



**CONSOLIDATED INTERIM REPORT
OF THE FINANCIAL YEAR 2015/16**

OF AB LINAS AGRO GROUP

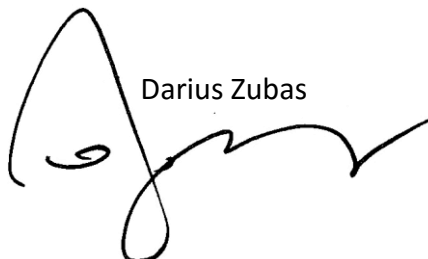
**FOR 3 MONTHS PERIOD
ENDED 30 SEPTEMBER 2015**

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 Lithuanian, 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 2015/16, 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 2015/16 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

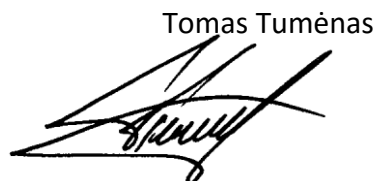
AB Linas Agro Group Managing Director

27 November 2015

Darius Zubas


AB Linas Agro Group Finance Director

27 November 2015

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

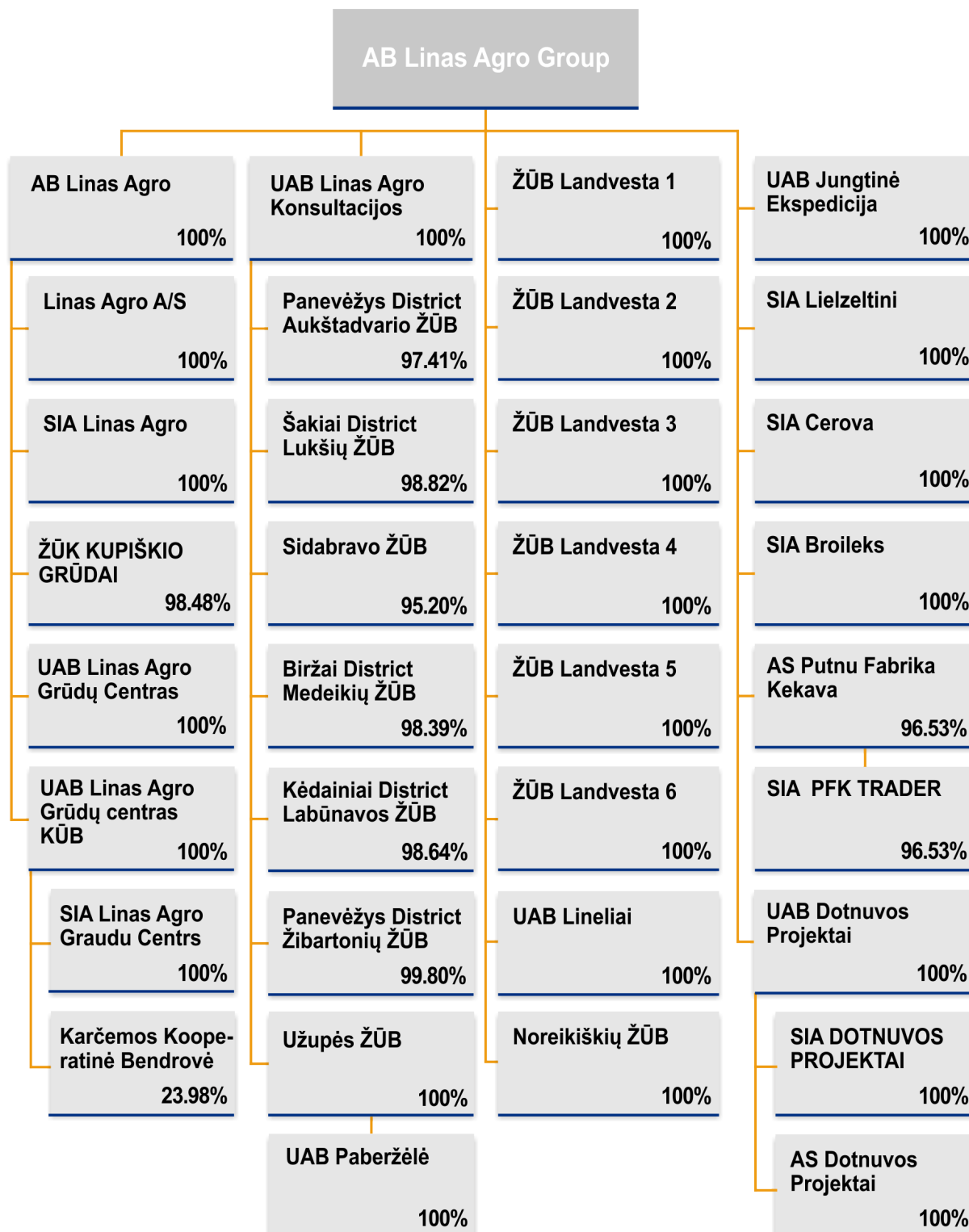
AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and had 38 companies at the end of the reporting period, and operates in four countries – Lithuania, Latvia, Estonia and Denmark. As at 30 September, 2015 the total headcount of the Group amounted to 2,173 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

The Company controlled 37 companies* in Lithuania, Latvia, Estonia and Denmark as at 30 September, 2015.

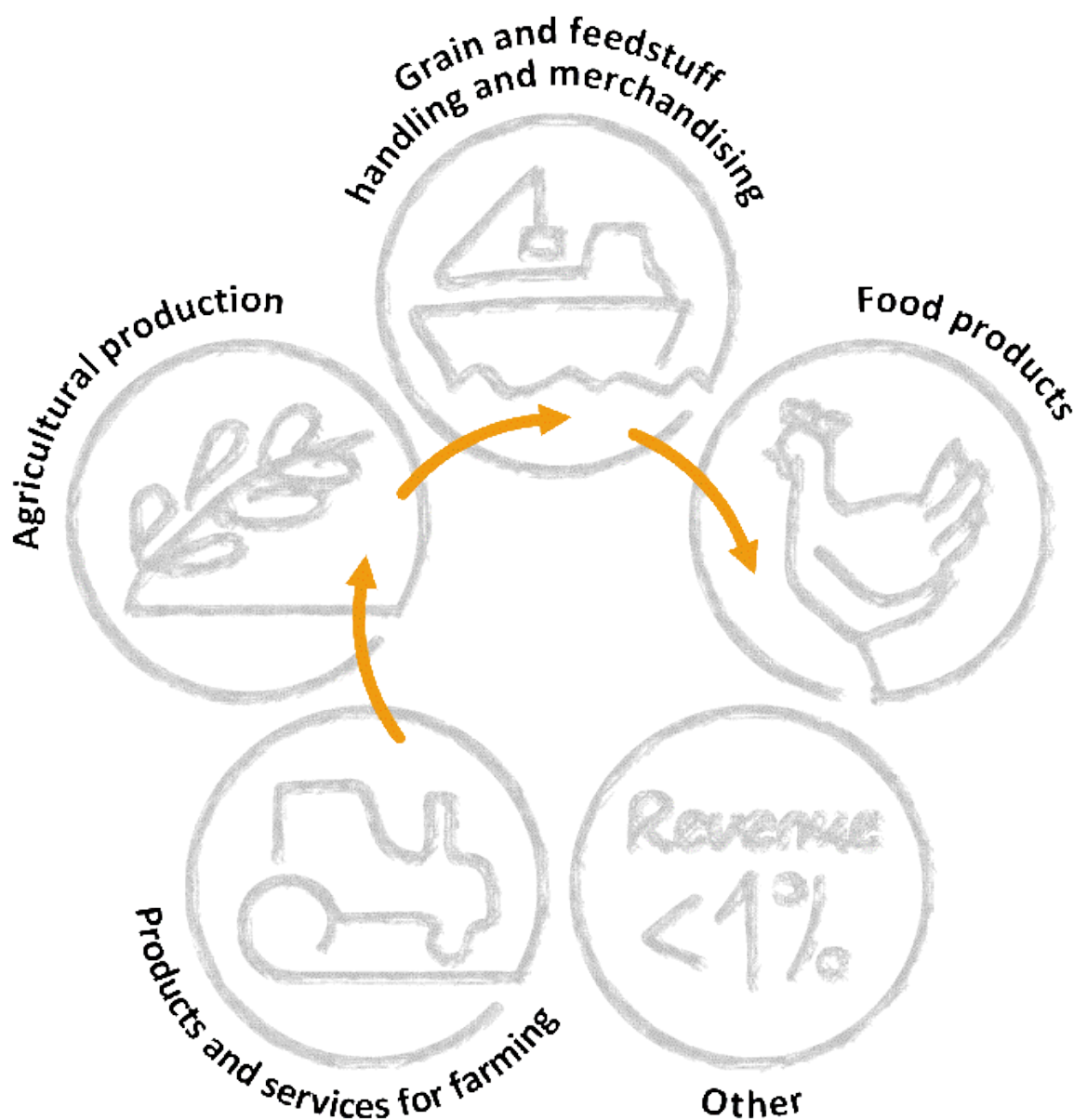
*Dormant companies UAB Gerera (100% shares), UAB Dotnuvos Technika (100% shares) and SIA Erfolg Group (96.53% shares) not included).



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. Division into separate Segments is dictated by different types of products and character of related activities; however, activities of the Segments are often interconnected.



ACTIVITY AND FINANCIAL RESULTS OF THE GROUP

Consolidated revenue of AB Linas Agro Group in the first quarter of 2015/16 financial year totaled EUR 149 million and was 15% more as compared to previous year (EUR 131 million).

The Group's sales volume in tons reached 475 399 thousand tons of various grains and agricultural inputs and was 13% more as compared to previous year (421 thousand tons).

Grain storage facilities owned by the Group processed 439 thousand tons of various grains or 9.5% more as compared to the respective period of 2014/15 financial year (401 thousand tons).

The gross profit reached EUR 12 million or was 33% more than a year before (EUR 9.1 million).

Consolidated EBITDA went up from EUR 6.1 million to EUR 7.2 million.

The Group's operating profit reached EUR 4.5 million or was 27% more as compared to the respective period of the previous year (EUR 3.5 million).

The net profit before tax amounted to EUR 3.9 million (compared to EUR 2.9 million of the previous year). The net profit attributable to the Group reached EUR 3.5 million (EUR 2 million previous year).

FINANCIAL RATIOS

	2015/16 3 months	2014/15 3 months	2013/14 3 months	2012/13 3 months	2011/12 3 months
Sales in tons	475,399	421,293	368,682	332,943	393,279
Revenue (thousand EUR)	149,479	130,851	130,427	98,085	128,572
Gross profit (thousand EUR)	12,002	9,052	10,306	7,091	9,147
EBITDA (thousand EUR)	7,205	6,121	8,978	11,874	6,748
Operating profit (thousand EUR)	4,460	3,506	7,472	9,413	6,064
Net profit (thousand EUR)	3,464	2,235	6,445	9,462	4,373

OVERVIEW

The largest cereal harvest of 5.9 million tons in total, including 5.5 million tons of grain is being forecasted in Lithuania in 2015. It is expected that the average cereal yield in Lithuania will be similar to that of 2014, and will reach 3.9 tons per hectare. Compared with 2014, yields are expected to increase by 10.5 percent. While cereal crops have changed slightly, but as much as 43 percent more winter crops were sown, and their yield is greater than of the spring crops. Wheat yields increased the most (by 21 percent.). While due to lower rapeseed crop area the increase in rapeseed harvest is not expected. A record harvest is expected in neighboring Latvia as well, where it is predicted to be 2.58 million tons (16% more than in 2014).

As per data of International Grain Council (IGC), the world grain and oilseed harvest will be around 1,999 million tons in 2015 and will be slightly lower than in 2014 (2,030 million tons). The grain harvest is close to 2 billion tons for the third consecutive year. Therefore, world grain ending stocks are high and projected to reach 454 million tons this year (450 million tons in 2014). Large stocks of grain directly affect the global prices, which went up as compared to 2014, but still were at the average level. For instance, the price of wheat on MATIF exchange ranged between 170 and 195 euros per ton in July-September, while previous year it have been EUR 160-180 per ton, at the same time rapeseed price was 360 to 390 euros per ton, compared with the price of 320-340 euros per ton a year before.

The consolidated revenue of AB Linas Agro Group over the first three months of this financial year amounted to EUR 149 million and was 15% higher than the previous year (EUR 131 million). The main reasons behind the revenue growth were the increase in grain and feedstuffs trading volumes (revenue went up from EUR 8.8 million to EUR 95.7 million); the recovery in trade of agricultural machinery (the sales of UAB Dotnuvos Projektai increased by 35% as compared to the previous year) and an increase in crop yield in agricultural companies controlled by the Group (their revenue grew from EUR 6.6 million to EUR 9.8 million).

The same reasons that increased revenue also increased and the profitability of the Group. Gross profit of AB Linas Agro Group went up 32% to EUR 12 million, and operating profit 27% to EUR 4.5 million. Group's EBITDA amounted to EUR 7.2 million as compared to EUR 6.1 million in 2014/15 financial year.

PERFORMANCE RESULTS OF SEGMENTS

Activities of the Group are divided into five business segments:

1. Grain and Feedstuff Handling and Merchandising;
2. Products and Services for Farming;
3. Agricultural Production;
4. Food products;
5. Other.

OPERATING PROFIT (LOSS) BY SEGMENTS, THOUSAND EUR

	2015/16 3 months	2014/15 3 months	2013/14 3 months	2012/13 3 months	2011/12 3 months
Grain and Feedstuff Handling and Merchandising	4,596	3,788	2,916	3,372	2,160
Products and Services for Farming	992	571	3,143	1,089	4,787
Agricultural Production	(454)	(1,494)	2,032	5,600	845
Food products	194	1,065	-	-	-
Other	71	32	(118)	(19)	(40)



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.

Due to a good harvest and a successful commercial activity revenue of this segment rose from EUR 89 million to EUR 96 million. In total 381 thousand tons of grain and feedstuffs were sold (330 thousand tons in 2014/15 financial year). The sales of traditional crops (wheat, rapeseed, barley) increased the most by 41%: their trading income rose from EUR 55 million to EUR 78 million. The sales volumes of feedstuff decreased from EUR 98 million to EUR 49 million due to high ending stocks of feed manufacturers and a subsequent fall in demand, also because of poor harvests in some of the supply regions.

Grain storage facilities owned by the Group collected and processed 439 thousand tons of various grains or 9.5% more as compared to the respective period of the previous year (401 thousand tons). Differently from the previous season, this year harvested grain was dry and therefore the drop in the revenue from drying services has been recorded. Accordingly gross profit gained by elevators declined from EUR 3 million to EUR 1.9 million.

Segment operating profit increased by 27% from EUR 3.8 million to EUR 4.6 million. The Group expects a successful trading season for the entire segment.

During the reporting period the Group has invested nearly EUR 1.5 million to complete the construction of grain elevators in Jungėnai (Lithuania) and Jekabpils (Latvia) and also carried out technological upgrades of other grain storage facilities.



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 and livestock farms.

Sales of agricultural machinery and equipment for grain elevators are directly affected by availability of EU structural funds. Starting from this season, the governments of Lithuania and Latvia have finally approved funding guidelines for certain small-scale structural funding in this area, therefore sales of these products already picked up. Revenue from agricultural machinery and grain processing equipment sales grew 4 times in Latvia, by 62% in Lithuania and by 60% in Estonia.

The Group remained the leader of the market in Lithuania in terms of the sales of the new tractors (having 26% market share), in Latvia the Group is considered to be the 4th market player with the market share 13%. In Estonia the market of the new tractors shrunk further by 33% if compared with 2014.

Therefore, revenue from the sale of agricultural equipment, tractors and spare parts as well as equipment for elevators grew from EUR 9 million to EUR 16 million. The operating profit from this business accelerated by 67% from EUR 0.6 million to almost EUR 1 million.

The Group has recently started selling livestock farm equipment, and the first milk farm modernization project has already been accomplished.

Though due to the seasonality in sales of fertilizers, seeds and pesticides, the first quarter is considered to be moderate in sales compared to others, the revenue from this business grew by 12% to EUR 22 million.

Sales revenue of this business segment amounted to EUR 38.3 and operating profit stood at EUR 0.99 million (revenue in FY 2014/15 was EUR 27 million and operating profit EUR 0.57 million).

The record harvest in Lithuania positively affected demand for silos and elevators equipment. The fact did not affect the outcome of the reporting period because designing and construction of such objects usually takes about 2 years, but will be have a positive effect on the fourth quarter of this financial year and financial results of FY 2016/17.



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. Agricultural companies were cultivating 16,900 ha of land. The Group has 5,556 ha of own land, 140 ha are on an emphyteutic lease, and 1,188 ha are under long-term lease from the State.

The Group's agricultural companies harvested a record yield of crops – 84.5 thousand tons or 7.1% more as compared to previous year. Wheat harvest was the highest and amounted to 50.8 thousand tons, malting barley harvest was 12.3 thousand tons, rapeseed – 9.5 thousand.

The average yield of wheat was 6.9 tons/ha (forecasted average yield in Lithuania is 4.7 tons/ha), rapeseed – 4.7 tons/ha (3.1 tons/ha average in Lithuania), malting barley – 6.2 tons/ha (3.5 tons/ha average in Lithuania).

6 thousand ha were planted with wheat and 2.3 thousand ha with winter rapeseed this fall or 4% and 34% more as compared to previous season.

Group controlled farms own 3,185 milking cows or 45 more if compared to previous year. Over referenced period 8.1 thousand tons of raw milk has been sold or 15% more if compared to the respective period of previous year. The raw milk purchase price was 17% less compared what was a year ago.

The revenue of this business segment went up 48% and amounted to EUR 9.8 million (EUR 6.6 million in 2014/15 season) as revenue from sale of grains grew from EUR 4.3 million to EUR 7.1 million. The gross profit of the segment (before changes in biological assets) reached EUR 1.4 million (EUR 1.1 million in 2014/2015). After the changes in biological assets, operating loss dropped from EUR 1.5 million to only EUR 0.5 million.

The Group invested up to EUR 0.35 million over referenced period to upgrade farming equipment. Taking into consideration a record harvest in grains and expectations that raw milk purchase price already stabilized and not will go down further, the Group expects quite successful operating results for whole this season.



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.

AS Putnu Fabrika Kekava – No1 poultry producer in Latvia with full poultry manufacturing cycle, including egg incubation, chicken hatching, broiler breeding, production of fresh poultry and processed products under brand name “Kekava”. The subsidiary of the company, SIA PFK Trader operates 25 retail shops all over Latvia.

SIA Lielzeltini – No2 poultry producer in Latvia: has an incomplete production cycle consisting of broiler breeding, production of fresh poultry and processed products sold under the brand name “Bauska”, as well as production of compound feed.

SIA Broileks grows and sells live chicken. SIA Cerova incubate eggs and sells day-old chicks.

The poultry companies produced 9.5 thousand tons of live weight or 11% more as compared to previous year (8.5 thousand tons of live weight). Companies sold over 6.1 thousand tons of poultry and poultry products (7.2 thousand tons a year before).

The general fall in prices of raw materials negatively affected food prices all over the world. According to data of UN Food and Agricultural organization, FAO index, accounting also prices for meat, fell down from 192,7 to 156,3 points over the referenced period. An average broiler price in the EU for the period July-September, 2014 has been about EUR 195/100 kg and this year it was EUR 190/100 kg over the same period. The other reasons behind the downward trend for poultry prices were the Russian embargo on EU poultry production and a reduced poultry demand from China. Also the negative impact on the Baltic poultry producers' sales margins came from poultry production overcapacity in the neighboring Poland. The average price for fresh poultry meat sold by the Group declined by 7.4% and the price for processed meat fell by 6.7%.

Revenue from this business segment remained almost the same and amounted to EUR 15.6 million (EUR 15.5 million in FY 2014/15) while operating profit went down from EUR 1 million to EUR 0.2 million.

The Group invests to modernize the poultry business equipment. Contracts for the purchase of new production equipment for the total amount of EUR 6.7 million were made during the reporting period, from that amount EUR 2.07 million have been already invested.

Taking into account current market situation the Group expects the fall in profitability of this business Segment as compared to previous 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 this business segment amounted to EUR 71 thousand compared to EUR 32 thousand in previous year.

FINANCIAL COSTS

Financial expenses over referenced period amounted to EUR 0.8 million and were 12% more than that in 2014/15 financial year (EUR 0.7 million). The main reason affecting increase in such expenditures was increase in the amount of financial loans (those grew from EUR 116 million to EUR 157 million). Borrowings went up as short-term loans to finance trade activity increased because commodity stocks and financing to the suppliers-farmers expanded. The amount of short term debts grew from EUR 82 million to EUR 119 million. At the end of the season stocks are sold, therefore amount of short term debts decrease as well.

CASH FLOWS

Group's cash flow from operating activities before the changes in working capital increased to EUR 6.9 million as compared to EUR 5.7 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative and amounted to EUR 46.8 million (negative EUR 5.5 million over the respective period of 2014/15 financial year), the reason was increase in stock because of active purchases of the Group of various grains during harvesting season (inventory and stocks grew by EUR 24 million). Group's cash and cash equivalents at the end of the reporting period amounted to EUR 9 million (EUR 18 million in 2014/15 financial year).

THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 September, 2015, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

2015-09-29 09:00:32 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	En, Lt
2015-08-28 09:06:34 EEST	Notification about interim 12 months financial results of the financial year 2014/2015	Interim information	En, Lt
2015-08-27 10:00:31 EEST	Changes in management of Latvian poultry farming companies owned by AB Linas Agro Group	Notification on material event	En, Lt
2015-07-31 09:00:32 EEST	Swedbank issues over 11m euros in loans to producers AS Putnu fabrika Ķekava and SIA Lielzeltiņi to AB Linas Agro Group controlled companies	Other information	En
2015-07-21 09:36:32 EEST	SEB Bank increasing its financing for AB "Linas Agro" by EUR 26 million	Notification on material event	En, Lt

OTHER EVENTS DURING THE REPORTING PERIOD

18/08/2015	The company UAB Žemės Ūkio Investicijos was delisted from the Center of Register of Republic of Lithuania.
Jul-Aug, 2015	The share capital of Noreikiškių ŽŪB was increased from 433,000 to 449,000 euros.
30/07/2015	The Company additionally acquired 299 shares of AS Putnu Fabrika Kekava.
17/07/2015	The authorized capital of ŽŪB Landvesta 4 was increased from 553,753.48 to 603,777.11 euros.
14/07/2015	There was made a decision to increase authorized capital of UAB Lineliai from 553,000 to 638,000 euros.

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 01/07/2012 until the end of the reporting period, i. e. 30 September 2015, is presented in the following diagram:



CONTACT PERSONS

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AB LINAS AGRO GROUP CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE 3 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 30 September 2015	As at 30 June 2015
ASSETS			
Non-current assets			
Intangible assets	5	1,145	901
Property, plant and equipment	6	107,064	104,213
Investment property	7	1,520	1,523
Animals and livestock		7,975	8,127
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		904	903
Non-current receivables from related parties	12	1,164	1,175
Total non-current financial assets		2,085	2,095
Deferred income tax asset		1,888	1,955
Total non-current assets		121,677	118,814
Current assets			
Crops		3,579	15,436
Livestock		2,082	1,997
Inventories		137,408	56,415
Prepayments		11,602	8,729
Accounts receivable			
Trade receivables		80,805	96,700
Receivables from related parties	12	112	19
Income tax receivable		481	901
Other accounts receivable		25,203	9,500
Total accounts receivable		106,601	107,120
Other current financial assets		1,720	519
Cash and cash equivalents		8,786	6,680
Total current assets		271,778	196,896
Total assets		393,455	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 30 September 2015	As at 30 June 2015
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,032	46,032
Share premium	1	23,038	23,038
Legal reserve		2,704	2,704
Reserve for own shares		1,819	1,819
Own shares		(456)	(457)
Foreign currency translation reserve		(22)	(22)
Retained earnings		87,566	84,197
Total equity attributable to equity holders of the parent		160,681	157,311
Non-controlling interest		1,914	1,826
Total equity		162,595	159,137
Liabilities			
Non-current liabilities			
Grants and subsidies		7,100	6,646
Non-current borrowings	8	30,702	22,729
Finance lease obligations		2,049	1,789
Non-current trade payables		183	183
Deferred income tax liability		1,045	1,157
Non-current employee benefits		266	266
Total non-current liabilities		41,345	32,770
Current liabilities			
Current portion of non-current borrowings	8	7,188	13,313
Current portion of finance lease obligations		880	803
Current borrowings	8, 12	119,396	64,256
Trade payables		44,867	28,179
Payables to related parties	12	13	21
Income tax payable		692	303
Derivative financial instruments		–	581
Other current liabilities		16,479	16,347
Total current liabilities		189,515	123,803
Total equity and liabilities		393,455	315,710

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	2015/2016 1 Q	2014/2015 1 Q
Sales	4	149,479	130,851
Cost of sales		(137,477)	(121,799)
Gross profit		12,002	9,052
Operating (expenses)	9	(7,741)	(6,623)
Other income	10	358	1,146
Other (expenses)		(159)	(69)
Operating profit		4,460	3,506
Income from financing activities		245	116
(Expenses) from financing activities		(763)	(681)
Profit before tax		3,942	2,941
Income tax		(478)	(706)
Net profit		3,464	2,235
Net profit attributable to:			
Equity holders of the parent		3,363	1,994
Non-controlling interest		101	241
		3,464	2,235
Basic and diluted earnings per share (EUR)		0.02	0.01
Net profit		3,464	2,235
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		–	5
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	5
Total comprehensive income, after tax		3,464	2,240
Total comprehensive income attributable to:			
The shareholders of the Company		3,363	1,999
Non-controlling interest		101	241
		3,464	2,240

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 2014		46,032	(458)	23,038	2,360	1,825	(44)	76,550	149,303	2,790	152,093
Net profit for the year		–	–	–	–	–	–	1,994	1,994	241	2,235
Other comprehensive income		–	–	–	–	–	5	–	5	–	5
Total comprehensive income		–	–	–	–	–	5	1,994	1,999	241	2,240
Transfer of own shares		–	1	–	–	–	–	(1)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	6	6	(7)	(1)
Balance as at 30 September 2014		46,032	(457)	23,038	2,360	1,825	(39)	78,549	151,308	3,024	154,332
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		–	–	–	–	–	–	3,363	3,363	101	3,464
Total comprehensive income		–	–	–	–	–	–	3,363	3,363	101	3,464
Transfer of own shares		–	1	–	–	–	–	(1)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	7	7	(13)	(6)
Balance as at 30 September 2015		46,032	(456)	23,038	2,704	1,819	(22)	87,566	160,681	1,914	162,595

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

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2015/2016 1 Q	2014/2015 1 Q
Cash flows from (to) operating activities		3,464	2,235
Net profit			
Adjustments for non-cash items:			
Depreciation and amortisation		2,571	2,479
Subsidies amortisation		(201)	(227)
(Gain) on disposal of property, plant and equipment		(83)	(77)
(Gain) on disposal of other investments		–	(359)
Change in allowance and write-offs for receivables and prepayments		92	68
Inventories write down to net realisable value		5	6
Change in accrued expenses		453	(239)
Change in fair value of biological assets		159	53
Change in deferred income tax		37	199
Current income tax expenses		441	508
Expenses (income) from change in fair value of financial instruments		(604)	568
Dividend (income)		–	(45)
Interest (income)		(245)	(116)
Interest expenses		763	681
		6,852	5 734
Changes in working capital:			
Decrease in biological assets		11,812	11,142
(Increase) in inventories		(81,456)	(57,879)
Decrease (increase) in prepayments		(2,873)	2,093
Decrease in trade and other accounts receivable		(691)	16,199
(Increase) in restricted cash		(192)	(600)
Increase in trade and other accounts payable		19,831	18,151
Income tax (paid)		(73)	(350)
Net cash flows from (to) operating activities		(46,790)	(5,510)

(cont'd on the next page)

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2015/2016 1 Q	2014/2015 1 Q
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(7,453)	(2,141)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		136	202
(Acquisition) of subsidiaries (less received cash balance in the Group)	3	–	(200)
Disposal of other investments	3	–	434
Prepayments for financial assets		–	–
Loans (granted)		(896)	(1,033)
Repayment of granted loans		1,361	240
Interest received		227	9
Dividends received		–	45
Net cash flows from (to) investing activities		(6,625)	(2,444)
Cash flows from (to) financing activities			
Proceeds from loans		81,682	63,671
(Repayment) of loans		(25,166)	(45,579)
Finance lease (payments)		(228)	(187)
Interest (paid)		(761)	(675)
Acquisition of non-controlling interest		(6)	(1)
Net cash flows from (to) financing activities		55,521	17,229
Net (decrease) increase in cash and cash equivalents		2,106	9,275
Cash and cash equivalents at the beginning of the year		6,680	8,632
Cash and cash equivalents at the end of the year		8,786	17,907
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		270	–
Property, plant and equipment acquisitions financed by finance lease		520	93

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

	As at 30 September 2015		As at 30 June 2015	
	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	11,286,816	7.10%	10,720,893	6.75%
SEB AS OMNIBUS (Luxembourg) clients	11,604,207	7.30%	12,026,834	7.57%
Other shareholders (private and institutional investors)	30,014,937	18.88%	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 30 September 2015 (EUR 0.29 each as at 30 June 2015) and were fully paid as at 30 September 2015 and as at 30 June 2015.

The Company holds 786,972 of its own shares, percentage 0.50%, as at 30 September 2015 (788,972 as at 30 June 2015). Subsidiaries and other related companies did not hold any shares of the Company as at 30 September 2015 and as at 30 June 2015.

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 2015 the number of employees of the Group was 2,173 (2,334 as at 30 June 2015).

No changes in share capital occurred during the years ending 30 September 2015 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 2013/2014 financial year.

3.GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 September 2015 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
		30 September 2015	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	96.53%	96.47%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	96.53%	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	96.53%	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
Linās 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
		30 September 2015	30 June 2015	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.48%	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	97.41%	97.41%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.20%	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	99.80%	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	3.98%*	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 3 month period ended 30 September 2015

During 3 month period, ended 30 September 2015, the Group acquired 0.06% AS Putnu fabrika Kekava share capital for EUR 6 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 13 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 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, rapecake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes poultry and other food final products;
- the other products and services segment includes sales of biofuel and other products and services.

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

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 2015								
Revenue								
Third parties	95,343	35,591	2,967	15,561	17	–	–	149,479
Intersegment	381	2,752	6,901	–	–	–	(10,034) ¹⁾	–
Total revenue	95,724	38,343	9,868	15,561	17	–	(10,034)¹⁾	149,479
Results								
Operating expenses	(1,868)	(2,964)	(569)	(1,438)	(6)	(896)	–	(7,741)
Segment operating profit (loss)	4,596	992	(454)	194	71	(939)	–	4,460

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	85,824	26,753	2,501	15,498	275	–	–	130,851
Intersegment	2,982	1,912	4,091	–	–	–	(8,985) ¹⁾	–
Total revenue	88,806	28,665	6,592	15,498	275	–	(8,985)¹⁾	130,851
Results								
Operating expenses	(1,267)	(2,312)	(451)	(1,710)	(6)	(877)	–	(6,623)
Segment operating profit (loss)	3,788	571	(1,494)	1,065	32	(456)	–	3,506

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 2015	30 September 2014
Lithuania	34,677	36,008
Europe (except for Scandinavian countries, CIS and Lithuania)	76,994	61,617
Scandinavian countries	11,057	18,156
Asia	15,319	11,893
Africa	9,061	–
CIS	2,371	3,177
	149,479	130,851

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

Non-current assets	As at 30 September 2015	As at 30 June 2015
Lithuania	62,449	61,842
Latvia	46,007	43,310
Estonia	1,263	1,474
Denmark	10	11
	109,729	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	7	258	265
Write-offs	–	(11)	(11)
Balance as at 30 September 2015	811	860	1,671
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	16	5	21
Write-offs	–	(11)	(11)
Balance as at 30 September 2015	508	18	526
Net book value as at 30 September 2015	303	842	1,145
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	645	1,264	970	135	2,775	5,809
Disposals and write-offs	(2)	(9)	(495)	(23)	(9)	–	(538)
Reclassifications	–	3,861	1,687	13	20	(5,581)	–
Balance as at 30 September 2015	13,363	84,985	40,543	5,944	5,747	2,903	153,485
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	–	1,395	744	361	219	–	2,719
Disposals and write-offs	–	(20)	(236)	(35)	(8)	–	(299)
Balance as at 30 September 2015	–	21,671	18,271	2,702	3,310	–	45,954
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
Balance as at 30 September 2015	21	434	11	–	1	–	467
Net book value as at 30 September 2015	13,342	62,880	22,261	3,242	2,436	2,903	107,064
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
Balance as at 30 September 2015	1,313	275	1,588
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	–	3	3
Balance as at 30 September 2015	–	68	68
Impairment losses:			
Balance as at 30 June 2014	–	–	–
Balance as at 30 June 2015	–	–	–
Balance as at 30 September 2015	–	–	–
Net book value as at 30 September 2015	1,313	207	1,520
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 30 September 2015	As at 30 June 2015
Non-current borrowings		
Bank borrowings secured by the Group assets	30,702	22,729
	30,702	22,729
Current borrowings		
Current portion of non-current bank borrowings	7,188	13,313
Current bank borrowings secured by the Group assets	115,936	55,560
Other current borrowings (Note 12)	3,460	8,696
	126,584	77,569
	157,286	100,298

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	2015/2016 1 Q	2014/2015 1 Q
Wages and salaries and social security	4,642	3,854
Consulting expenses	198	347
Depreciation and amortization	434	423
Other	2,467	1,999
	7,741	6,623

10. OTHER INCOME (EXPENSES)

	2015/2016 1 Q	2014/2015 1 Q
Other income		
Gain from currency exchange	166	109
Rental income from investment property and property, plant and equipment	52	54
Gain from disposal of investment property and property, plant and equipment	90	79
Other income	50	904
	358	1,146
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(43)	(48)
Loss from disposal of property, plant and equipment	(7)	(2)
Other expenses	(109)	(19)
	(159)	(69)

11. COMMITMENTS AND CONTINGENCIES

As at 30 September 2015 the Group is committed to purchase property, plant and equipment for the total amount of EUR 5,823 thousand (EUR 534 thousand as at 30 June 2015).

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

SIA Lielzeltini, AS Putnu fabrika Kekava, SIA Cerova and SIA Broileks received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products, feedstuffs up to 2016, AS Putnu fabrika Kekava- up to 2017, SIA Cerova – up to 2018 and SIA Broileks – up to 2016.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 4,881 thousand as at 30 September 2015 (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 30 September 2015 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 3 month period ended 30 September 2015 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 2015 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 Prancėvičius;
 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 3 month period ended 30 September 2015 were as follows:

2015 1 Q	Purchases	Sales	Receivables			Payables	Current payable loans
			Trade receivables	Current loans receivable	Non-current loans receivable		
Akola ApS group companies	164	61	62	–	800	13	1,002
Members of management board	–	4	–	50	364	–	–

As at 30 September 2015 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%. As at 30 June 2015 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%.

As at 30 September 2015 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 30 September 2015 and 30 June 2015.

13. SUBSEQUENT EVENTS

On 22 October 2015 the Annual General Meeting of the Shareholders of the Company approved financial statements of the year 2014/2015, profit (loss) distribution of the financial year 2014/2015.

On 17 November 2015 the Company paid approved EUR 1,202 thousand dividends for the financial year ended 30 June 2015.