,927

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

8. BORROWINGS

	As at 30 September 2014	As at 30 June 2014
Non-current borrowings		
Bank borrowings secured by the Group assets	92,903	96,760
Other non-current borrowings	32	32
	92,935	96,792
Current borrowings		
Current portion of non-current bank borrowings	22,967	21,693
Current bank borrowings secured by the Group assets	277,572	188,722
Other current borrowings	5,228	29,005
	305,767	239,420
	398,702	336,212

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	2014/2015 1 Q	2013/2014 1 Q
Wages and salaries and social security	13,307	10,505
Consulting expenses	1,196	375
Depreciation and amortization	1,461	1,244
Other	6,909	7,079
	22,873	19,203

10. OTHER INCOME (EXPENSES)

	2014/2015 1 Q	2013/2014 1 Q
Other income		
Gain from currency exchange	375	–
Rental income from investment property and property, plant and equipment	187	213
Gain from disposal of investment property and property, plant and equipment	272	48
Gain from acquisition of subsidiaries	–	8,044
Change in fair value of currency financial instruments	–	758
Other income	3,122	623
	3,956	9,686
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(167)	(74)
Loss from disposal of property, plant and equipment	(6)	(1)
Currency exchange loss	–	(189)
Other expenses	(66)	(6)
	(239)	(270)

11. COMMITMENTS AND CONTINGENCIES

As at 30 September 2014 the Group is committed to purchase property, plant and equipment for the total amount of LTL 657 thousand (LTL 4,994 thousand as at 30 June 2014).

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

SIA Lielzeltini, 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, SIA Broileks – up to 2016.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania amounting to LTL 15,289 thousand as at 30 September 2014 (LTL 23,786 thousand as at 30 June 2014).

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

In addition Linas Agro A/S received a ruling from SKAT regarding the valuation of customer base which was transferred to the Group company, AB Linas Agro in the year 2011/2012. The decision has a negative effect on the total tax loss carry forward amount which is incorporated into calculation of taxable income for the year 2012/2013. SKAT has ruled that the value of the customer base should have been LTL 16,853 thousand (DKK 36,414 thousand) and not LTL 5,425 thousand (DKK 11,722 thousand) as the value sold in 2011/2012 by Linas Agro A/S to AB Linas Agro. This implies a reduction of the total tax loss carry forward in the amount of LTL 11,428 thousand (DKK 24,692 thousand) (tax value LTL 2,857 thousand (DKK 6,173 thousand)). 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 financial year ended 30 June 2014 the management of the Group initiated actions to reach the agreement between Lithuanian and Danish tax authorities. As at financial statements preparation date there were no decisions reached as the investigation might last up to two years.

12. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the years ended 30 September 2014 and 30 June 2013 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 Prancėvičius;
 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 3 month period ended 30 September 2014 were as follows:

2014 1 Q	Purchases	Sales	Receivables			Payables	Current payable loans
			Trade receivables	Current loans receivable	Non-current loans receivable		
Akola ApS group companies	3,798	12,293	2,526	889	–	2,697	–
Members of management board	–	12	–	–	1,210	–	–

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

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 30 September 2014 and 30 June 2014.

13. SUBSEQUENT EVENTS

On 30 October 2014 the Annual General Meeting of the Shareholders of the Company approved financial statements of the year 2013/2014, profit (loss) distribution of the financial year 2013/2014.

On 27 November 2014 the Company paid approved LTL 4,998 thousand dividends for the financial year ended 30 June 2014.