

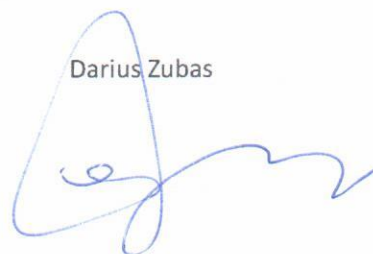
CONFIRMATION OF RESPONSIBLE PERSONS

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 twelve 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 twelve 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

31 August 2017

Darius Zubas



AB Linas Agro Group Finance Director

31 August 2017

Tomas Tumėnas



CONSOLIDATED INTERIM REPORT

OF THE FINANCIAL YEAR 2016/17

OF AB LINAS AGRO GROUP

FOR THE TWELVE MONTH PERIOD

ENDED 30 JUNE 2017



COMPANY DETAILS

Company name	AB Linas Agro Group
Legal form	Public company
Date and place of registration	27/11/1995 in Panevezys
Code of legal entity	148030011
VAT identification number	LT480300113
Company register	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania
Phone	+370 45 50 73 03
Fax	+370 45 50 73 04
E-mail	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

ABOUT THE GROUP

Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and had 39 companies at the end of the reporting period, and operates in four countries – Lithuania, Latvia, Estonia and Denmark. As at 30 June, 2017 the total headcount of the Group amounted to 2,218 employees. The financial year of the Group begins on 1 July.

The Company does not have any branches and representative offices.

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

The Company controlled 38 companies* in Lithuania, Latvia, Estonia and Denmark as at 30 June, 2017.

*Dormant companies UAB Gerera (100% shares), UAB Dotnuvos Technika (100% shares) and SIA Erfolg Group (93.84% shares) not included).



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.

ACTIVITY AND FINANCIAL RESULTS OF THE GROUP

- Consolidated revenue of AB Linas Agro Group in twelve months of 2016/17 financial year totaled EUR 645 million and was 4.7% more as compared to previous year (EUR 616 million).
- The Group's sales volume in tons reached 2.4 million of various grains and agricultural inputs and was 8% more as compared to previous year (2.2 million tons).
- The gross profit reached EUR 46 million or was 16% higher than a year before (EUR 40 million).
- Consolidated EBITDA was 32% higher and amounted to almost EUR 23 million as compared to the previous year (EUR 18 million).
- The Group's operating profit reached EUR 12 million or was 74% more as compared to the respective period of the previous year (EUR 7 million).
- Profit before taxes amounted to almost EUR 10 million (compared to EUR 5 million in previous year). The net profit attributable to the Group stood at EUR 8 million (EUR 4 million in previous year).

FINANCIAL RATIOS

	2013/14 12 months	2014/15 12 months	2015/16 12 months	2016/17 12 months	Change 2016/17 compared to 2015/16 (thousand EUR)	Change 2016/17 compared to 2015/16 (%)
Sales revenues (thousand EUR)	584,557	573,766	615,961	645,047	29,088	4.7
Sales in tons	2,339,135	1,968,469	2,187,388	2,364,713	177,325	8.1
Gross profit (thousand EUR)	43,199	41,480	39,881	46,479	6,598	16.5
EBITDA (thousand EUR)	34,731	21,781	17,135	22,695	5,560	32.5
Operating profit (thousand EUR)	26,287	12,337	7,232	12,593	5,361	74.1
Earnings before taxes EBT (thousand EUR)	24,005	10,360	5,316	10,350	5,034	94.7
Net profit (thousand EUR)	23,639	9,194	3,944	8,589	4,645	117.8
Margins, %						
Gross profit margin	7.39	7.23	6.47	7.21	0.73	11.3
EBITDA margin	5.94	3.80	2.78	3.52	0.74	26.5
Operating profit margin	4.50	2.15	1.17	1.95	0.78	66.3
Earnings before taxes margin	4.11	1.81	0.86	1.63	0.77	89.2
Net profit margin	4.04	1.60	0.64	1.33	0.69	107.9
Solvency ratios						
Current ratio	1.63	1.59	1.42	1.43	0.01	0.9
Debt / Equity ratio	0.66	0.63	0.59	0.65	0.06	10.2
Net financial debt / EBITDA	2.63	4.30	5.13	4.42	(0.71)	(13.9)
Return on equity (ROE), %	15.54	5.79	2.43	5.07	2.64	108.6
Return on capital employed (ROCE), %	10.05	3.99	2.82	4.50	1.68	59.6
Return on assets(ROA), %	7.60	2.91	1.19	2.43	1.24	104.2
Basic and diluted earnings per share (LTL) (EPS)	0.52	0.06	0.03	0.05	0.02	66.7
Price earnings ratio (P/E)*	4.55	11.42	22.17	12.88	(9.29)	(41.9)

* The closing price of the last day of AB Linas Agro Group accounting period

OVERVIEW

Despite the lower harvest in the Baltic countries in 2016 (9.7 million tons) as compared to 2015 (11 million tons), Group's total sales volume in tons grew by 8.1% and amounted to 2.4 million tons (2.2 million tons in FY2015/16). Due to accelerated sales of various grains originated from Lithuania and Latvia sales volumes of grain and feedstuff grew by 11% from 1.8 million tons to 2 million tons. Although, sales volumes of other products slightly dropped: sales in agricultural production dropped by 1%, in various inputs to farmers – by 2% and food products – by 2% as well.

The consolidated revenue of AB Linas Agro Group over twelve months of this financial year amounted to EUR 645 million and grew by 4.7% compared to previous year (EUR 616 million). The main reasons that had a positive impact on the revenues growth were increased sales in grain, oilseeds and feedstuff, where sales revenue went up from EUR 387 million to EUR 415 million. Decline in crop yield in agricultural companies controlled by the Group have negatively affected their sales, although recovery of raw milk prices partly compensated for such decline: the revenue gained from farming dropped by some 1% from EUR 27.1 million to EUR 26.8 million. Revenue of poultry business went up by 1% and was EUR 61 million compared to EUR 60 million the year before. The revenue gained from products and services for farming slightly dropped from EUR 168 million in FY 2015/16 to EUR 165 million.

The fourth financial quarter of the year was quite successful and profitable. Due to increased sales in various grains and feedstuff revenue was record high if compared to previous quarters and amounted to EUR 197 million or was 39% up if compared to the corresponding period of FY 2015/16 (EUR 142 million). The increased sales positively impacted the profitability of business. The Group finished the quarter with a EUR 6.6 million in operating profit (EUR 1.7 million in FY 2015/16). Operating profit was recorded in all Group's business Segments, where the largest one amounted to EUR 3.9 million in Agricultural Production business Segment (including EUR 1.9 million of positive change in fair value of biological assets).

Gross profit of AB Linas Agro Group over twelve months grew by 16% and amounted to EUR 46.5 million (EUR 39.9 million a year before), and operating profit increased from EUR 7.2 million to EUR 12.6 million. Group's EBITDA grew from EUR 17 million to almost EUR 23 million. Group's net profit attributable to shareholders increased as well and amounted to EUR 8.4 million as compared to EUR 4.1 million in FY 2015/16.

FINANCIAL COSTS

Financial expenses over referenced period increased from EUR 2.4 million to EUR 2.9 million as amount of financial loans increased from EUR 95 million to EUR 110 million. Borrowings increased as short-term loans to finance trade activity went up as sales of various agricultural inputs to the farmers increased and stock grew as well. Also long-term loans due to undergoing investments into poultry business were higher.

CASH FLOW

Group's cash flow from operating activities before the changes in working capital were positive and amounted to EUR 22 million as compared to EUR 17 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 22 million (positive EUR 23 million over the respective period of 2015/16 financial year), the reason was Group's payment to its supplier's. Group's cash and cash equivalents at the end of the reporting period amounted to almost EUR 9 million (EUR 7 million in 2015/16 financial year).

PERFORMANCE RESULTS OF THE 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 12 months	2015/16 12 months	2014/15 12 months	2013/14 12 months	2012/13 12 months
Grain and Feedstuff Handling and Merchandising	9,399	9,617	7,484	10,978	23,379
Products and Services for Farming	2,837	2,816	965	1,796	7,645
Agricultural Production	3,017	758	3,532	4,848	8,232
Food products	1,832	(1,246)	3,193	9,888	n.d.
Other	89	(176)	97	2,745	(72)

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, is ISCC (International Sustainability and Carbon certification) certified. AB Linas Agro received a GMP+ (European Good Manufacturing Practice) certification and SIA Linas Agro was ISCC certified 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 other products in Lithuania and Latvia exceeds 334 thousand tons. The capacities of the storage facilities at ports operated by the Group reach 260 thousand tons.

The total sales volume in this business Segment increased by 11.4% from 1.8 million tons to 2 million tons and sales revenue accelerated by 7.3% from EUR 389 million to EUR 415 million. The sales of traditional crops (wheat, rapeseed, barley) grew by 10% to EUR 317 million while their trading volume in tons went up from 1.5 million to 1.7 million.

The sales of feedstuff in tons decreased by 15% mainly due to the poor harvest in one of sourcing regions and sales revenue dropped from EUR 95 million to EUR 91 million. The Group produced and sold almost 10 thousand tons of feed or almost 36% more than a year before.

Due to lower grain harvest in the region, Grain storage facilities owned by the Group collected and processed over 457 thousand tons of various grains or 16% less as compared to the respective period of the 2015/16 financial year. The grain, harvested in autumn 2016 had high moisture content, and therefore

revenue and profit earned by grain elevators from the drying service went up. The gross profit of the Group-owned grain elevators grew 2.9 times from EUR 1.1 million to EUR 3.2 million.

Operating profit of this business Segment dropped by some 2% from EUR 9.6 million to EUR 9.4 million as profit margins of grain and feedstuff trade decreased.

The Group invested over EUR 6 million in grain storage facilities expansion during the reporting period. This investment will significantly strengthen the Group's trade and grain purchase positions in the northern and western parts of Lithuania.

The Group started to provide grain drying service in another plot in Latvia (Rezekne) during the referenced period, using for that assets of SIA Paleo which is being acquired by the Group. The Group also will open a new grain elevator in Kartena (Lithuania) beginning of the next financial year and also expand the capacity of some other grain elevators in Lithuania. Total Groups' own storage capacity in Lithuania is to increase by 76,400 tons.

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, a wholesaler and retailer of agricultural machinery and grain storage facilities, a producer of certified seeds.

A poor yield of 2016 and decreased grain prices, also fluctuation of milk prices negatively influenced payment ability of the farmers and their possibility to expand and modernize farms. During the referenced period the sales of agricultural machinery and equipment for grain elevators were also influenced by the implementation of previously approved EU-supported projects. Although a share of EU support tended to decline in the farmers' investment structure, the expectations for EU support and delay in investments are still substantial in all Baltic countries.

Group's sales of new agricultural machinery decreased 6%. Revenue gained from sales and service of agricultural machinery and farming equipment dropped by 8% from EUR 60 million to EUR 55 million.

During the reporting period 35 projects of installing grain storage facilities has been implemented, that is 21% more than a year before and revenue from this activity grew by 60% amounting to EUR 19 million.

The decreased grain prices also had a negative impact on sales of various agricultural inputs (fertilizers, chemicals, seeds) where those dropped by 6% and amounted to EUR 87 million as compared to EUR 92 million a year ago. However, the Group strengthened its market positions in Latvia as 68 thousand tons of various fertilizers were sold there or 73% more as compared to previous year. Sales of various plant protection products and microelement fertilizers in Latvia also accelerated and grew by 56% and 70% accordingly. By using the warehouses of SIA Paleo (Latvia) with its storage capacity of 65.5 thousand tons for fertilizers, almost 78 thousand tons of fertilizers were handled.

The total revenue of this business Segment has dropped from EUR 168 million to EUR 165 million. The gross profit of this business Segment went up from EUR 16.3 million to EUR 17.0 million and operating profit slightly increased from EUR 2.82 million to EUR 2.84 million.

Investments in this business Segment were EUR 171 thousand. The bulk of it was directed for the modernization of the seed treatment line at the seed factory in Dotnuva.

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 or 1.5% more as compared to previous year. At the end of the reporting period the Group had 6,997 ha of own land.

9,058 ha of winter crops has been planted in autumn 2016, the crops of winter wheat, triticale and barley (6,293 ha in total) looked good in June, 2017. Around 80% of winter rapeseed crop looked good, 13% was in satisfactory condition, and 2% was lost. In spring 5,418 hectares were sown with spring crops: 2,399 ha of barley, 1,186 ha of bean, 1,057 ha of wheat, 516 ha of peas, and 260 hectares of sugar beet. There was a lack of moisture in May, but the crop was in good condition in June, so higher yields are expected than in previous year.

The unfavorable weather conditions during the harvest period in 2016 influenced the 8% decrease to 90 thousand tons in Group's total agricultural production output as compared to previous year. Over 77 thousand tons of crop production was sold over referenced period, or 8% less than in previous year.

The Group controlled farms own over 3,240 milking cows. Over 29 thousand tons of raw milk has been sold over the referenced period, or 2% more as compared to previous year. 1,385 tons of meat has been sold or 9% more than in previous year.

The agricultural companies of the Group spent EUR 5.5 million to obtain agricultural machinery and arable land.

The revenue of this business Segment went down 1.2% and amounted to EUR 26.8 million (EUR 27.0 million in 2015/16 year) as revenue from crop sales dropped from EUR 14.5 million to EUR 12.3 million.

The operating profit of the Segment after the changes in biological assets was positive and amounted to EUR 3 million (0.8 million profit was recorded in FY 2015/16). The fair value change of biological assets increased Segment's operating profit by EUR 1.9 million (a year ago this impact was negative resulted into EUR 2 million of loss).

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 company's products are marketed under the trademark "Top choice poultry" in the export markets. The subsidiary of the company, SIA PFK Trader operates 22 retail shops all over Latvia. During the reporting period, AS Putnu Fabrika Kekava received the BRC (British Retail Consortium) certification and ISO 50001:2012 certification, also has ISO 22000:2006 and Halal certification. Two years ago, the company launched a poultry breeding environment improvement project and brought morbidity down to a minimum. AS Putnu Fabrika Kekava was the first and the only poultry farm in the Baltic

States that received the right to mark their poultry meat as ‘Raised without Antibiotics’. At the end of the reporting period, the company began marketing chicken meat raised without any use of antibiotics.

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. During the reporting period, the company received ISO 50001:2012 certification, also has ISO 22000:2006 and Halal certification.

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

The poultry companies produced over 40 thousand tons of live weight or 6% more as compared to previous year. Companies sold over 29.5 thousand tons of poultry and poultry products or 2% less than a year before.

The price level of poultry in Europe was influenced by the high production of poultry throughout the EU and the particularly high overproduction of poultry in Poland and Romania. An average broiler price in the EU for the period July 2016–June 2017 was about EUR 178/100 kg and it has been EUR 183/100 kg over the same period of previous year.

Revenue from this business Segment slightly increased from EUR 60.3 million to EUR 61.0 million and previous operating loss of EUR 1.3 million has turned into operating profit amounting to EUR 1.8 million. Undergoing investments designated for modernization of production facilities resulted into higher profitability margins of certain products, also launching a new generation products “Raised without antibiotics” by the end of the financial year were the main contributors for increased profitability. A positive effect of fair value change in biological assets from negative EUR 0.7 million to positive EUR 0.2 million was a contributor as well.

The Group invested almost EUR 4.7 million over the referenced period to upgrade poultry production equipment.

OTHER

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

The operating profit of this business Segment amounted to EUR 89 thousand as compared to a EUR 176 thousand loss in previous year.

THE PUBLICLY DISCLOSED INFORMATION OTHER EVENTS OF THE REPORTING PERIOD

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 June, 2017, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company’s website the following information:

31/5/2017 09:00 EET	AB Linas Agro Group notification about interim 9 months financial results of the financial year 2016/2017	Interim information	En, Lt
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28/2/2017 10:00 EET	AB Linas Agro Group notification about interim 6 months financial results of the financial year 2016/2017	Half Yearly information	En, Lt
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 2016/17	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 information	En, Lt

OTHER EVENTS DURING THE REPORTING PERIOD

July 2016-June 2017	The authorized capital of Noreikiškių ŽŪB was increased by 77,000 euros.
July 2016-June 2017	The authorized capital of SIA Linas Agro Graudu Centrs was increased by 923,172 euros.
23/05/2017	The authorized capital of UAB Linas Agro Grūdų Centras KŪB was increased by 949,671.46 euros.
08/05/2017	The authorized capital of ŽŪK Kupiškio Grūdai was increased by 146,500 euros.
08/05/2017	The authorized capital of SIA Paleo was increased by 149,647 euros.
03/05/2017	The authorized capital of SIA Linas Agro was increased by 168,565 euros.

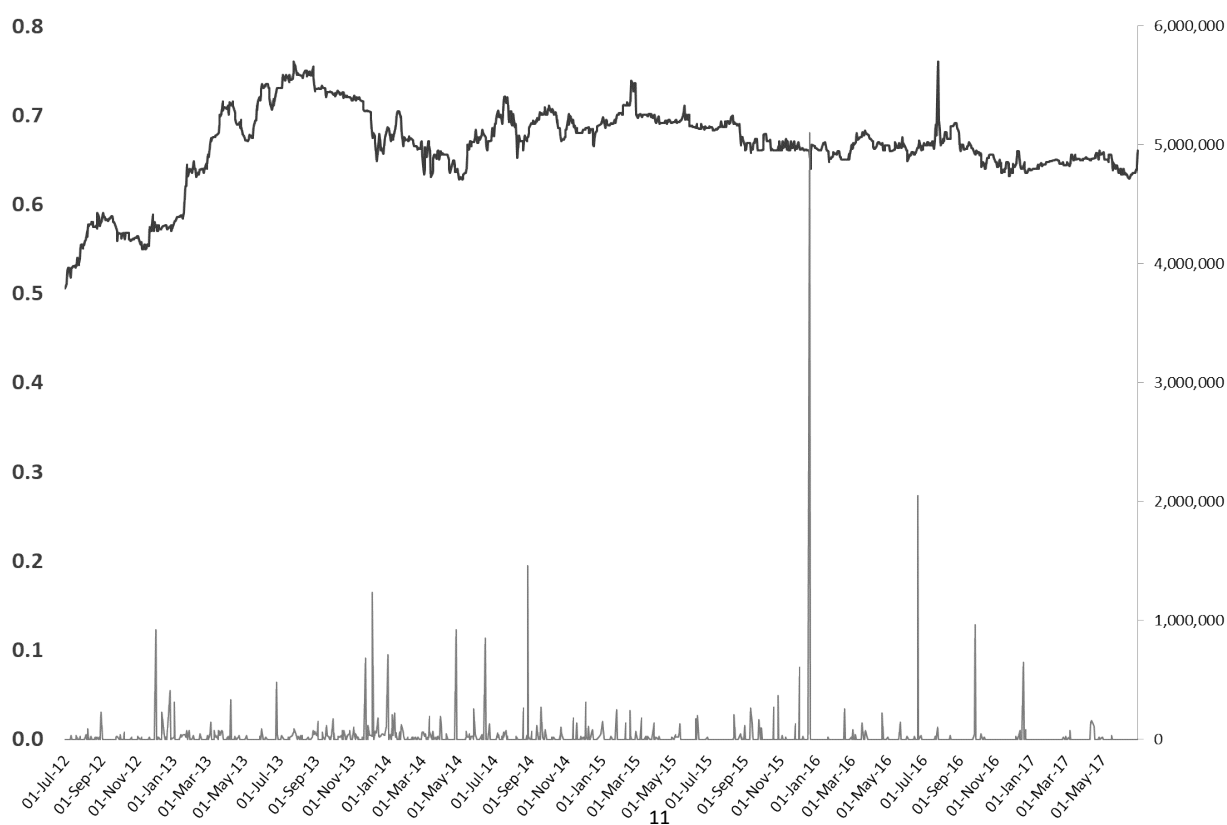
- July-December 2016 The authorized capital of ŽŪB Landvesta 5 was increased by 356,500 euros.
- 25/11/2016 The Company paid approved EUR 1,202 thousand dividends for the financial year ended 30 June 2016.
- 23/09/2016 The company transferred 3,000 units of its own shares to the employees of AB Linas 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 by 90,000 euros.

SUBSEQUENT EVENTS

- 24/7/2017 The Company signed the Issuer's Securities Accounting Management Agreement with Šiaulių Bankas AB (code of legal entity 112025254, address: Tilžės St. 149, LT-76348 Šiauliai).
- 14/7/2017 The shareholder of UAB Lineliai made a decision to increase the authorized capital of the company by 80,000 euros.
- 14/7/2017 The shareholders of Noreikiškių ŽŪB made a decision to increase the authorized capital of the company by 70,000 euros.

PRICES AND TURNOVER OF SHARES OF AB LINAS AGRO GROUP

Information on changes in the prices of Company's shares and turnover from 01/07/2012 until the end of the reporting period, i. e. 30 June 2017, is presented in the following diagram:



CONTACT PERSONS

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**AB LINAS AGRO GROUP
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 12 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 30 June 2017	As at 30 June 2016
ASSETS			
Non-current assets			
Intangible assets	5	1,331	2,057
Property, plant and equipment	6	117,823	112,246
Investment property	7	1,408	1,359
Animals and livestock		8,019	7,578
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		3,561	3,987
Non-current receivables from related parties	12	–	800
Total non-current financial assets		3,578	4,804
Deferred income tax asset		2,209	2,137
Total non-current assets		134,368	130,181
Current assets			
Crops		14,836	13,813
Livestock		2,164	1,758
Inventories		72,012	71,952
Prepayments		5,012	6,616
Accounts receivable			
Trade receivables		102,430	93,420
Receivables from related parties	12	26	18
Income tax receivable		216	664
Other accounts receivable		12,015	5,144
Total accounts receivable		114,687	99,246
Other current financial assets		802	1,616
Cash and cash equivalents		8,894	6,901
Total current assets		218,407	201,902
Total assets		352,775	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 30 June 2017	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		(21)	(22)
Cash flow hedge reserve		(73)	(153)
Retained earnings		95,341	88,336
Total equity attributable to equity holders of the parent		167,111	159,773
Non-controlling interest		2,314	2,214
Total equity		169,425	161,987
Liabilities			
Non-current liabilities			
Grants and subsidies		6,467	6,289
Non-current borrowings	8	21,568	16,741
Finance lease obligations		1,076	1,228
Non-current trade payables		–	1,553
Deferred income tax liability		1,353	1,139
Non-current employee benefits		453	353
Derivate financial instruments		–	120
Total non-current liabilities		30,917	27,423
Current liabilities			
Current portion of non-current borrowings	8	10,806	19,943
Current portion of finance lease obligations		506	933
Current borrowings	8, 12	76,753	58,092
Trade payables		44,112	43,239
Payables to related parties	12	–	1,514
Income tax payable		1,017	340
Derivative financial instruments		1,283	60
Other current liabilities		17,956	18,552
Total current liabilities		152,433	142,673
Total equity and liabilities		352,775	332,083

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 June)

	Notes	2016/2017 12 month	2015/2016 12 month
Sales	4	645,047	615,959
Cost of sales		(598,568)	(576,078)
Gross profit		46,479	39,881
Operating (expenses)	9	(33,940)	(33,574)
Other income	10	1,432	1,521
Other (expenses)		(1,378)	(596)
Operating profit		12,593	7,232
Income from financing activities		902	529
(Expenses) from financing activities		(2,965)	(2,445)
Profit before tax		10,530	5,316
Income tax		(1,941)	(1,372)
Net profit		8,589	3,944
Net profit attributable to:			
Equity holders of the parent		8,458	4,095
Non-controlling interest		131	(151)
		8,589	3,944
Basic and diluted earnings per share (EUR)		0.05	0.03
Net profit			
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		80	(153)
Exchange differences on translation of foreign operations		1	-
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		81	(153)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans		-	(51)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		-	(51)
Other comprehensive income/(loss) for the year, net of tax		81	(204)
Total comprehensive income, after tax		8,670	3,740
Total comprehensive income attributable to:			
The shareholders of the Company		8,539	3,891
Non-controlling interest		131	(151)
		8,670	3,740

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 April to 30 June)

	Notes	2016/2017 4 Q	2015/2016 4 Q
Sales	4	196,715	141,635
Cost of sales		(180,265)	(130,362)
Gross profit		16,450	11,273
Operating (expenses)	9	(9,079)	(9,602)
Other income	10	358	304
Other (expenses)		(1,103)	(253)
Operating profit		6,626	1,722
Income from financing activities		528	48
(Expenses) from financing activities		(870)	(374)
Profit before tax		6,284	1,396
Income tax		(192)	(485)
Net profit		6,092	911
Net profit attributable to:			
Equity holders of the parent		5,977	1,047
Non-controlling interest		115	(136)
		6,092	911
Basic and diluted earnings per share (EUR)		0.03	0.01
Net profit			
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		80	(153)
Exchange differences on translation of foreign operations		2	-
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		82	(153)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans		-	(51)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		-	(51)
Other comprehensive income/(loss) for the year, net of tax		82	(204)
Total comprehensive income, after tax		6,174	707
Total comprehensive income attributable to:			
The shareholders of the Company		6,059	843
Non-controlling interest		115	(136)
		6,174	707

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent											
	Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Cash flow hedge 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		–	–	–	–	–	–	–	4,095	4,095	(151)	3,944
Other comprehensive income		–	–	–	–	–	–	(153)	(51)	(204)	–	(204)
Total comprehensive income		–	–	–	–	–	–	(153)	4,044	3,891	(151)	3,740
Share capital value adjustment due to conversion to euro		61	–	–	–	–	–	–	(61)	–	–	–
Transfer of own shares		–	2	–	–	–	–	–	(2)	–	–	–
Disposal of minority interest in subsidiaries		–	–	–	–	–	–	–	(284)	(284)	652	368
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(15)	(15)
Transfer from reserves		–	–	–	232	–	–	–	(232)	–	–	–
Transfer to reserves		–	–	–	–	(1,819)	–	–	1,819	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	57	57	(98)	(41)
Balance as at 30 June 2016		46,093	(455)	23,038	2,936	–	(22)	(153)	88,336	159,773	2,214	161,987
Balance as at 1 July 2016		46,093	(455)	23,038	2,936	–	(22)	(153)	88,336	159,773	2,214	161,987
Net profit for the year		–	–	–	–	–	–	–	8,458	8,458	131	8,589
Other comprehensive income		–	–	–	–	–	1	80	–	81	–	81
Total comprehensive income		–	–	–	–	–	1	80	8,458	8,539	131	8,670
Transfer of own shares		–	2	–	–	–	–	–	(2)	–	–	–
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(26)	(26)
Transfer to reserves		–	–	–	250	–	–	–	(250)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	1	1	(5)	(4)
Balance as at 30 June 2017		46,093	(453)	23,038	3,186	–	(21)	(73)	95,341	167,111	2,314	169,425

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

CONSOLIDATED CASH FLOW STATEMENT

	12 month period ended	
Notes	30 June 2017	30 June 2016
Cash flows from (to) operating activities		
Net profit	8,589	3,944
Adjustments for non-cash items:		
Depreciation and amortisation	9,945	10,503
Subsidies amortisation	(719)	(856)
(Gain) on disposal of property, plant and equipment	(277)	(321)
Change in impairment of property, plant and equipment and investment property	–	(7)
(Gain) on disposal of other investments	–	(3)
Change in allowance and write-offs for receivables and prepayments	134	(251)
Change in allowance for goodwill	700	–
Inventories write down to net realisable value	(5)	976
Change of provision for onerous contracts	368	–
Change in accrued expenses	686	486
Change in fair value of biological assets	(2,395)	160
Change in deferred income tax	270	(173)
Current income tax expenses	1,673	1,545
Liabilities write off	(1)	(4)
Expenses (income) from change in fair value of financial instruments	486	(543)
Interest (income)	(902)	(529)
Interest expenses	2,964	2,445
	21,516	17,372
Changes in working capital:		
Decrease in biological assets	317	3,096
Decrease (Increase) in inventories	3,211	(15,098)
Decrease (increase) in prepayments	1,403	2,147
Decrease in trade and other accounts receivable	(16,687)	4,057
(Increase) in restricted cash	133	(449)
Increase in trade and other accounts payable	(30,457)	13,020
Income tax (paid)	(1,037)	(1,251)
Net cash flows from (to) operating activities	(21,601)	22,894

(cont'd on the next page)

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	12 month period ended	
		30 June 2017	30 June 2016
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(13,081)	(14,055)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,574	2,144
Acquisition of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods		(1,545)	(3,491)
Loans (granted)		(154)	(1,293)
Repayment of granted loans		2,255	3,106
Interest received		868	273
Net cash flows from (to) investing activities		(10,083)	(13,316)
Cash flows from (to) financing activities			
Proceeds from loans		87,490	59,943
(Repayment) of loans		(49,544)	(65,465)
Finance lease (payments)		(931)	(1,028)
Grants received		858	620
Interest (paid)		(2,964)	(2,169)
Dividends (paid) to non-controlling shareholders		(26)	(15)
Dividends (paid)		(1,202)	(1,202)
Acquisition of non-controlling interest		(4)	(41)
Net cash flows from (to) financing activities		33,677	(9,357)
Net (decrease) increase in cash and cash equivalents		1,993	221
Cash and cash equivalents at the beginning of the year		6,901	6,680
Cash and cash equivalents at the end of the year		8,894	6,901
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		103	1,012
Unpaid acquisition of subsidiaries and minority interest		1,545	3,090
Non-cash disposal of minority interest		–	350

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

As at 30 June 2017 and as at 30 June 2016 the shareholders of the Company were:

	As at 30 June 2017		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	4,819,437	3.03 %	10,367,627	6.52 %
Vytautas Šidlauskas	6,003,521	3.78 %	6,003,521	3.78 %
Other shareholders (private and institutional investors)	27,161,799	17.09 %	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 30 June 2017 (EUR 0.29 each as at 30 June 2016) and were fully paid as at 30 June 2017 and as at 30 June 2016.

The Company holds 781,972 of its own shares, percentage 0.50%, as at 30 June 2017 (785,972 as at 30 June 2016). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2017 and as at 30 June 2016.

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

As at 30 June 2017 the number of employees of the Group was 2,218 (2,334 as at 30 June 2016).

No changes in share capital occurred during the years ending 30 June 2017 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 30 June 2017 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
		30 June 2017	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	93.84%	93.81%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	93.84%	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	93.84%	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
		30 June 2017	30 June 2016	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.96%	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 year ended 30 June 2017

During 12 month period, ended 30 June 2017, the Company acquired 0.03% AS Putnu fabrika Kekava share capital for EUR 4 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 2 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% Panevėžys 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 Panevėžys 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 Panevėžys 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 goodwill of EUR 1,550 thousand has been accounted for. The goodwill appears due to synergies, which are expected to be derived from vertical expansion of business.

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

Acquisition date for consolidation purposes	Fair values at 1 May 2016
Property, plant and equipment and investment property	3,024
Inventories	1,993
Prepayments and other current assets	34
Cash and cash equivalents	2
Total assets	5,053
Total liabilities	(20)
Total identifiable net assets at fair value	5,033
Goodwill recognized on acquisition of subsidiary, recognised under Intangible assets (Note 0)	1,550
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 30 June 2017								
Revenue								
Third parties	411,694	154,453	17,795	61,032	73	–	–	645,047
Intersegment	3,639	10,587	9,020	–	–	–	(23,246) ¹⁾	–
Total revenue	415,333	165,040	26,815	61,032	73	–	(23,246)¹⁾	645,047
Results								
Operating expenses	(6,688)	(13,762)	(3,287)	(5,636)	(23)	(4,544)	–	(33,940)
Segment operating profit (loss)	9,399	2,837	3,017	1,832	89	(4,581)	–	12,593

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 June 2016								
Revenue								
Third parties	382,388	158,399	15,084	60,334	(246)	–	–	615,959
Intersegment	4,518	9,672	12,069	–	–	–	(26,259) ¹⁾	–
Total revenue	386,906	168,071	27,153	60,334	(246)	–	(26,259)¹⁾	615,959
Results								
Operating expenses	(6,867)	(13,585)	(2,896)	(5,824)	(24)	(4,378)	–	(33,574)
Segment operating profit (loss)	9,617	2,816	758	(1,246)	(176)	(4,537)	–	7,232

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	12 month period ended	
	30 June 2017	30 June 2016
Lithuania	170,422	188,138
Europe (except for Scandinavian countries, CIS and Lithuania)	240,568	203,886
Scandinavian countries	51,524	59,849
Asia	134,902	97,806
Africa	30,926	54,905
CIS	16,705	11,375
	645,047	615,959

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

Non-current assets	As at 30 June 2017	As at 30 June 2016
Lithuania	65,613	65,006
Latvia	53,518	49,245
Estonia	1,429	1,406
Denmark	2	5
	120,562	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	Goodwill	Total
Cost:				
Balance as at 30 June 2015	804	613	–	1,417
Additions	22	70	–	92
Acquisition of subsidiaries	–	–	1,550	1,550
Write-offs	(21)	(15)	–	(36)
Transfers to property, plant and equipment	–	(391)	–	(391)
Reclassifications	115	(115)	–	–
Balance as at 30 June 2016	920	162	1,550	2,632
Additions	97	1	–	98
Write-offs	(10)	(17)	–	(27)
Reclassifications	(58)	58	–	–
Balance as at 30 June 2017	949	204	1,550	2,703
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	94	13	–	107
Write-offs	(10)	–	–	(10)
Reclassifications	(26)	26	–	–
Balance as at 30 June 2017	612	60	–	672
Impairment losses:				
Balance as at 30 June 2016	–	–	–	–
Charge for the year	–	–	700	700
Balance as at 30 June 2017	–	–	700	700
Net book value as at 30 June 2017	337	144	850	1,331
Net book value as at 30 June 2016	366	141	1,550	2,057
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	121	2,837	40	23	3	–	3,024
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	14,161	87,604	46,233	5,370	5,110	5,091	163,569
Additions	2,910	217	4,822	468	699	9,480	18,596
Disposals and write-offs	(177)	(269)	(2,208)	(451)	(252)	(293)	(3,650)
Transfers from investment property	248	–	–	–	–	–	248
Reclassifications	88	2,096	4,034	–	–	(6,218)	–
Balance as at 30 June 2017	17,230	89,648	52,881	5,387	5,557	8,060	178,763
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	36	5,636	4,462	756	777	–	11,667
Disposals and write-offs	(2)	(476)	(892)	(440)	(240)	–	(2,050)
Balance as at 30 June 2017	37	30,070	23,708	3,134	3,582	–	60,531
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 30 June 2017	–	399	10	–	–	–	409
Net book value as at 30 June 2017	17,193	59,179	29,163	2,253	1,975	8,060	117,823
Net book value as at 30 June 2016	14,158	62,295	26,085	2,552	2,065	5,091	112,246
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	289	14	303
Disposals and write-offs	–	(2)	(2)
Transfers from property, plant and equipment	(248)	–	(248)
Balance as at 30 June 2017	1,376	131	1,507
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	–	6	6
Disposals and write-offs	–	(2)	(2)
Balance as at 30 June 2017	–	48	48
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 30 June 2017	51	–	51
Net book value as at 30 June 2017	1,325	83	1,408
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 30 June 2017	As at 30 June 2016
Non-current borrowings		
Bank borrowings secured by the Group assets	21,533	16,741
Other non-current borrowings	35	–
	21,568	16,741
Current borrowings		
Current portion of non-current bank borrowings	10,806	19,943
Current bank borrowings secured by the Group assets	73,393	56,202
Other current borrowings	3,360	1,890
	87,559	78,035
	109,127	94,776

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	12 month period ended	
	2016/2017	2015/2016
Wages and salaries and social security	21,925	21,494
Consulting expenses	1,344	997
Depreciation and amortization	1,735	1,723
Other	8,936	9,360
	33,940	33,574

10. OTHER INCOME (EXPENSES)

	12 month period ended	
	2016/2017	2015/2016
Other income		
Rental income from investment property and property, plant and equipment	252	234
Gain from currency exchange	728	–
Gain from disposal of investment property and property, plant and equipment	318	343
Change in fair value of currency financial instruments	38	264
Other income	96	680
	1,432	1,521
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(298)	(281)
Amortization of goodwill	(700)	–
Loss from disposal of property, plant and equipment	(41)	(22)
Change in fair value of currency financial instruments	(165)	–
Other expenses	(174)	(293)
	(1,378)	(596)

11. COMMITMENTS AND CONTINGENCIES

As at 30 June 2017 the Group is committed to purchase property, plant and equipment for the total amount of EUR 11,079 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. Kėdainiai 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.

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 1,683 thousand as at 30 June 2017 (EUR 4,385 thousand as at 30 June 2016).

12. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the years ended 30 June 2017 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 Prancėvičius;
 Tomas Tumėnas;
 Artūras Pribušauskas.

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

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

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

The Group's transactions with related parties in 12 month period ended 30 June 2017 were as follows:

2016/2017

	Purchases	Sales	Receivables			Payables	Current payable loans
			Trade receivables	Current loans receivable	Non-current loans receivable		
Akola ApS group companies	891	13,339	26	–	–	–	–
Members of management board	–	2	–	–	–	–	–

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 30 June 2017 and 30 June 2016.

13. SUBSEQUENT EVENTS

There were no important events after the reporting period.