

CONSOLIDATED INTERIM

REPORT

OF THE FINANCIAL YEAR 2016/17

OF **AB LINAS AGRO GROUP**

FOR SIX MONTHS PERIOD

ENDED 31 DECEMBER 2016



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 six months of the financial year 2016/17, 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 six months of the financial year 2016/17 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 February 2017

Darius Zubas



AB Linas Agro Group Finance Director

28 February 2017

Tomas Tumėnas



CONTENT

1.	Reporting period of the interim report	1
2.	References and other explanatory notes on the information disclosed in the report	1
3.	Information about the Company and the Group	1
4.	Employees	9
5.	Activity results of the Group	10
6.	The publicly disclosed information and other events of the reporting period	18
7.	Scope of risk and management thereof	19
8.	Authorized capital and shares of the Company	20
9.	Information about trade in the Company's securities in the controlled markets	21
10.	Shareholders	22
11.	Bodies of the Company	23
12.	Procedure of amendments to the Company's articles of association	26
13.	Information about the compliance with the Company Management Code	26

1.REPORTING PERIOD OF THE INTERIM REPORT

Financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year, therefore this interim report is prepared for the first six months of the financial year 2016/17, and all the figures are stated as at 31 December 2016, unless otherwise indicated. AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as Group in this report.

2.REFERENCES AND OTHER EXPLANATORY NOTES ON THE INFORMATION DISCLOSED IN THE REPORT

All financial data in this semi-annual report are prepared in accordance with Financial Reporting Standards unless otherwise stated. Financial result is unaudited.

3.INFORMATION ABOUT THE COMPANY AND THE GROUP

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	group@linasagro.lt
Website	www.linasagro.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L

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 31 December, 2016 the total headcount of the Group amounted to 2,156 employees. The financial year of the Group begins on 1 July.

The Company does not have any branches and representative offices.

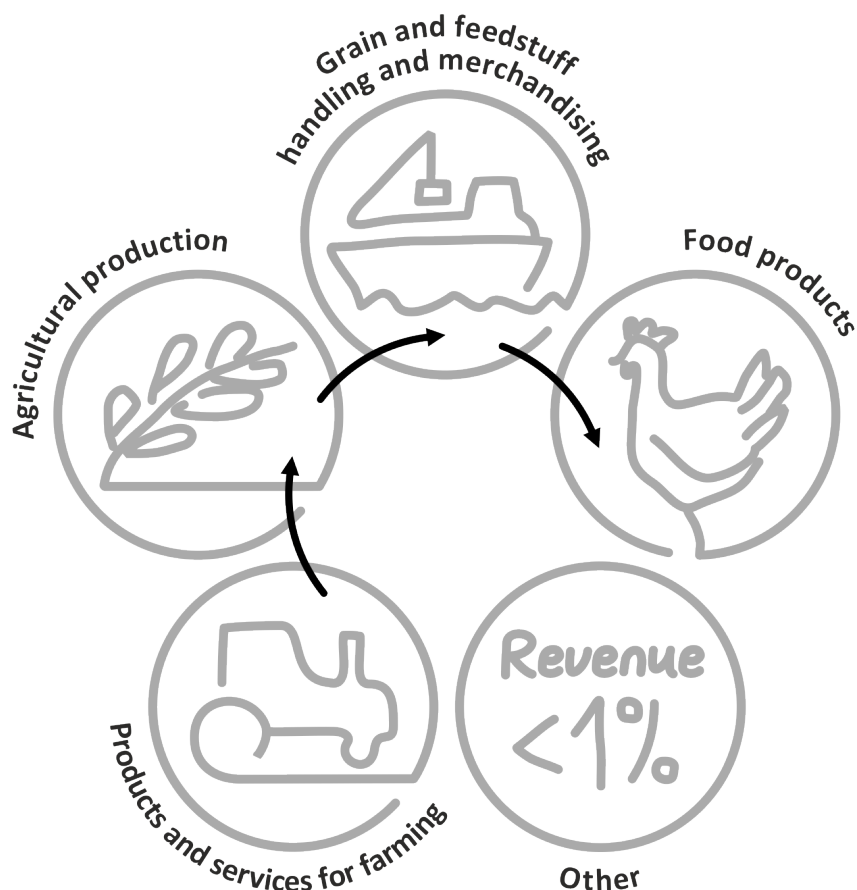
3.1. THE MAIN ACTIVITY

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.

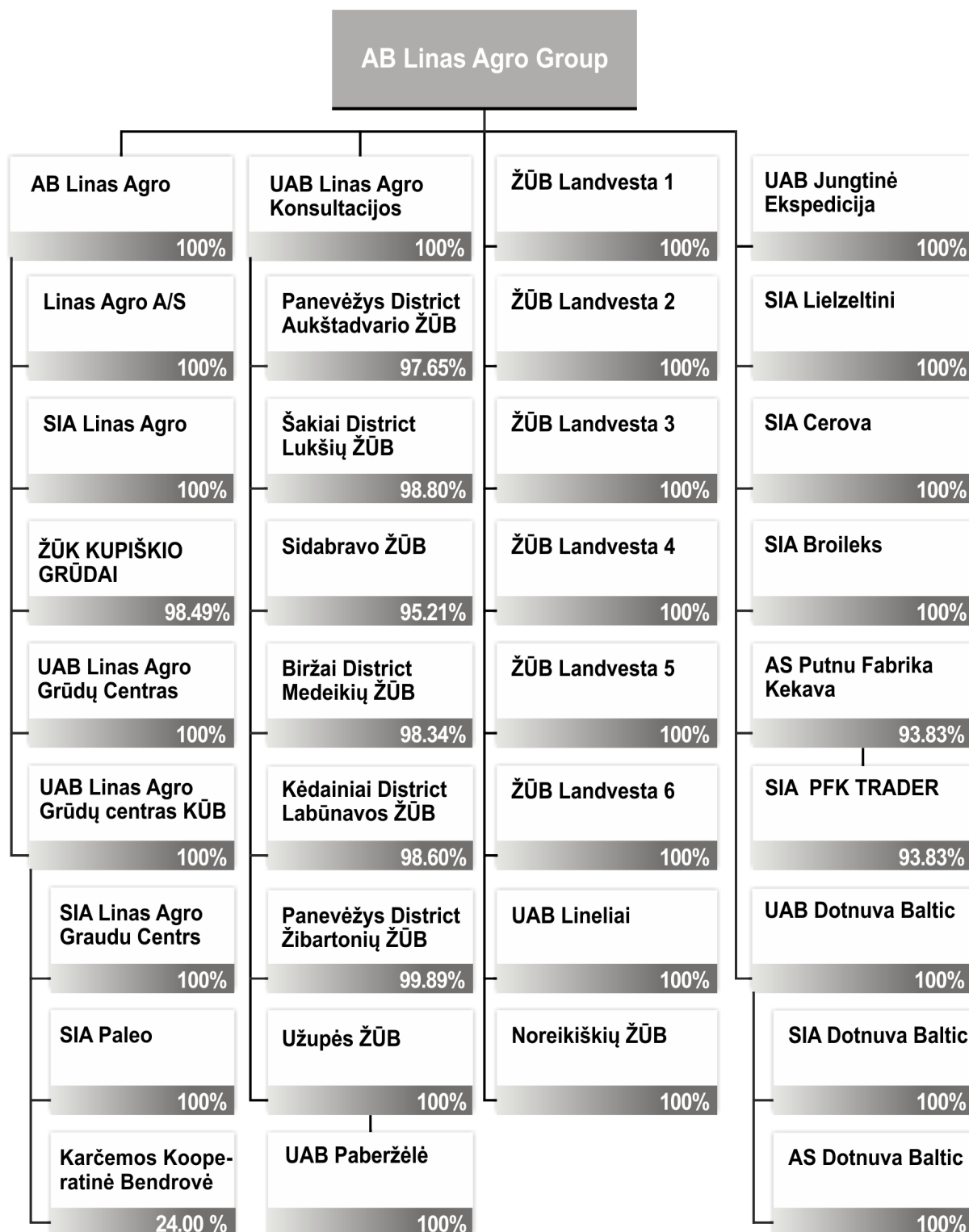


3.2. INFORMATION ABOUT SUBSIDIARIES OF THE COMPANY

3.2.1. STRUCTURAL CHART OF THE EFFECTIVE STOCK HELD BY AB LINAS AGRO GROUP

The Company controlled 38 companies* in Lithuania, Latvia, Estonia and Denmark as at 31 December, 2016.

*Dormant companies UAB Gerera (100% shares), UAB Dotnuvos Technika (100% shares) and SIA Erfolg Group (93.83% shares) not included).



3.2.2. SHAREHOLDING STRUCTURE OF THE COMPANIES

As at 31 December 2016, AB Linas Agro Group controlled, either directly or indirectly, the following companies*:

*Dormant companies UAB Gerera (100% shares owned by AB Linas Agro, UAB Dotnuvos Technika (100% shares owned by UAB Dotnuva Baltic) and SIA Erfolg Group (100% shares owned by AS Putnu Fabrika Kekava) are not included.

** AB Linas Agro Group and UAB Linas Agro Grūdų Centras hold 50% of votes each in UAB Linas Agro Grūdų Centras KŪB.

Company	Status	Share of the stock held by companies					Share of the stock held by the Group
		AB Linas Agro Group	AB Linas Agro	UAB Linas Agro Konsultacijos	UAB Linas Agro Grūdų Centras	UAB Dotnuva Baltic	
AB Linas Agro	Subsidiary	100%					100%
Linas Agro A/S	Subsidiary		100%				100%
SIA Linas Agro	Subsidiary		100%				100%
UAB Linas Agro Grūdų Centras	Subsidiary		100%				100%
UAB Linas Agro Grūdų Centras KŪB**	Subsidiary	24.69%	75.29%		0.02%		100%
SIA Linas Agro Graudu Centrs	Subsidiary	UAB „Linas Agro“ Grūdų centras KŪB owns 100% shares of the company					100%
SIA Paleo	Subsidiary	UAB „Linas Agro“ Grūdų centras KŪB owns 100% shares of the company					100%
UAB Linas Agro Konsultacijos	Subsidiary	100%					100%
Noreikiškių ŽŪB	Subsidiary	99.95%		0.05%			100%
Panevėžys District	Subsidiary			97.65%			97.65%
Aukštadvario ŽŪB	Subsidiary			95.21%			95.21%
Šakiai District	Subsidiary			98.80%			98.80%
Lukšių ŽŪB	Subsidiary			98.34%			98.34%
Biržai District	Subsidiary			98.34%			98.34%
Medeikių ŽŪB	Subsidiary			98.60%			98.60%
Kėdainiai District	Subsidiary			98.60%			98.60%
Labūnavos ŽŪB	Subsidiary			98.60%			98.60%
Užupės ŽŪB	Subsidiary	0.05%		99.95%			100%
UAB Paberžėlė	Subsidiary	Užupės ŽŪB owns 100% shares of the company					100%
UAB Lineliai	Subsidiary	100%					100%
Panevėžys District	Subsidiary	0.05%		49.02%		Užupės ŽŪB owns 50.82% parts of the company	99.89%
Žibartonių ŽŪB	Subsidiary			49.02%		Užupės ŽŪB owns 50.82% parts of the company	99.89%
ŽŪB Landvesta 1	Subsidiary	76.47%	23.53%				100%
ŽŪB Landvesta 2	Subsidiary	76.97%	23.03%				100%

Company	Status	Share of the stock held by companies					Share of the stock held by the Group
		AB Linas Agro Group	AB Linas Agro	UAB Linas Agro Konsultacijos	UAB Linas Agro Grūdų Centras	UAB Dotnuva Baltic	
ŽŪB Landvesta 3	Subsidiary	13.91%	86.09%				100%
ŽŪB Landvesta 4	Subsidiary	26.42%	73.58%				100%
ŽŪB Landvesta 5	Subsidiary	65.71%	34.29%				100%
ŽŪB Landvesta 6	Subsidiary	15.51%	84.49%				100%
ŽŪK KUPIŠKIO GRŪDAI	Subsidiary	Lukšių ŽŪB, Aukštadvario ŽŪB and Sidabravo ŽŪB holds 9.09%, Medeikių ŽŪB – 45.46%, AB Linas Agro – 27.27% parts of the company					98.49%
UAB Dotnuva Baltic	Subsidiary	100%					100%
SIA Dotnuva Baltic	Subsidiary					100%	100%
AS Dotnuva Baltic	Subsidiary					100%	100%
UAB Jungtinė Ekspedicija	Subsidiary	100%					100%

Company	Status	Share of the stock held by companies			Share of the stock held by the Group
		AB Linas Agro Group	AS Putnu Fabrika Kekava	SIA Lielzeltini	
AS Putnu Fabrika Kekava	Subsidiary	57.55%		36.28%	93.83%
SIA PFK Trader	Subsidiary		100%		93.83%
SIA Lielzeltini	Subsidiary	100%			100%
SIA Cerova	Subsidiary	100%			100%
SIA Broileks	Subsidiary	100%			100%
Karčemos Kooperatinė Bendrovė***	Subsidiary	UAB Linas Agro Grūdų centras KŪB owns 20% parts of the company and Panevėžys District Žibartonių ŽŪB own 4% parts of the company			24%

*** The Group owns 24% parts of Karčemos Kooperatinė Bendrovė, but controls this company and consolidates in the financial statements.

3.2.3. ACTIVITIES AND CONTACT DATA OF THE COMPANIES OF THE GROUP *

* Dormant companies are not included:

1. UAB Gerera, private limited liability company, founded 15/1/1993, code of legal entity 147676584, address Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
2. UAB Dotnuvos Technika, private limited liability company, founded 25/6/1998, code of legal entity 161452398, address Parko St. 6, Akademija, LT-58351 Kėdainiai District, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras).
3. SIA Erfolg Group, private limited liability company, founded 30/11/2009, code of legal entity 50103261581, address Gaismas iela 2A-48, Kekava, Kekava district, Latvia, company register – Register of Enterprises of the Republic of Latvia.

SUBSIDIARIES IN LITHUANIA

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AB Linas Agro	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs supply	8/7/1991, Code of legal entity 1473 28026, public limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@linasagro.lt www.linasagro.lt , www.rapsai.lt
UAB Linas Agro Grūdų Centras	Management services	5/7/2002, Code of legal entity 148450944, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 365 Fax +370 45 507 344 E-mail grudai@linasagro.lt
UAB Linas Agro Grūdų Centras KŪB	Grain processing and storage	10/7/2002, Code of legal entity 148451131, limited partnership, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 343 Fax +370 45 507 344 E-mail grudu.centras@linasagro.lt
UAB Linas Agro Konsultacijos	Management of subsidiary farming companies	23/6/2003, Code of legal entity 248520920, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibuoklių St. 14, LT-57125 Kėdainiai, Lithuania Ph. +370 688 674 29 E-mail konsultavimas@linasagro.lt
ŽŪB Landvesta 1	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501060, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 2	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501085, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 3	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501092, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 4	Rent and management of agricultural purposes land	23/04/2007, Code of legal entity 300709428, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
ŽŪB Landvesta 5	Rent and management of agricultural purposes land	16/8/2007, Code of legal entity 301019661, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 6	Rent and management of agricultural purposes land	14/1/2008, Code of legal entity 301520074, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
UAB Dotnuva Baltic	Sale of seeds, agricultural machinery	5/3/1996, Code of legal entity 261415970, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko St. 6, Akademija, 58351 Kėdainiai district, Lithuania Ph.+370 347 370 30 Fax +370 347 370 40 E-mail info@dotnuvabaltic.lt www.dotnuvabaltic.lt
Noreikiškių ŽŪB	Rent and management of agricultural purposes land	16/8/2012, Code of legal entity 302841649, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 70, Žibartoniai vill. LT-38323 Panevėžys district, Lithuania Ph.+370 45 507 333 Fax +370 45 507 444 E-mail noreikiskes@linasagro.lt
Užupės ŽŪB	Mixed agricultural activities	6/4/2011, Code of legal entity 302612561, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės St. 81, Užupės vill. LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail uzupe@linasagro.lt
UAB Paberžėlė	Rent and management of agricultural purposes land	30/6/2008, Code of legal entity 301772627, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail paberzele@linasagro.lt
UAB Lineliai	Rent and management of agricultural purposes land	9/3/2012, Code of legal entity 302740714, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
Šakiai District Lukšių ŽŪB	Mixed agricultural activities	30/10/1992, Code of legal entity 174317183, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Lukšių vill. 2, LT-71176 Šakiai district, Lithuania Ph. +370 345 442 88 Fax +370 345 442 25 E-mail luksiai@linasagro.lt
Kėdainiai District Labūnavos ŽŪB	Mixed agricultural activities	25/2/1992, Code of legal entity 161228959, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Barupės St. 9, Labūnavos vill. LT-58173 Kėdainiai district, Lithuania Ph. + 370 347 34 4166 Fax. + 370 347 34 180 E-mail labunava@linasagro.lt
Biržai District Medeikių ŽŪB	Growing and sale of crop	5/10/1992, Code of legal entity 154771488, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Biržų St.32, Medeikių vill., LT-41462 Biržai district, Lithuania Ph. +370 450 584 22 Fax +370 450 584 12 E-mail medeikiai@linasagro.lt

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
ŽŪK KUPIŠKIO GRŪDAI	Grain processing and storage	8/4/1999, Code of legal entity 160189745, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Technikos St. 6D, LT-40122 Kupiškis, Lithuania Ph. +370 459 529 16 Fax +370 459 529 16 E-mail info@kupiskiogrudai.lt
Panevėžys District Aukštadvario ŽŪB	Mixed agricultural activities	9/3/1993, Code of legal entity 168573274, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pirties St. 3, Aukštadvario vill. LT-38255 Panevėžys district, Lithuania Ph./fax +370 45 592 651 E-mail aukstadvaris@linasagro.lt
Sidabravo ŽŪB	Mixed agricultural activities	20/4/1993, Code of legal entity 171331516, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pergalės St. 1A, Sidabravas, LT-82251 Radviliškis district, Lithuania Ph. +370 422 477 27 Fax +370 422 476 18 E-mail sidabravas@linasagro.lt
UAB Jungtinė Ekspedicija	Logistics and forwarding services	17/2/1998, Code of legal entity 141642963, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	I. Kanto g. 12-3, LT-92235 Klaipėda, Lithuania Ph. +370 46 310 163 Fax +370 46 312 529 E-mail info@je.lt www.je.lt
Panevėžys District Žibartonių ŽŪB	Mixed agricultural activities	22/5/1992, Code of legal entity 168521815, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 Fax +370 45 557 486 E-mail zibartoniai@linasagro.lt
Karčemos Kooperatinė Bendrovė	Grain processing and storage	9/3/2010, Code of legal entity 302487798, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Šiaulių St. 72, Gustonys vill. LT-38355 Panevėžys district, Lithuania Ph. +370 45 454 051 Fax +370 45 454 054 E-mail priemimas@karcemoskb.lt

SUBSIDIARIES OPERATING IN FOREIGN COUNTRIES

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
Linus Agro A/S	Wholesale trade of grains and oilseeds, feedstuffs and other similar products and services	15/3/1994, Code of legal entity CVR 17689037, register of the company – Danish Commerce and Companies Agency	Vinkel Allé 1, DK-9000 Aalborg, Denmark Ph. +45 988 430 70 Fax +45 988 440 07 E-mail info@linasagro.dk www.linasagro.dk
SIA Linas Agro	Wholesale trade of grains and oilseeds, agricultural inputs supply	23/4/2003, Code of legal entity 53603019011, Register of Enterprises of the Republic of Latvia	Bauskas St. 2, LV-3001 Jelgava, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.rapsim.lv
SIA Linas Agro Graudu Centrs	Grain processing and storage	2/5/2013, Code of legal entity 43603059101, Register of Enterprises of the Republic of Latvia	„Jaunsalieši“, LV-5202 Jekabpils, Latvia Ph. +371 220 001 82 E-mail graudu.centrs@linasagro.lv

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Paleo	Warehousing services	15/2/2000, Code of legal entity 40003480783, Register of Enterprises of the Republic of Latvia	„Iecavas base“, Iecavas nov., LV-3913 Latvia Ph. +371 639 415 41 Fax +371 639 419 55 E-mail paleo@linasagro.lv
SIA Dotnuva Baltic	Sale of seeds, agricultural machinery	26/04/2010, Code of legal entity 43603041881, Register of Enterprises of the Republic of Latvia	Jūrmalas St. 13C, Pinki, LV-2107 Babītes district, Latvia Ph. +371 679 131 61 Fax +371 677 602 52 E-mail info@dotnuvabaltic.lv www.dotnuvabaltic.lv
AS Dotnuva Baltic	Sale of seeds, agricultural machinery	11/11/2010, Code of legal entity 12019737, Estonian Central Register of Securities (Eesti Väärtpaperikeskus AS)	Savimäe 7, Vahi 60534, Tartu district, Estonia Ph. +372 661 2800 Fax +372 661 8004 E-mail info@dotnuvabaltic.ee www.dotnuvabaltic.ee
AS Putnu Fabrika Kekava	Poultry farming, production and marketing of poultry and poultry products	11/6/1991, Code of legal entity 50003007411, Register of Enterprises of the Republic of Latvia	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA PFK TRADER	Food retail	26/8/2013, Code of legal entity 40103703853, Register of Enterprises of the Republic of Latvia	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA Lielzeltini	Poultry farming, production and marketing of poultry and poultry products, feed production	7/7/1994, Code of legal entity 40003205232, Register of Enterprises of the Republic of Latvia	„Mazzeltini“, Janeikas, Bauskas district, Latvia Ph. +371 6396 0770 Fax +371 6396 0768 E-mail lielteltini@lielteltini.lv www.lielteltini.lv
SIA Broileks	Chicken breeding and sale	7/12/2009, Code of legal entity 50103262981, Register of Enterprises of the Republic of Latvia	Gaismas St. 2A-48, Kekava LV-2123, Latvia Ph./Fax +371 67313182
SIA Cerova	Egg incubation and chicken sale	8/10/2003, Code of legal entity 43603019946, Register of Enterprises of the Republic of Latvia	Centra St. 11, Musa, Bauskas district, Latvia Ph. +371 2633 4110 Fax +371 6392 6234 E-mail cerova@latnet.lv

4.EMPLOYEES

As at 31 December 2016 the number of employees of the Group was 2,156 or 95 employees less than as at 31 December 2015 (2,251).

AB Linas Agro Group has no collective agreement.

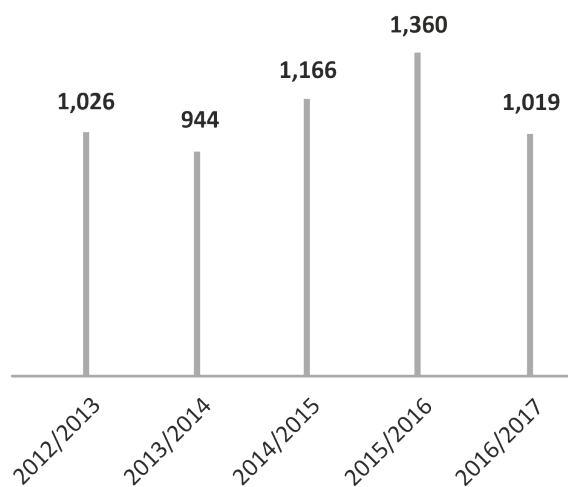
5. ACTIVITY AND FINANCIAL RESULTS OF THE GROUP

- Consolidated revenue of AB Linas Agro Group in six months of 2016/17 financial year totaled EUR 297 million and was 19% less as compared to previous year (EUR 367 million).
- The Group's sales volume in tons exceeded 1 million tons of various grains and agricultural inputs and was 25% less as compared to previous year (1.4 million tons).
- The gross profit reached EUR 22 million or was 14% lower than a year before (EUR 25 million).
- Consolidated EBITDA amounted to EUR 8.6 million (EUR 13.6 million in previous year).
- The Group's operating profit reached almost EUR 3.7 million and was 60% less as compared to the respective period of the previous year (EUR 9.3 million).
- Profit before taxes amounted to EUR 2.6 million (compared to EUR 8.4 million in previous year). The net profit attributable to the Group stood at EUR 1.6 million (EUR 7 million in previous year).
- Grain storage facilities owned by the Group processed 430 thousand tons of various grains or 13% less as compared to previous year (493 thousand tons).

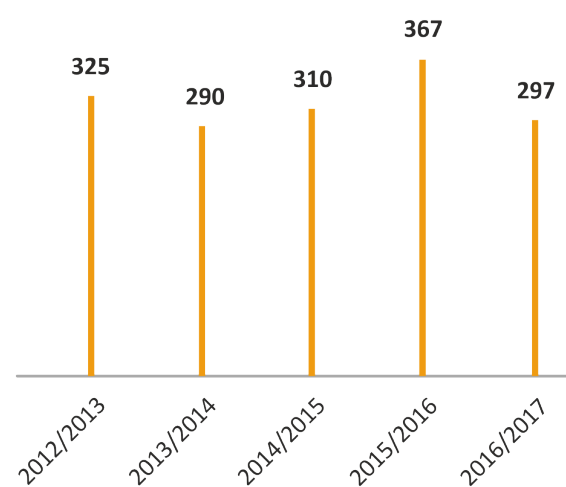
5.1. FINANCIAL RATIOS

	2016/17 6 months	2015/16 6 months	2014/15 6 months	2013/14 6 months	2012/13 6 months
Sales in tons	1,018,791	1,360,481	1,166,017	944,331	1,026,114
Sales revenue (thousand EUR)	297,193	366,981	310,366	290,301	325,221,
Gross profit (thousand EUR)	21,755	25,266	16,739	16,603	25,719
Gross profit margin	7%	7%	5%	6%	8%
EBITDA (thousand EUR)	8,575	13,649	8,686	14,557	25,386
EBITDA margin	3%	4%	3%	5%	8%
Operating profit (thousand EUR)	3,657	9,256	3,731	11,759	22,298
Operating profit margin	1%	2%	1%	4%	7%
Earnings before taxes EBT (thousand EUR)	2,584	8,386	2,700	11,068	22,469
Earnings before taxes margin	1%	2%	1%	4%	7%
Net profit (thousand EUR)	1,709	7,075	2,064	10,307	19,852
Net profit margin	0,6%	2%	0,7%	3,6%	6,1%
Current ratio	1.3	1.7	1.5	1.4	1.5
Debt / Equity ratio	0.9	0.6	0.8	1.0	1.1
Net financial debt / EBITDA	16.5	7.0	12.8	9.0	4.4
Return on equity (ROE)	1.0%	4.3%	1.2%	6.1%	16.4%
Return on capital employed (ROCE)	0.8%	3.4%	1.4%	4.1%	9.4%
Basic and diluted earnings per share (EUR) (EPS)	0.01	0.04	0.01	0.07	0.012

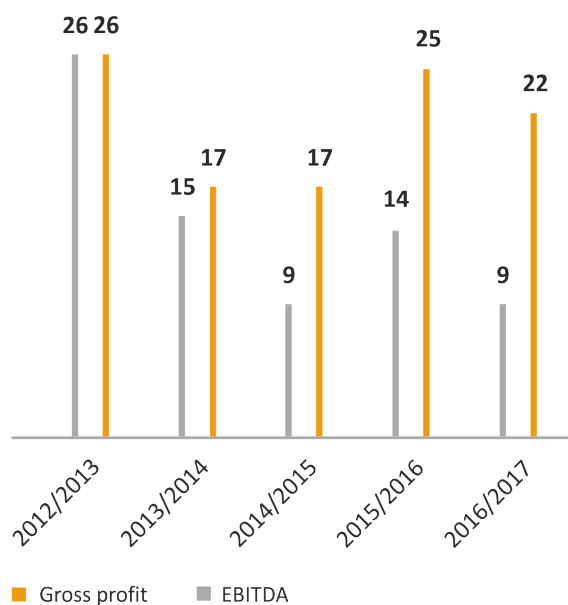
SALES VOLUME IN THOUSAND T



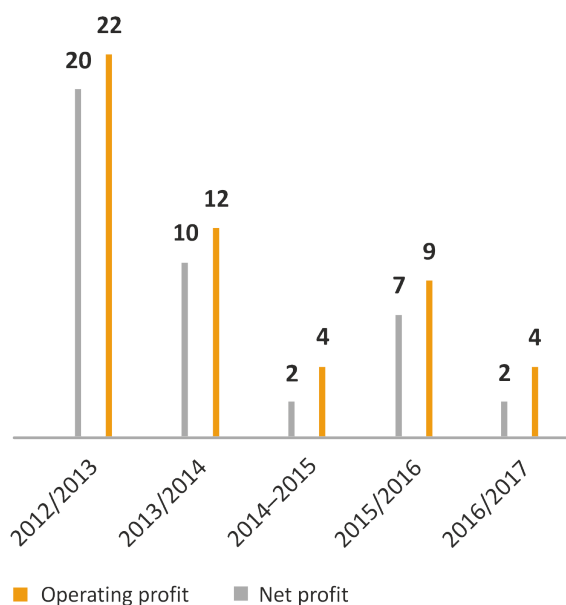
SALES REVENUE, EUR MILLION



GROSS PROFIT AND EBITDA, EUR MILLION



OPERATING AND NET PROFIT, EUR MILLION



■ Gross profit ■ EBITDA

■ Operating profit ■ Net profit

5.2. OVERVIEW

As per updated data of International Grain Council (IGC), the world grain and oilseed harvest will be around 2.1 billion tons in 2016 and 4.4% higher as compared to that in 2015 (2,005 billion tons). The grain harvest is above 2 billion tons for the fourth consecutive year. Therefore, world grain ending stocks are high and projected to reach 507 million tons this year (475 million tons in 2015). The above affected the global prices, which have slightly gone down as compared to 2015. For instance, the price of wheat on MATIF exchange ranged between 162 and 168 euros per ton in July-December, while previous year it has been 170-201 euros per ton, at the same time rapeseed price was 363-370 euros per ton, compared with the price of 364-410 euros per ton a year before.

According to the data of Statistics Lithuania cereals harvest in Lithuania was 12% less as compared to previous year due to adverse weather conditions and amounted to 5.7 million tons (6.5 million tons in 2015). Drop in the harvest was mainly affected by decreased yields (16%) as cultivated land grew by 4%. Winter crop harvest dropped 12% and summer crop harvest decreased by 24%. Heavy rain adversely affected the quality of grain - more than half of harvested wheat in Lithuania was of feed quality, while previously medium and high grade wheat prevailed. A similar situation was observed in Latvia well- both in terms of the quality of grain and crop yield. In 2016, the harvest of cereals in Latvia declined by 10.5 percent from a year before to 2.7 million tons, with a big market share of fodder quality grain, the Central Statistics Bureau reported.

Poor quality grain posed many challenges for the grain traders: grain quality did not meet requirements of the traditional Lithuanian grain buyers, therefore the new export destinations were to be founded. That had a negative impact on Group's results over six months period. The Group had to renegotiate the future contracts and enter into new sale contracts to sell feed quality grains. For this reason sales slumped over first six months of this financial year if compared to previous one, while stocks increased from EUR 72 million to EUR 127 million. The majority of sales have been postponed into the second half of the financial year, as an opposite to earlier years.

Familiar situation has been observed all over Lithuania. According to the information of analytical magazine "Agrorinka", export volumes of various grains from Lithuania were 211 thousand tons of various grains and were 48% lower than in December, 2015.

Overall situation in grains and oilseeds market also directly affects prices for food products. Those, except prices for milk, remained almost flat if compared to those a year ago, or even went down. According to the data of UN Food and Agricultural organization, an average FAO index went up from 164 to 170 points for the period July-December due to increased index of milk prices (those grew 40%), while meat price index, which also accounts prices for poultry products, fell down from 160 to 157 points. All these aforementioned reasons had a direct effect on Group's first half year performance.

Due to the aforementioned events the total sales volume of AB Linas Agro Group dropped by 25% from 1.4 million tons to 1 million tons and consolidated revenue of the first six months of 2016/17 financial year amounted to EUR 297 million and was 19% less than in previous year (EUR 367 million). The main reason behind the revenue drop was the decrease in sales of business Segment 'Grain and Feedstuff Handling and Merchandising', which slumped by almost 28%. Due to declined world prices on various grains and lower yields, revenues of another business segments, like 'Agricultural Production' and 'Products and services for Farming' slightly dropped as well (3.7% and 2.2% accordingly). Revenues of business segment "Food Products" grew slightly by 1.7% and amounted to EUR 30 million (those

Lower sales volumes both in tonnage and sums had a direct negative affect on Group's profitability. The gross profit of AB Linas Agro Group dropped from EUR 25 million to EUR 22 million, the operating profit from EUR 9.2 million to EUR 3.7 million and net profit from EUR 7 million to EUR 1.7 million.

Taking into consideration the fact that the majority of sales, particularly in the Group's main business segment 'Grain and Feedstuff Handling and Merchandising', have been postponed till the second half of this financial year, the Group predicts that the second half of this financial year will be more profitable than the first.

5.3. FINANCIAL COSTS

Financial expenses grew by 4% over referenced period and amounted to EUR 1.32 million as compared to that in 2015/16 financial year (EUR 1.26 million). The amount of financial loans over first half of this financial year grew from EUR 97 million to EUR 150 million and was the main reason for increase of financial costs. Financial debt rose mainly due to the fact that Group's stocks grew from EUR 72 million to EUR 127 million as part of sales has been transferred into the second half of financial year. In order to finance the stocks, Groups actively used banking credits.

5.4. CASH FLOW

Group's cash flow from operating activities before the changes in working capital dropped to EUR 6.5 million as compared to EUR 13.3 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 55.2 million (negative EUR 17.4 million over the respective period of 2015/16 financial year), the reason was increase of stocks from EUR 72 million to EUR 127 million over first six months of this financial year. Group's cash and cash equivalents at the end of the reporting period amounted to EUR 7.8 million (EUR 9.6 million in 2015/16 financial year).

5.5. INVESTMENTS

During the reporting period the Group's subsidiaries have invested over EUR 5.7 million. Major investments of the Group by character:

Investment object	Investment amount, thousand EUR
Grain storage equipment, warehouses, buildings, various appliances and other machinery	379
Purchase and upgrade of agricultural machinery, vehicles, equipment, buildings and purchase of land	2,866
Modernization and renovation of poultry farms	2,483

5.6. 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

	2016/17 6 months	2015/16 6 months	2014/15 6 months	2013/14 6 months	2012/13 6 months
Grain and Feedstuff Handling and Merchandising	4,058	10,660	2,598	2,416	16,218
Products and Services for Farming	2,157	1,559	1,338	2,449	5,135
Agricultural Production	(875)	(1,307)	(1,376)	2,015	4,818
Food products	499	252	2,557	5,952	-
Other	134	59	49	(139)	(178)

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 logistic services.

The Group has been operating in this field since 1991, this activity generates the major part of the Group's revenue. Two companies of the Group - AB Linas Agro and Linas Agro AS - are holders of the European Good Trading Practice certificates. Also AB Linas Agro holds a certificate in trade of organic plant production issued by the PE Ekoagros and also received a European Good Manufacturing Practice GMP+ certification during the reporting period.

The Group consistently expands the capacity of its own grain elevators, and currently the Group's own storage capacity for various grains and inputs amounts to 340 thousand tons. The capacities of the storage facilities at ports operated by the Group exceed 220 thousand tons.

Due to lower grains quality as compared to common practice, the part of Group's sales in this business segment has been postponed into second half of the season, accordingly sales volume in tons slumped from 1.1 million tons to 0.8 million tons. The Group needed to re-adjust its sales strategy as majority of wheat was of feed grade. Quite a big part of purchased grains will be sold in the second half of the year. Therefore the current results of this business segment do not reflect the real expected profitability of 2016/17 financial year.

The sales of traditional crops (wheat, rapeseed, barley) dropped by 32%: their trading volumes declined from 0.96 million tons to 0.65 million tons. Due to the drop in the world grain prices, sales in monetary units declined from EUR 176 million to EUR 137 million as well. A large supply of feed grains had influence on feed sector as well. The sales of feedstuff in tons decreased by 22%, while the revenue from feedstuff sales decreased from EUR 53 million to EUR 44 million due to the high ending stocks of feed manufacturers and a subsequent fall in demand, as well of the poor harvest in some of the supply regions.

Grain storage facilities owned by the Group collected and processed 430 thousand tons of various grains or 13% less as compared to the respective period of the 2015/16 financial year (493 thousand tons). The harvested grain had high moisture content this year, therefore revenue and profit from drying services went up. The gross profit of the Group-owned grain elevators grew from EUR 1.9 million to EUR 3.4 million.

Operating profit of this business Segment slumped by 62% from EUR 10.7 million to EUR 4 million.

The Group opened a new grain reception station with the grain dryer in Rezekne, Latvia, in territory of the recently acquired company SIA Paleo. Almost 225 thousand tons of agricultural commodities were bought in Latvia - as much as the previous year.

Nearly 365 thousand euros in total were invested to renovate and expand grain elevators during the reporting period.

Taking into account probable losses due to poor quality of Lithuanian and Latvian grain and lower harvest, although a higher profitability from the drying services provided by elevators, the Group expects to earn the same operating profit for this business Segment for the whole financial year as compared to previous year.

PRODUCTS AND SERVICES FOR FARMING

This business Segment includes trade in seeds, plant protection products, fertilizers, agricultural machinery, design and installation of grain cleaning, drying and storage facilities as well as farms.

A supply of agricultural inputs to the farmers is a long term activity of the Group that trace back to 1993 and is currently run in Lithuania, Latvia and Estonia. Since 1998 the Group is a shareholder of UAB Dotnuva Baltic (former UAB Dotnuvos Projektai), a wholesaler and retailer of agricultural machinery and grain storage facilities, a producer of certified seeds.

Lower yields in Lithuania and Latvia as well as lower prices on grain commodities had a negative impact on sales volumes in this business segment, although at a minor extent.

As it was expected the growth in sales of various agricultural machinery and equipment for grain elevators stabilized and remained at last year's level amounting to EUR 29 million. Gross profit from that activities also unchanged and amounted to EUR 4 million or almost the same as year before.

Sales of various agricultural inputs (fertilizers, seeds and plant protection products) was quite successful- though revenue dropped from EUR 49 million to EUR 46 million, gross profit went up from EUR 3.5 million to EUR 4.4 million.

Sales of this business Segment amounted to EUR 78 million (in FY 2015/16 – EUR 80 million) and operating profit went up from EUR 1.6 million to EUR 2.2 million.

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 six 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 and Sidabravo ŽŪB.

Agricultural companies were cultivating 17,232 ha of land. At the end of the reporting period the Group had 6,763 ha of own land. There were planted 9,058 ha of winter crops during this fall or 2% less as compared to previous year.

The Group's agricultural companies harvested over 89 thousand tons of various agricultural commodities or 8% less as compared to previous year. Wheat harvest was the highest and amounted to 49 thousand tons, malting barley harvest was 12 thousand tons, rapeseed – 9 thousand, also almost 12 thousand tons of sugar beet was harvested. Over 47 thousand tons of crop products were sold or 9% less than previous year.

The average yield of wheat was 6 tons/ha (average yield in Lithuania is 4.36 tons/ha), rapeseed – 3.5 tons/ha (2.9 tons/ha average in Lithuania).

Group controlled farms own over 3,160 milking cows. Over referenced period 14.8 thousand tons of raw milk has been sold or 9% less as compared to previous year. Despite the facts that milk purchase price in July was the lowest in the last five years, an overall improvement in world prices of milk products had a positive impact on raw milk purchase price in Lithuania which were on upward trend since August, 2016.

The average raw milk purchase price over July-December months of 2016 grew by 9% if compared to those a year ago and had an impact on profitability of Group's operated farms.

The revenue of this business Segment went down by 3.7% and amounted to EUR 15.6 million (EUR 16.2 million in 2015/16 financial year) as revenue from grain sales dropped from EUR 10.4 million to EUR 9 million.

The operating profit of the Segment after the changes in biological assets, was negative and amounted to EUR 0.87 million (1.3 million loss was recorded in FY 2015/16).

Almost Eur 1.2 million were invested by agricultural companies to update agricultural machinery.

Though the Group's agricultural companies produced less and lower-quality crop production than a year before, but taking into consideration an upward trend for milk prices, the Group expects the annual operating profit of this business Segment to be the same like in FY 2015/16.

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 operated 21 retail shops all over Latvia. During the reporting period, AS Putnu Fabrika Kekava received the BRC (British Retail Consortium) certification. BRC Global Standard for Food Safety is one of the most effective measures commonly used in assessing the reliability of suppliers.

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 slaughterhouses at which the birds are being slaughtered have Halal certificates.

The poultry companies produced over 13 thousand tons of live weight or 8% more as compared to previous year (12 thousand tons of live weight). Companies sold over 14 thousand tons of poultry and poultry products (15 thousand tons a year before).

As already has been mentioned, FAO index, accounting also prices for meat, fell down by 1.9% over the referenced period. An average broiler price in the EU for the period July-December, 2015 has been about EUR 180/100 kg and this year it was EUR 176/100 kg over the same period.

Revenue from this business Segment remained almost the same and amounted to EUR 30.4 million compared to EUR 29.9 million a year before while operating profit increased from EUR 0,3 million to EUR 0,5 million due to successful sales in Scandinavia and Lithuania.

The Group invested over 2 million euros thousand euros over the referenced period to upgrade poultry production equipment.

Taking into account the current market situation the Group expects close financials results 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 result of this business Segment amounted to EUR 134 thousand compared to a EUR 59 thousand of operating profit in previous year.

6.THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

6.1. THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 31 December, 2016, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

20/12/2016 16:00 EET	Notification on AB Linas Agro Group manager's related party transactions	Notification on transactions concluded by managers of the companies	En, Lt
15/12/2016 16:00 EET	AB Linas Agro Group Notification about acquisition of voting rights	Acquisition or disposal of a block of shares	En, Lt
15/12/2016 16:00 EET	Notification on AB Linas Agro Group manager's related party transactions	Notification on transactions concluded by managers of the companies	En, Lt
02/12/2016 09:02 EET	AB Linas Agro Group investor's calendar for the 2017	Other information	En, Lt
30/11/2016 09:33 EET	Notification about interim 3 months financial results of the financial year 2016/2017	Interim information	En, Lt
28/10/2016 10:33 EEST	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, Held on 27 October 2016	Notification on material event	En, Lt
28/10/2016 10:14 EEST	Procedure for the payout of dividends for the financial year ended 30 June 2016	Notification on material event	En, Lt
28/10/2016 10:14 EEST	AB Linas Agro Group notification about the Annual information of financial year 2015/2016	Annual information	En, Lt
04/10/2016 16:00 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Annual information	En, Lt
31/8/2016 12:18 EEST	Notification about interim 12 months financial results of the financial year 2015/2016	Interim informacion	En, Lt

6.2. OTHER EVENTS DURING THE REPORTING PERIOD

July-December 2016	The authorized capital of ŽŪB Landvesta 5 was increased from 906,500 to 1,163,000 euros.
25/11/2016	The Company paid approved EUR 1,202 thousand dividends for the financial year ended 30 June 2016.
23/09/2016	The company transferred 3,000 units of its own shares to the employees of AB Linas Agro. After these transactions, the number of own shares owned by the Company was 782,972.
21/09/2016	The authorized capital of UAB Lineliai was increased from 638,000 to 728,000 euros.
01/07/2016	The authorized capital of SIA Linas Agro Graudu Centrs was increased from 1,656,828 to 2,180,000 euros.

6.3. SUBSEQUENT EVENTS

There were no important events after the reporting period.

7. SCOPE OF RISK AND MANAGEMENT THEREOF

7.1. MARKET RISK

Market risk shall be understood as a risk to generate profit lower than planned if the tone of market prices is unfavorable. This may happen if market price fell below the intervention prices (minimal purchase prices for grains established by state authorities) as it would prevent the Group from receiving surplus profit. In a market situation when grain purchase prices fall due to certain reasons, intervention prices are used as a leverage to uphold a certain price level and thus to ensure guaranteed income to farmers. When intervention prices are higher than or identical to market prices, the Group sells the purchased grains to the agency and thus earns certain income which under regular market conditions would be lower than market prices. Starting from 2005, intervention prices are set by the EU and are calculated for two years in advance. The mechanism has not been applied so far; however, if intervention prices were applied, the Group would have been deprived of surplus profit.

In H1 of FY 2016/17 this risk did not manifest itself as regards the Company and the Group.

7.2. RISK RELATED TO ACTIVITIES OF SUBSIDIARIES

Subsidiary companies of the Group are engaged in the trade of agricultural raw materials, agricultural production, rearing of poultry and poultry production, storage of agricultural products and other activities. Poultry enterprises need to face the operational risk related to this sector including the cessation of the production as well as disease, environmental and other risks. Even though most of the subsidiaries are profitable, adverse developments in the markets, in which the parent company and its subsidiaries operate, may affect their yields. Managers for corresponding businesses within the Group follow closely and analyze the activity of the subsidiary companies and their key transactions, provide operational budgets of the companies under the authority of the Group's Board as well as monitor the implementation and key developments in these companies' budgets.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2016/17.

7.3. POLITICAL RISK

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group. Also, demand for agricultural products is impacted by political decisions - embargoes, import or export bans.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2016/17.

7.4. SOCIAL RISK

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key employees of the Group will stay with the Group in the future. Loss of such employees or the Group's failure to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group. Non-competition agreements are signed with some executives.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2016/17.

7.5. COUNTERPARTY RISK

The Group enters forward contracts with farmers who commit the delivery of production under terms and conditions of the contract. As the prices of products increase, the risk of breach of forward contracts and non-delivery of production by counterparties emerges. The bigger the difference between the contract price and the current market price on the day of delivery, the higher is the risk.

The Group, according its risk management policy is using risk management mitigating tools for forward purchases. No loss has been recorded, as the situation in the market was positive for such forward purchases. The Group continuously monitored and analyzed the market, has revised and stringent the terms of its purchase agreements, analyzed probable scenarios for losses and made certain decisions to control risk (for example, setting limits on forward contracts, evaluation and assessment of client's credit rating, capacity of cultivated land etc.).

In order to manage the risk related to certain products, the Group concludes forward contracts on commodity exchange NYSE Euronext Paris SA. The Group trades in futures to control the price risk arising from purchasing and selling rapeseed and wheat. The Group has approved an internal trade risk management system and established the credit risk management committee that analyses trade transactions entered into by the Company as well as their amounts and limits. Some of the buyers (buyers' solvency risk) are insured with international insurance companies.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2016/17.

8. AUTHORIZED CAPITAL AND SHARES OF THE COMPANY

On 31 December, 2016 the authorized capital of the Company amounted to EUR 46,092,715.42. The authorized capital of the Company is divided into 158,940,398 ordinary registered non-certificated shares. The nominal value of one share is EUR 0.29. ISIN code of the shares is LT0000128092.

Type of shares	Number of shares	Nominal value (EUR)	Total nominal value (EUR)	Portion in the authorized capital (%)
Ordinary registered shares	158,940,398	0.29	46,092,715.42	100
Total	158,940,398	–	46,092,715.42	100

All the shares of the Company are fully paid and they are not subject to any restrictions of the transfer of securities.

All shares issued by the Company grant equal rights to the Company's shareholders. The Company has not issued any shares of a class other than the aforementioned ordinary shares. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders (except 782,972 ordinary registered shares acquired by the Company that do not give the right to vote).

Neither limitations of the rights granted by the Company's shares nor special control rights for shareholders are provided for in the Company's Articles of Association.

8.1. THE COMPANY'S OWN SHARES

At the end of the reporting period, the Company held 782,972 units of Company's shares, which do not grant the right to vote in the General Meeting of Shareholders.

The subsidiaries of the Company have not acquired any shares of the Company.

9. INFORMATION ABOUT TRADE IN THE COMPANY'S SECURITIES IN REGULATED MARKETS

All 158,940,398 ordinary registered shares of the Company were included in the Official List of Nasdaq Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092). The ticker of the shares on Nasdaq Vilnius Stock Exchange is LNA1L. Trading in the Company's shares on Nasdaq Vilnius Stock Exchange started on 17 February 2010.

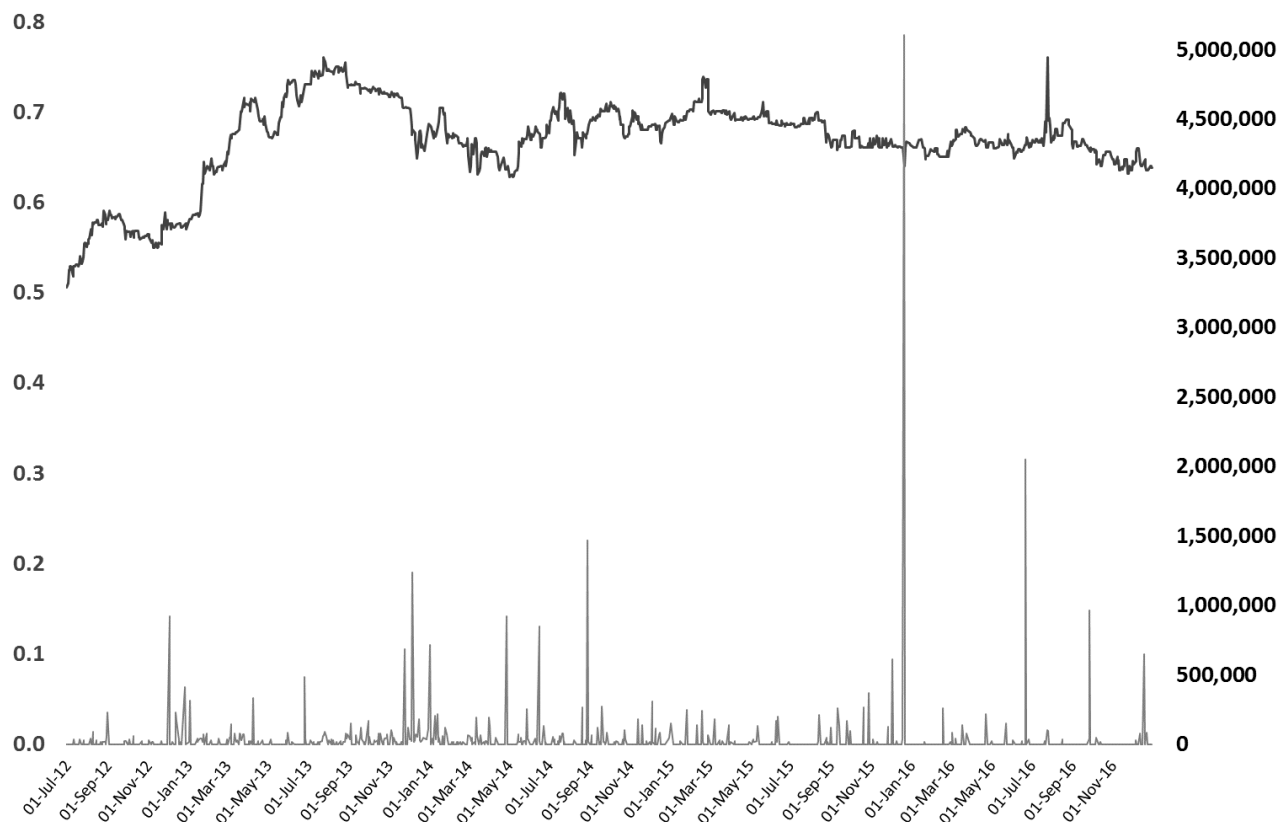
9.1. AGREEMENTS CONCLUDED WITH INTERMEDIARIES OF THE PUBLIC SECURITIES MARKET

On 11 November 2009, the Company signed the Issuer's Securities Accounting Management Agreement with Swedbank, AB represented by the Securities Transactions Department (Code 112029651; address: Konstitucijos ave. 20A, LT-03502 Vilnius).

The securities of the subsidiaries of the Company are not traded on regulated markets.

9.2. AB LINAS AGRO GROUP SHARE PRICE AND TURNOVER

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. 31 December 2016, is presented in the following diagram:



10.SHAREHOLDERS

According to the list of shareholders provided by AB Linas Agro Group securities account operator Swedbank, AB (data for end of 31 December 2016), the number of Company's shareholders at the end of the reporting period totaled 855.

Shareholders controlling more than 5% of Company's shares as at 31 December 2016:

	Number of shares held	Portion in the authorized capital and voting rights
Akola ApS (public company, company Code 2517487; registration address: Algade 31 9000 Aalborg, Denmark)	103,905,646	65.37%
Darius Zubas	17,049,995	10.73%

The Company's ordinary non-certificated shares grant equal rights to all shareholders of the Company. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders (except 782,972 ordinary registered shares acquired by the Company that do not give the right to vote).

11. BODIES OF THE COMPANY

According to the AB Linas Agro Group Articles of Association, the Company's bodies shall be as follows:

- The general Meeting of Shareholders;
- The Board;
- The Head of the Company (Managing Director).

The Supervisory Board shall not be formed in the Company.

One general meeting of shareholders was held during H1 of FY 2016/17 – on 27th of October, 2016.

The Company's Board consists of seven members that are elected for four years period. The Board of the Company was elected by the Company's General Meeting of Shareholders on 27 October 2016. As at 31 December 2016, the number of the Company's Board members was 7. The Company does not have independent members of the Board. Three meetings of the Board have been organized and held during 1st half of financial year, members of the Board attended 100 percent of the meetings.

The Head of the Company did not change during six months of 2016/17 financial year, ended 31 December 2016. The Head of the Company is also the Chairman of the Board of the Company.

Since 28 October 2010 Audit Committee is formed by the Company.

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.

11.1. THE BOARD

The members of the board as at 31 December, 2016:

Name	Number of shares held and participation in Company's authorized capital	Position within the Board	Cadence starts	Cadence ends
Darius Zubas	17,049,995 or 10.73% of shares	Chairman of the Management Board	27/10/2016	26/10/2020
Vytautas Šidlauskas	6,003,521 or 3.78% of shares	Deputy Chairman of the Management Board	27/10/2016	26/10/2020
Dainius Pilkauskas	480,281 or 0.3% of shares	Member of the Management Board	27/10/2016	26/10/2020
Arūnas Zubas	480,281 or 0.3% of shares	Member of the Management Board	27/10/2016	26/10/2020
Artūras Pribušauskas	11,000 or 0.01% of shares	Member of the Management Board	27/10/2016	26/10/2020
Tomas Tumėnas	2,200 or 0.001% of shares	Member of the Management Board	27/10/2016	26/10/2020
Andrius Pranckevičius	Does not have shares of the Company	Member of the Management Board	27/10/2016	26/10/2020

Darius Zubas (b. 1965) – the main founder of the Group. Graduated from Veterinary Academy of Lithuanian University of Health Sciences in 1988. Managing Director of the Company since 1997. Managing Director of AB Linas Agro since 1991 and Chairman of the Management Board since 2006. Chairman of the Board of Directors of Linas Agro A/S since 2004. Chairman of the Supervisory Board of AS Putnu Fabrika Kekava since 2014. Chairman of the Supervisory Boards of SIA Lielzeltini, SIA Linas Agro and AS Dotnuva Baltic, also Chairman of the Management Board of UAB Dotnuva Baltic since 2015. Chairman of the Management Board of UAB MESTILLA since 2006.

Vytautas Šidlauskas (b. 1963) graduated from Faculty of Chemistry of Kaunas University of Technology in 1987. Has been employed by the Group since 1991. Managing Director of UAB Gerera since 1993. Trade Director of AB Linas Agro since 1999 and Member of the Management Board since 2006. Member of the Board of Directors of Linas Agro A/S since 2004. Deputy Chairman of the Supervisory Boards of SIA Lielzeltini, SIA Linas Agro and AS Putnu Fabrika Kekava, the Member of the Supervisory Board of AS Dotnuva Baltic, also Deputy Chairman of the Management Board of UAB Dotnuva Baltic since 2015. Member of the Management Board of UAB MESTILLA since 2006.

Dainius Pilkauskas (b. 1966) – a graduate of Veterinary Academy of Lithuanian University of Health Sciences in 1991. Has been employed with the Group since 1991. Trade Director for Baltic States and Member of the Management Board of AB Linas Agro since 2006.

Arūnas Zubas (b. 1962) graduated from Faculty of Chemistry of Kaunas University of Technology in 1985. He was employed with the Group from 1995 to 2005 as director of commerce in AB Linas Agro. Member of the Management Board of AB Linas Agro since 2006. Member of the Supervisory Boards of SIA Lielzeltini and AS Putnu Fabrika Kekava since 2015. Managing Director of UAB MESTILLA since 2005.

Artūras Pribušauskas (b. 1963) graduated from Kaunas University of Technology, Faculty of Chemistry in 1986. In 2004, he attended the ACT (Association of Corporate Treasurers) corporate treasury courses in the UK. Joined the Group in 1993, worked as advisor and later as financier in AB Linas Agro. Head of treasury in AB Linas Agro since 1999 and in AB Linas Agro Group since 2010. Member of the Audit Committee of the Company. Member of the Management Board of UAB MESTILLA since 2013.

Tomas Tumėnas (b. 1972) obtained the diploma in Economics from Vilnius University in 1995 and a certificate in International Business Economics from Aalborg University. In 2011 obtained MBA (Master of Business Administration, Program for (Full) Financial Specialist & Managers) at Manchester Business School, The University of Manchester. Has been employed with the Group since 2001. Finance Director at AB Linas Agro since 2006 and Member of the Management Board since 2009. Finance Director of AB Linas Agro Group since 2009. Member of the Management Board of UAB Dotnuva Baltic since 2015.

Andrius Pranckevičius (b. 1976) – a graduate of Kaunas Technological University where in 1998 he obtained a bachelor's degree in Business Administration and, in 2000, master's degree in Marketing Management. He also took executive education programs in Harvard Business School, Wharton Business School, Stanford and Berkeley Business School (2004–2007) and program of leadership development in Harvard Business School (2009). Joined the Group in 1999. Deputy Managing Director of AB Linas Agro since 2005 and the Member of the Management Board since 2006. Deputy Managing Director of AB Linas Agro Group since 2009. Member of the Supervisory Board of AS Putnu Fabrika Kekava since 2014 and Chairman of the Management Board of the company since 2015. Also Chairman of the Management Board of the companies SIA Lielzeltini, SIA Cerova and SIA Broileks since 2015. Member of the Board of Lithuanian Agricultural Companies Association.

Board members controlling more than 5% of other Companies shares and votes:

Name	Participation in other Companies authorized capital
Darius Zubas	Akola ApS 71% votes; UAB MESTILLA 14.3% votes.
Vytautas Šidlauskas	Akola ApS 25% votes; UAB MESTILLA 5% votes.

Andrius Pranckevičius, Arūnas Zubas, Dainius Pilkauskas, Tomas Tumėnas and Artūras Pribušauskas do not have more than 5% of shares in the other companies.

The Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfillment of their obligations, also did not transfer them any assets.

11.2. MANAGEMENT OF THE COMPANY

Details of the Company's Management remained unchanged during the reporting period.

Company Management as of 31 December 2016:

Position	Name and surname	Employed since
Managing Director	Darius Zubas	01/09/1996
Deputy Managing Director	Andrius Pranckevičius	19/11/2009
Finance Director	Tomas Tumėnas	19/11/2009
Chief Accountant	Ramutė Masiokaitė	19/11/2009

The Management of the Company work under open-ended contracts of employment.

Information about Darius Zubas, Andrius Pranckevičius, and Tomas Tumėnas is provided in the chapter THE BOARD.

Ramutė Masiokaitė (b. 1971) – Chief Accountant. Does not own shares of the Company. Graduated from Vilnius University in 1994 and acquired the qualifications of economics, financial and credit specialist. She started her employment with the Group in 1998 in the capacity of the Chief Accountant of AB Linas Agro. In 2001 she became Finance Controller of AB Linas Agro and works so far, in 2009 was appointed as Chief Accountant of AB Linas Agro Group.

11.3 COMMITTEES FORMED BY THE COMPANY

There were no changes in the committees formed by the company during reporting period.

The Ordinary General Meeting of the Company's Shareholders held on 30 October 2014 formed the Audit Committee and elected the members of the Audit Committee. The Audit Committee consists of 3 members, including an independent member. The members of the Committee are elected for the term of office of 4 (four) years. The elected members of the Committee began their service from the moment the General Meeting of the Company's Shareholders during which they had been elected was over.

THE MEMBERS OF AUDIT COMMITTEE

(as at December 2016):

Andrius Drazdys - independent member of the Audit Committee. Term of office began on 30 October 2014, term of office ends on 30 October 2018. Does not own shares of the Company. Employed at UAB Vilniaus margarino gamykla as a Chief Finance Officer.

Artūras Pribušauskas -member of the Audit Committee. Term of office began on 30 October 2014, term of office ends on 30 October 2018. Treasury Manager of the Company and also employed as a

Treasury Manager at AB Linas Agro. Elected the Member of the Board as from October 24, 2013 (look chapter THE BOARD). Shareholder of the Company – owns 11,000 shares of the Company or 0.01% of all shares and votes of the Company.

Kristina Prūsienė - member of the Audit Committee. Term of office began on 30 October 2014, term of office ends on 30 October 2018. Does not have shares of the Company. Employed at AB Linas Agro as Deputy Accountant General.

12.PROCEDURE FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's Articles of Association shall be amended exclusively by the general meeting of shareholders under the Law of the Republic of Lithuania on Companies. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law of the Republic of Lithuania on Companies.

13.INFORMATION ABOUT THE COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company complies with the company management procedures stipulated in the Law of the Republic of Lithuania on Companies. The Company complies with the essential management principles for the companies listed on Nasdaq Vilnius. The managing bodies of the company are the General Meeting of Shareholders, the Board of the Company and the Head of the Company (Managing Director). The Company does not have the Supervisory Board. The Company's Board consists of seven members to be elected for a period of four years, but the Chairman of the Board is also the Head of the Company (Managing Director). The Company has the Audit Committee.

CONTACT PERSONS

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**AB LINAS AGRO GROUP
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD
OF THE YEAR 2016/17
(UNAUDITED)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2016	As at 30 June 2016
ASSETS			
Non-current assets			
Intangible assets	5	4,836	4,865
Property, plant and equipment	6	109,015	109,438
Investment property	7	1,121	1,359
Animals and livestock		8,220	7,578
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		3,790	3,987
Non-current receivables from related parties	12	–	800
Total non-current financial assets		3,807	4,804
Deferred income tax asset		1,941	2,137
Total non-current assets		128,940	130,181
Current assets			
Crops		3,298	13,813
Livestock		2,022	1,758
Inventories		127,121	71,952
Prepayments		16,670	6,616
Accounts receivable			
Trade receivables		65,596	93,420
Receivables from related parties	12	9	18
Income tax receivable		326	664
Other accounts receivable		10,774	5,144
Total accounts receivable		76,705	99,246
Other current financial assets		478	1,616
Cash and cash equivalents		7,798	6,901
Total current assets		234,092	201,902
Total assets		363,032	332,083

(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 31 December 2016	As at 30 June 2016
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,093
Share premium	1	23,038	23,038
Legal reserve		3,186	2,936
Own shares		(453)	(455)
Foreign currency translation reserve		(23)	(22)
Cash flow hedge reserve		(153)	(153)
Retained earnings		88,440	88,336
Total equity attributable to equity holders of the parent		160,128	159,773
Non-controlling interest		2,336	2,214
Total equity		162,464	161,987
Liabilities			
Non-current liabilities			
Grants and subsidies		6,460	6,289
Non-current borrowings	8	15,000	16,741
Finance lease obligations		1,129	1,228
Non-current trade payables		1,545	1,553
Deferred income tax liability		1,320	1,139
Non-current employee benefits		354	353
Derivate financial instruments		–	120
Total non-current liabilities		25,808	27,423
Current liabilities			
Current portion of non-current borrowings	8	17,082	19,943
Current portion of finance lease obligations		475	933
Current borrowings	8, 12	115,612	58,092
Trade payables		25,474	43,239
Payables to related parties	12	7	1,514
Income tax payable		436	340
Derivative financial instruments		316	60
Other current liabilities		15,358	18,552
Total current liabilities		174,760	142,673
Total equity and liabilities		363,032	332,083

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 December)

	Notes	2016/2017 6 month	2015/2016 6 month
Sales	4	297,193	366,981
Cost of sales		(275,438)	(341,715)
Gross profit		21,755	25,266
Operating (expenses)	9	(17,726)	(16,764)
Other income	10	480	928
Other (expenses)		(852)	(174)
Operating profit		3,657	9,256
Income from financing activities		245	393
(Expenses) from financing activities		(1,318)	(1,263)
Profit before tax		2,584	8,386
Income tax		(875)	(1,311)
Net profit		1,709	7,075
Net profit attributable to:			
Equity holders of the parent		1,557	7,001
Non-controlling interest		152	74
		1,709	7,075
Basic and diluted earnings per share (EUR)		0,01	0,04
Net profit		1,709	7,075
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		(1)	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		(1)	–
Total comprehensive income, after tax		1,708	7,075
Total comprehensive income attributable to:			
The shareholders of the Company		1,556	7,001
Non-controlling interest		152	74
		1,708	7,075

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 October to 31 December)

	Notes	2016/2017 2 Q	2015/2016 2 Q
Sales	4	144,273	217,502
Cost of sales		(136,717)	(204,238)
Gross profit		7,556	13,264
Operating (expenses)	9	(9,384)	(9,023)
Other income	10	248	570
Other (expenses)		(757)	(15)
Operating profit		(2,337)	4,796
Income from financing activities		179	148
(Expenses) from financing activities		(662)	(500)
Profit before tax		(2,820)	4,444
Income tax		85	(833)
Net profit		(2,735)	3,611
Net profit attributable to:			
Equity holders of the parent		(2,675)	3,638
Non-controlling interest		(60)	(27)
		(2,735)	3,611
Basic and diluted earnings per share (EUR)		(0,02)	0,02
Net profit		(2,735)	3,611
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		(1)	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		(1)	–
Total comprehensive income, after tax		(2,736)	3,611
Total comprehensive income attributable to:			
The shareholders of the Company		(2,676)	3,638
Non-controlling interest		(60)	(27)
		(2,736)	3,611

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	Other reserves	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
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		–	–	–	–	–	–	–	7,001	7,001	74	7,075
Total comprehensive income		–	–	–	–	–	–	–	7,001	7,001	74	7,075
Transfer of own shares		–	1	–	–	–	–	–	(1)	–	–	–
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Share capital value adjustment due to conversion to euro		61	–	–	–	–	–	–	(61)	–	–	–
Reserves made		–	–	–	232	(1,819)	105	–	1,482	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(10)	(10)
Disposal of minority interest in subsidiaries		–	–	–	–	–	–	–	–	–	634	634
Acquisition of minority interest		–	–	–	–	–	–	–	9	9	(18)	(9)
Balance as at 31 December 2015		46,093	(456)	23,038	2,936	–	105	(22)	91,425	163,119	2,506	165,625
Balance as at 1 July 2016		46,093	(455)	23,038	2,936	–	(153)	(22)	88,336	159,773	2,214	161,987
Net profit for the year		–	–	–	–	–	–	–	1,557	1,557	152	1,709
Other comprehensive income		–	–	–	–	–	–	(1)	–	(1)	–	(1)
Total comprehensive income		–	–	–	–	–	–	(1)	1,557	1,556	152	1,708
Transfer of own shares		–	2	–	–	–	–	–	(2)	–	–	–
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Reserves made		–	–	–	250	–	–	–	(250)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(26)	(26)
Acquisition of minority interest		–	–	–	–	–	–	–	1	1	(4)	(3)
Balance as at 31 December 2016		46,093	(453)	23,038	3,186	–	(153)	(23)	88,440	160,128	2,336	162,464

(cont'd on the next page)

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2016/2017 2 Q	2015/2016 2 Q
Cash flows from (to) operating activities		1,709	7,075
Net profit			
Adjustments for non-cash items:			
Depreciation and amortisation		4,556	5,263
Subsidies amortisation		(347)	(480)
(Gain) on disposal of property, plant and equipment		(122)	(158)
Change in allowance and write-offs for receivables and prepayments		(2)	31
Inventories write down to net realisable value		(485)	11
Change in accrued expenses		(97)	(904)
Change in fair value of biological assets		(1,040)	108
Change in deferred income tax		279	(261)
Current income tax expenses		596	1,574
Liabilities write off		–	(2)
Expenses (income) from change in fair value of financial instruments		400	178
Interest (income)		(245)	(393)
Interest expenses		1,317	1,263
		6,519	13,305
Changes in working capital:			
Decrease in biological assets		9,865	12,468
(Increase) in inventories		(52,325)	(33,973)
Decrease (increase) in prepayments		(10,054)	1,316
Decrease in trade and other accounts receivable		21,317	16,996
(Increase) in restricted cash		793	(79)
Increase in trade and other accounts payable		(30,775)	(26,897)
Income tax (paid)		(521)	(491)
Net cash flows from (to) operating activities		(55,181)	(17,355)

(cont'd on the next page)

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2016/2017 2 Q	2015/2016 2 Q
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(5,941)	(8,063)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		686	434
Loans (granted)		(94)	(951)
Repayment of granted loans		1,759	2,409
Interest received		38	185
Net cash flows from (to) investing activities		(3,552)	(5,986)
Cash flows from (to) financing activities			
Proceeds from loans		87,560	84,205
(Repayment) of loans		(25,031)	(55,022)
Finance lease (payments)		(497)	(417)
Interest (paid)		(1,171)	(1,265)
Dividends (paid) to non-controlling shareholders		(26)	(10)
Dividends (paid)		(1,202)	(1,202)
Acquisition of non-controlling interest		(3)	(9)
Net cash flows from (to) financing activities		59,630	26,280
Net (decrease) increase in cash and cash equivalents		897	2,939
Cash and cash equivalents at the beginning of the year		6,901	6,680
Cash and cash equivalents at the end of the year		7,798	9,619
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		356	386
Property, plant and equipment acquisitions financed by finance lease		20	568

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 31 December 2016 and as at 30 June 2016 the shareholders of the Company were:

	As at 31 December 2016		As at 30 June 2016	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	103,905,646	65.37 %	100,269,646	63.08 %
Darius Zubas	17,049,995	10.73 %	17,049,995	10.73 %
Swedbank AS (Estonia) clients	6,740,145	4.24 %	10,367,627	6.52 %
Vytautas Šidlauskas	6,003,521	3.78 %	6,003,521	3.78 %
Other shareholders (private and institutional investors)	25,241,091	15.88 %	25,249,609	15.89 %
Total	158,940,398	100.00 %	158,940,398	100.00 %

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 31 December 2016 (EUR 0.29 each as at 30 June 2016) and were fully paid as at 31 December 2016 and as at 30 June 2016.

The Company holds 782,972 of its own shares, percentage 0.50%, as at 31 December 2016 (785,972 as at 30 June 2016). Subsidiaries and other related companies did not hold any shares of the Company as at 31 December 2016 and as at 30 June 2016.

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 31 December 2016 the number of employees of the Group was 2,156 (2,334 as at 30 June 2016).

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

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 2015/2016 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2016	30 June 2016	
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 Dotnuva Baltic	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
ŽŪB Landvesta 5*	Lithuania	100 %	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	93.83%	93.81%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	93.83%	93.81%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
SIA Erfolg Group	Latvia	93.83%	93.81%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪB Landvesta 3*	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4*	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6*	Lithuania	100%	100%	Rent and management of agricultural purposes land

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2016	30 June 2016	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.49%	98.49%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.34%	98.34%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.80%	98.80%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	97.65%	97.65%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.21%	95.21%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.60%	98.60%	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
Panevėžys district Žibartonių ŽŪB	Lithuania	99.89%	99.89%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)				
SIA DOTNUVA BALTIC	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuva Baltic	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade
SIA Paleo	Latvia	100%	100%	Warehousing activity
Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)				
Karčemos kooperatinė bendrovė	Lithuania	4.00%*	4.00%*	Preparation and warehousing of grains for trade

* The Group indirectly controls 24% 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 6 month period ended 31 December 2016

During 6 month period, ended 31 December 2016, the Company acquired 0.02% AS Putnu fabrika Kekava share capital for EUR 3 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 1 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 2016

During 12 month period, ended 30 June 2016, the Company acquired 0.4218 % AS Putnu fabrika Kekava share capital for EUR 40 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 46 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2016, the Group acquired 0.09% Sidabravo ŽŪB share capital and 0.35% Panevėžio district Aukštadvario ŽŪB share capital for total EUR 1 thousand. All shares were acquired from the non-controlling shareholders. The difference of EUR 11 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Company canceled agreement of acquisition of 3.08% AS Putnu fabrika Kekava share capital from the non-controlling shareholders. The difference of EUR 284 thousand of loss between the consideration to be transferred (which was accounted for as accounts payable as at 30 June 2015 in amount of EUR 350 thousand) and the carrying value of the interest disposed has been recognized within equity.

During 12 month period, ended 30 June 2016, the Group made restructurization of Užupės ŽŪB and Panevėžio district Žibartonių ŽŪB. Share capital of Panevėžio district Žibartonių ŽŪB was increased by contribution of Užupės ŽŪB property, plant and equipment. This consolidation have resulted in an increase of the effective Group ownership of Panevėžio district Žibartonių ŽŪB by 0.09% up to 99.89%.

Acquisition of SIA Paleo

On 20 April 2016 the Group acquired 100% shares of SIA Paleo for EUR 4,590 thousand to further expand business activities in Latvia. As part of business combination of SIA Paleo, the Group acquired inventory in amount of EUR 1,993 thousand from a third party SIA Latfert which is disclosed in the table below.

As at acquisition date SIA Paleo did not have any impaired accounts receivable or contractual cash flows not expected to be collected, book value of receivables represents its fair value. 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.

At the acquisition of these subsidiaries a provisional goodwill of EUR 4,358 thousand has been accounted for. The goodwill appears due to synergies, which are expected to be derived from vertical expansion of business. As at 30 June 2016 management did not finalize valuation of certain property, plant and equipment items therefore the amounts disclosed below are provisional.

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

Acquisition date for consolidation purposes	Provisional fair values at 1 May 2016
Property, plant and equipment and investment property	216
Inventories	1,993
Prepayments and other current assets	34
Cash and cash equivalents	2
Total assets	2,245
Total liabilities	(20)
Total identifiable net assets at provisional fair value	2,225
Provisional goodwill recognized on acquisition of subsidiary, recognised under Intangible assets (Note 5)	4,358
Total purchase consideration	6,583
Cash consideration transferred for the inventory	1,993
Purchase consideration to acquire SIA Paleo	4,590
Cash consideration transferred for the acquisition of SIA Paleo*	1,500
Less: cash acquired	(2)
Total purchase consideration, net of cash acquired	3,491

* EUR 3,090 thousand of cash consideration is deferred and will be settled within two years period. Discounting was not accounted for as deemed immaterial.

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 31 December 2016								
Revenue								
Third parties	183,138	75,071	8,488	30,452	44	–	–	297,193
Intersegment	990	3,208	7,123	–	–	–	(11,321) ¹⁾	–
Total revenue	184,128	78,279	15,611	30,452	44	–	(11,321)¹⁾	297,193
Results								
Operating expenses	(3,849)	(6,646)	(1,651)	(3,183)	(78)	(2,319)	–	(17,726)
Segment operating profit (loss)	4,058	2,157	(875)	499	134	(2,316)	–	3,657
Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 31 December 2015								
Revenue								
Third parties	254,215	75,646	7,139	29,939	42	–	–	366,981
Intersegment	1,743	4,355	9,068	–	–	–	(15,166) ¹⁾	–
Total revenue	255,958	80,001	16,207	29,939	42	–	(15,166)¹⁾	366,981
Results								
Operating expenses	(3,935)	(6,466)	(1,627)	(2,735)	(11)	(1,990)	–	(16,764)
Segment operating profit (loss)	10,660	1,559	(1,307)	252	59	(1,967)	–	9,256

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	6 month period ended	
	31 December 2016	31 December 2015
Lithuania	83,048	90,077
Europe (except for Scandinavian countries, CIS and Lithuania)	137,753	123,196
Scandinavian countries	27,613	39,045
Asia	31,611	82,129
Africa	12,021	26,059
CIS	5,147	6,475
	297,193	366,981

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

Non-current assets	As at 31 December 2016	As at 30 June 2016
Lithuania	59,953	65,006
Latvia	53,725	49,245
Estonia	1,291	1,406
Denmark	3	5
	114,972	115,662

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	Provisional goodwill	Total
Cost:				
Balance as at 30 June 2015	804	613	–	1,417
Additions	22	70	–	92
Acquisition of subsidiaries	–	–	4,358	4,358
Write-offs	(21)	(15)	–	(36)
Transfers to property, plant and equipment	–	(391)	–	(391)
Reclassifications	115	(115)	–	–
Balance as at 30 June 2016	920	162	4,358	5,440
Additions	37	–	–	37
Write-offs	(3)	(18)	–	(21)
Balance as at 31 December 2016	954	144	4,358	5,456
Accumulated amortization:				
Balance as at 30 June 2015	492	24	–	516
Charge for the year	66	27	–	93
Write-offs	(19)	(15)	–	(34)
Reclassifications	15	(15)	–	–
Balance as at 30 June 2016	554	21	–	575
Charge for the year	41	6	–	47
Write-offs	(2)	–	–	(2)
Balance as at 31 December 2016	593	27	–	620
Net book value as at 31 December 2016	361	117	4,358	4,836
Net book value as at 30 June 2016	366	141	4,358	4,865
Net book value as at 30 June 2015	312	589	–	901

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 2015	13,345	80,488	38,087	4,984	5,601	5,709	148,214
Additions	797	735	9,306	760	372	5,670	17,640
Acquisition of subsidiaries	110	40	40	23	3	–	216
Disposals and write-offs	(471)	(1,313)	(2,722)	(392)	(882)	(45)	(5,825)
Transfers from investment property	–	146	–	–	–	–	146
Transfers to investment property	(22)	–	–	–	–	–	(22)
Transfers from intangible assets	391	–	–	–	–	–	391
Reclassifications	–	4,711	1,522	(5)	16	(6,243)	1
Balance as at 30 June 2016	14,150	84,807	46,233	5,370	5,110	5,091	160,761
Additions	1,451	129	1,467	234	419	1,986	5,686
Disposals and write-offs	(129)	(189)	(873)	(203)	(48)	(23)	(1,465)
Transfers from investment property	248	–	–	–	–	–	248
Reclassifications	46	676	3,386	–	–	(4,108)	–
Balance as at 31 December 2016	15,766	85,423	50,213	5,401	5,481	2,946	165,230
Accumulated depreciation:							
Balance as at 30 June 2015	–	20,296	17,763	2,376	3,099	–	43,534
Charge for the year	7	5,587	4,158	797	813	–	11,362
Disposals and write-offs	(4)	(993)	(1,783)	(355)	(867)	–	(4,002)
Transfers from investment property	–	20	–	–	–	–	20
Balance as at 30 June 2016	3	24,910	20,138	2,818	3,045	–	50,914
Charge for the year	14	2,778	2,097	367	385	–	5,641
Disposals and write-offs	(1)	(47)	(460)	(194)	(43)	(4)	(749)
Balance as at 31 December 2016	16	27,641	21,775	2,991	3,387	(4)	55,806
Impairment losses:							
Balance as at 30 June 2015	21	434	11	–	1	–	467
(Reversal) charge for the year	(21)	(35)	(1)	–	(1)	–	(58)
Balance as at 30 June 2016	–	399	10	–	–	–	409
Balance as at 31 December 2016	–	399	10	–	–	–	409
Net book value as at 31 December 2016	15,750	57,383	28,428	2,410	2,094	2,950	109,015
Net book value as at 30 June 2016	14,147	59,498	26,085	2,552	2,065	5,091	109,438
Net book value as at 30 June 2015	13,324	59,758	20,313	2,608	2,501	5,709	104,213

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 2015	1,313	275	1,588
Disposals and write-offs	–	(10)	(10)
Transfers to property, plant and equipment	–	(146)	(146)
Transfers from property, plant and equipment	22	–	22
Balance as at 30 June 2016	1,335	119	1,454
Additions	–	14	14
Transfers from property, plant and equipment	(249)	–	(249)
Balance as at 31 December 2016	1,086	133	1,219
Accumulated depreciation:			
Balance as at 30 June 2015	–	65	65
Charge for the year	–	9	9
Disposals and write-offs	–	(10)	(10)
Transfers to property, plant and equipment	–	(20)	(20)
Balance as at 30 June 2016	–	44	44
Charge for the year	–	3	3
Balance as at 31 December 2016	–	47	47
Impairment losses:			
Balance as at 30 June 2015	–	–	–
Charge for the year	51	–	51
Balance as at 30 June 2016	51	–	51
Balance as at 31 December 2016	51	–	51
Net book value as at 31 December 2016	1,035	86	1,121
Net book value as at 30 June 2016	1,284	75	1,359
Net book value as at 30 June 2015	1,313	210	1,523

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

8. BORROWINGS

	As at 31 December 2016	As at 30 June 2016
Non-current borrowings		
Bank borrowings secured by the Group assets	15,000	16,741
	15,000	16,741
Current borrowings		
Current portion of non-current bank borrowings	17,082	19,943
Current bank borrowings secured by the Group assets	113,027	56,202
Other current borrowings (Note 12)	2,585	1,890
	132,694	78,035
	147,694	94,776

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	2016/2017 2 Q	2015/2016 2 Q
Wages and salaries and social security	11,829	10,689
Consulting expenses	382	365
Depreciation and amortization	969	881
Other	4,546	4,829
	17,726	16,764

10. OTHER INCOME (EXPENSES)

	2016/2017 2 Q	2015/2016 2 Q
Other income		
Rental income from investment property and property, plant and equipment	125	120
Gain from currency exchange	–	281
Gain from disposal of investment property and property, plant and equipment	187	172
Other income	168	355
	480	928
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(166)	(113)
Loss from disposal of property, plant and equipment	(64)	(14)
Currency exchange loss	(617)	–
Other expenses	(5)	(47)
	(852)	(174)

11. COMMITMENTS AND CONTINGENCIES

As at 31 December 2016 the Group is committed to purchase property, plant and equipment for the total amount of EUR 5,010 thousand (EUR 9,274 thousand as at 30 June 2016).

A few Group companies (Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB and Panevėžys district Aukštadvario ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Kėdainių district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2022. 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 2021, Karčemos kooperatinė bendrovė – up to 2017.

SIA Lielzeltini, SIA Cerova 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 2020, SIA Cerova – up to 2018.

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 4,510 thousand as at 31 December 2016 (EUR 4,385 thousand as at 30 June 2016).

In July 2013 the Group company Linas Agro A/S received a ruling from the Danish Tax Inspection (hereafter- SKAT) stating that SKAT has changed the companies tax assessments for the income year 2007/2009 whereby total taxable payment for period has been increased by EUR 68 thousand (DKK 1,100 thousand). The changes relate to non-approved deduction for inter-group services. The company's management does not concur with SKAT's assessment and the decision is appealed. Accordingly, the Group did not recognize any tax liability or any interest as at 31 December 2016 and 30 June 2016.

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

12. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the years ended 31 December 2016 and 30 June 2016 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
 Vytautas Šidlauskas;
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Pranckevičius;
 Tomas Tumėnas;
 Artūras Pribušauskas.

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
 UAB MESTILLA (same ultimate controlling shareholders).

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).

The Group's transactions with related parties in 6 month period ended 31 December 2016 were as follows:

2016 2 Q	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current payable loans
			Trade receivables	Current loans receivable			
Akola ApS group companies	68	8,771	9	–	–	7	–
Members of management board	–	1	–	–	–	–	–

As at 30 June 2016 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%.

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

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

Terms and conditions of the financial assets and liabilities:

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

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

13. SUBSEQUENT EVENTS

There were no important events after the reporting period.