

CONSOLIDATED INTERIM REPORT

OF THE FINANCIAL YEAR 2013/2014

OF AB LINAS AGRO GROUP

FOR 12 MONTHS PERIOD ENDED 30 JUNE 2014

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CONFIRMATION OF RESPONSIBLE PERSONS

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodical and Additional Information of the Bank of Lithuanian, we, Darius Zubas, Managing Director of AB Linas Agro Group and Tomas Tumėnas, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the not audited AB Linas Agro Group Interim Consolidated Financial Statements for the twelve months of the financial year 2013/2014, 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 2013/2014 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

Darius Zubas

29 August 2014

AB Linas Agro Group Finance Director

Tomas Tumėnas

29 August 2014



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 OMX Vilnius	LNA1L

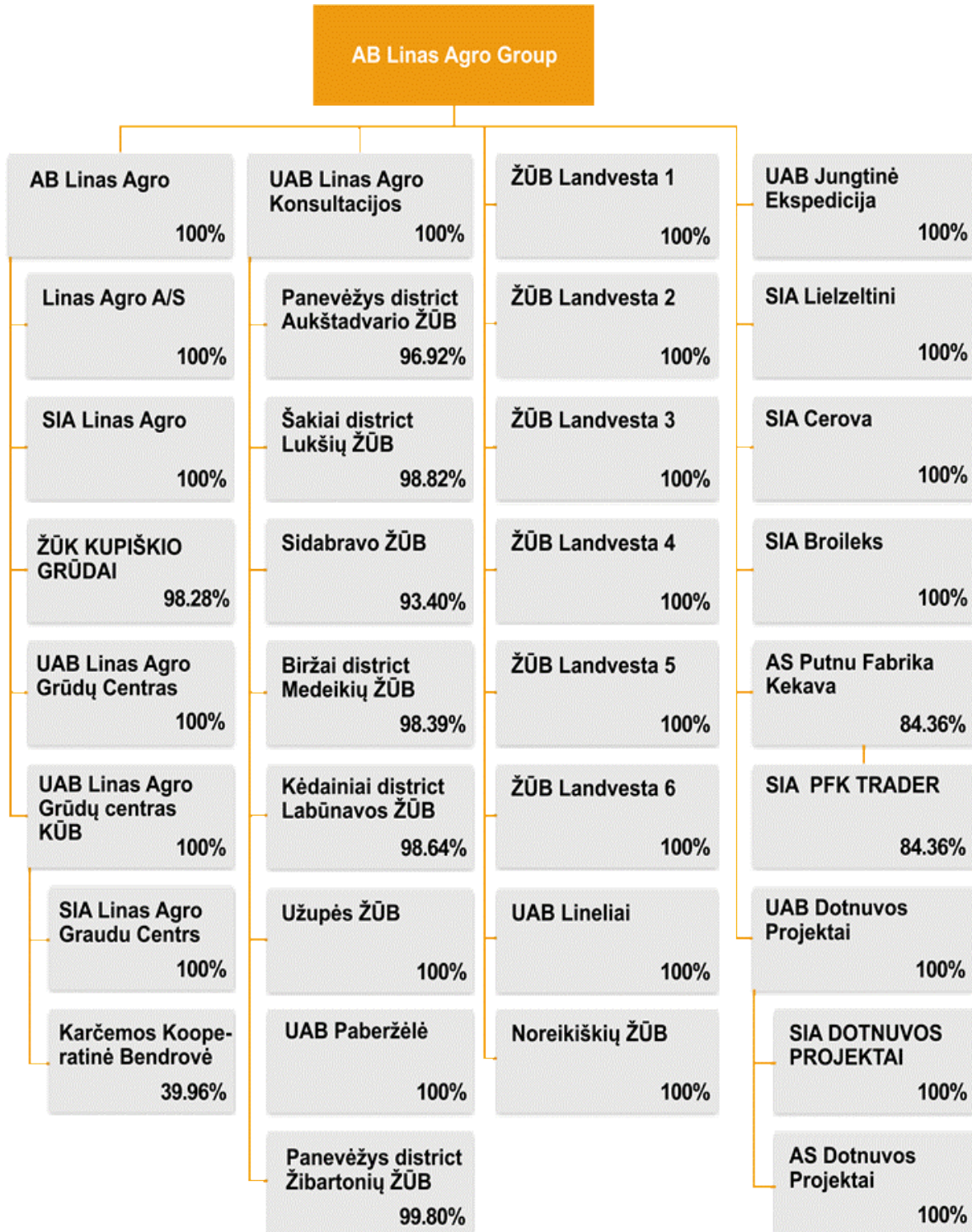
ABOUT THE GROUP

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and had 38 companies at the end of the reporting period, and operates in four countries – Lithuania, Latvia, Estonia and Denmark. As at 30 June, 2014 the total headcount of the Group amounted to 2,269 employees. The financial year of the Group begins on 1 July. The Company does not have any branches and representative offices.





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



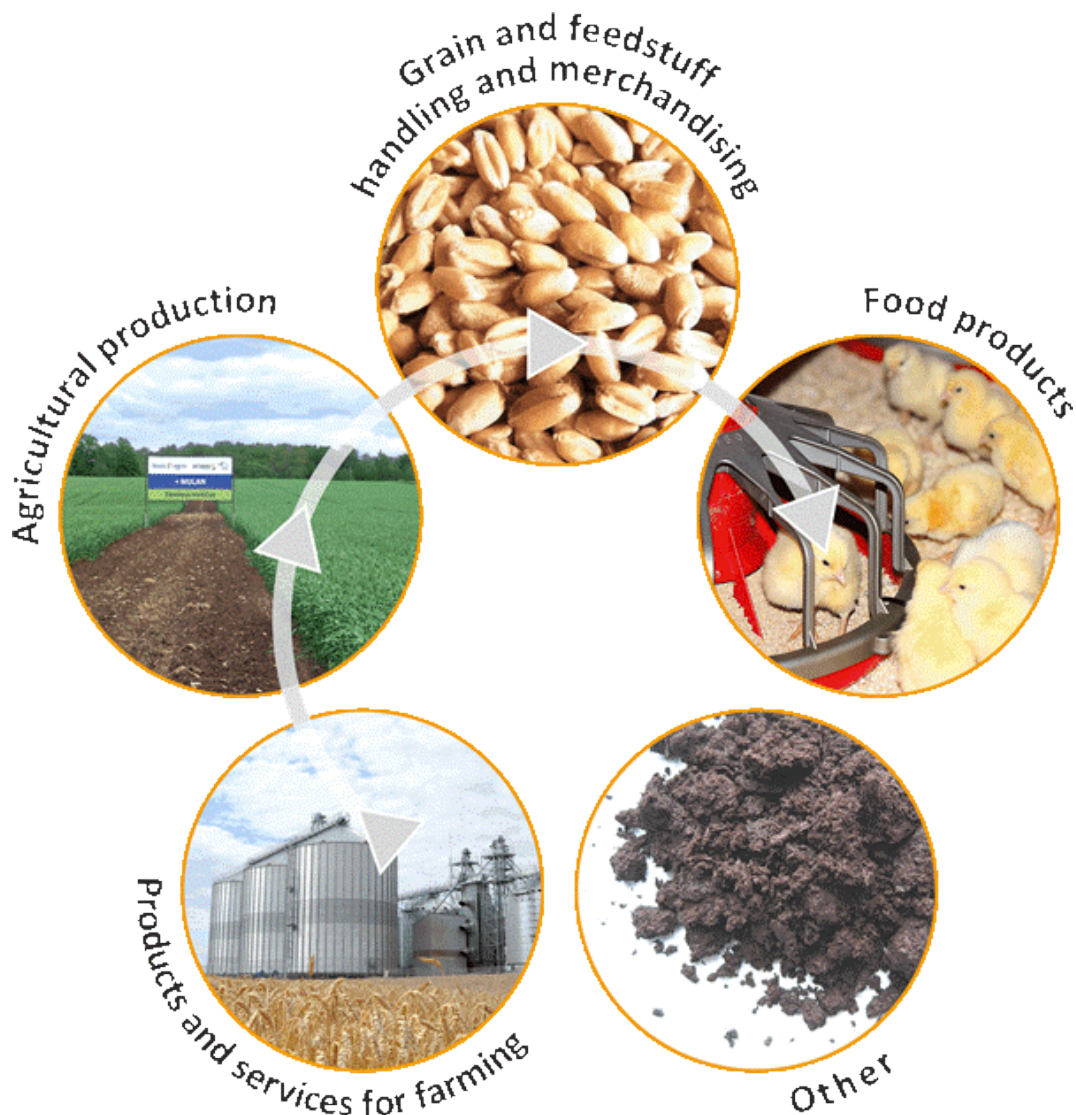
* Dormant companies UAB Gerera (100% shares), UAB Fossio (100% shares), UAB Dotnuvos Technika (100% shares) and UAB Žemės Ūkio Investicijos (100% shares) not included.



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

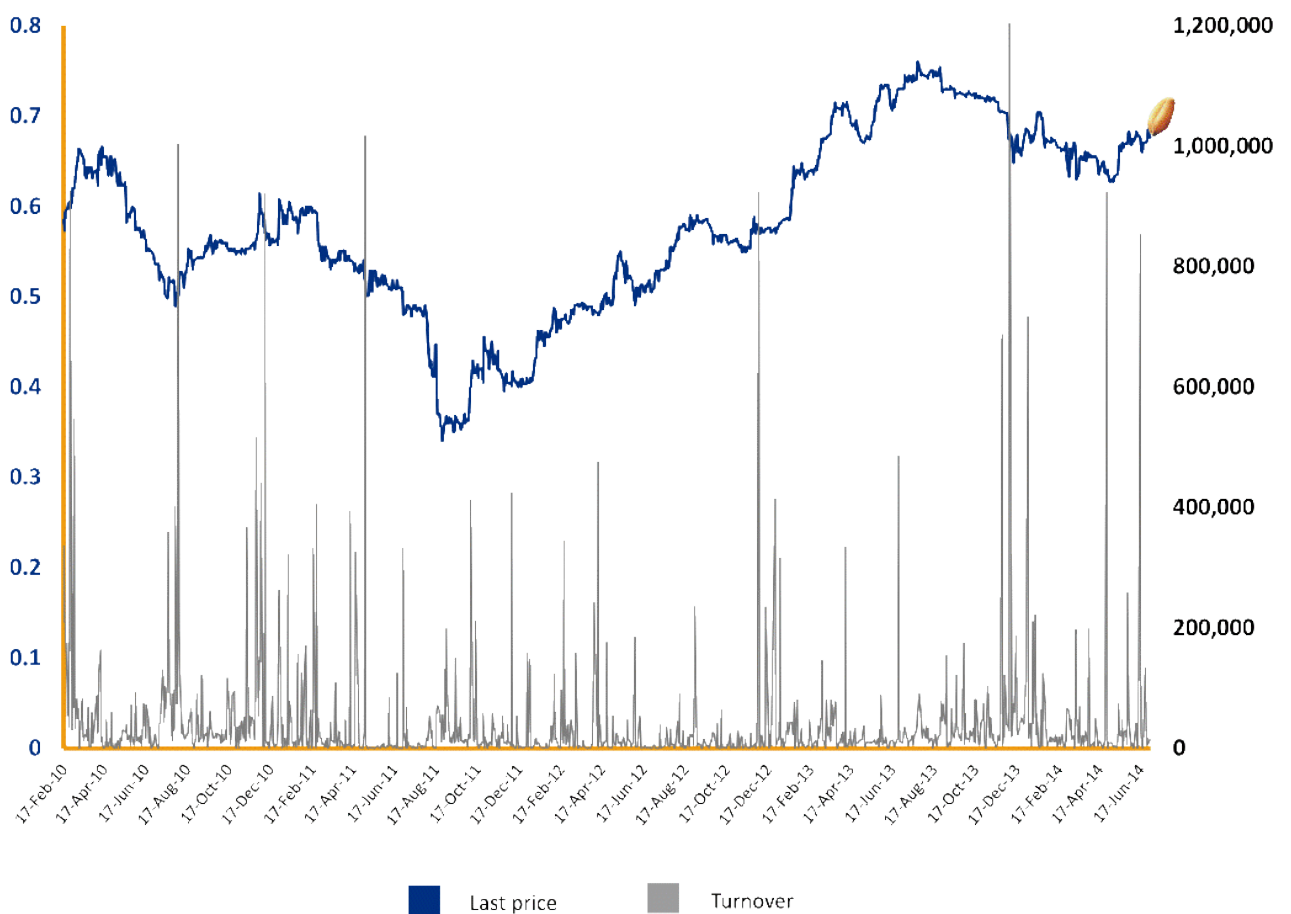
Food products – a new activity segment that appeared in 2013/2014 financial year after the Company acquired a group of Latvian poultry companies.





PRICES OF SHARES AND TURNOVER OF AB LINAS AGRO GROUP

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





ACTIVITY RESULTS OF THE GROUP

- Consolidated revenue of AB Linas Agro Group totaled LTL 2,019 million during twelve months of 2013/2014 financial year and was almost the same as compared to previous year (LTL 2,043 million). Revenue for the fourth quarter totaled LTL 439 million and grew 14% as compared to previous year (LTL 385 million).
- The Group's sales volume in tons reached a record amount or 2.3 million tons of various grains, agricultural inputs and other products and was 32% more as compared to previous year (1.7 million tons).
- AB Linas Agro Group consolidated gross profit amounted to LTL 150 million compared to LTL 158 million in previous year and gross profit margin remained almost the same or 7.4%. The gross profit of the fourth quarter grew up 48% from LTL 35 million to LTL 52 million as compared to the respective period of the previous year.
- Consolidated Group's EBITDA decreased from LTL 127 million to LTL 123 million as compared to previous year. EBITDA for the fourth quarter was LTL 48 million and accelerated by almost 4 times as compared to LTL 10 million in previous year.
- The Group's operating profit reached LTL 94 million and was 9.7% less as compared to the respective period of the previous year (LTL 104 million) and the net profit before tax amounted to LTL 87 million as compared to LTL 101 million in previous year. The net profit attributable to the Group reached LTL 76 million (LTL 90 million previous year).
- During the respective period AB Linas Agro Group acquired Latvian poultry companies AS Putnu fabrika Kekava, SIA Broileks, SIA Cerova and SIA Lielzeltini, farming company Panevėžys district Žibartonių ŽŪB, also sold accumulation of raw lignin sold together with one of its operators.





1. FINANCIAL RATIOS

	2010/2011	2011/2012	2012/2013	2013/2014	Change 2013/2014 compared to 2012/2013	Change 2013/2014 compared to 2012/2013
	12 months	12 months	12 months	12 months	(LTL in thousands)	(%)
Sales revenues (thousand LTL)	1,353,976	1,337,961	2,043,066	2,019,482	-23,658	-1.16
Sales in tons	1,483,064	1,348,619	1,767,224	2,337,758	570,534	32.28
Gross profit (thousand LTL)	80,969	94,863	158,247	149,986	-8,261	-5.22
EBITDA (thousand LTL)	30,120	127,020	127,158	123,224	-3,934	-3.09
Operating profit (thousand LTL)	15,215	114,581	104,059	94,008	-10,051	-9.66
Earnings before taxes EBT (thousand LTL)	14,522	115,576	101,105	87,002	-14,103	-13.95
Net profit (thousand LTL)	18,970	94,299	90,498	84,345	-6,153	-6.80
Margins, %						
Gross profit margin	5.98	7.09	7.75	7.43	-0.32	-4.11
EBITDA margin	2.22	9.49	6.22	6.10	-0.12	-1.96
Operating profit margin	1.12	8.56	5.09	4.66	-0.44	-8.60
Earnings before taxes margin	1.07	8.64	4.95	4.31	-0.64	-12.94
Net profit margin	1.40	7.05	4.43	4.18	-0.25	-5.71
Solvency ratios						
Current ratio	1.44	1.78	1.76	1.61	-0.15	-8.57
Debt / Equity ratio	0.81	0.65	0.47	0.67	0.20	42.68
Net financial debt / EBITDA	7.28	1.38	1.35	2.56	1.21	88.95
Return on equity (ROE), %	6.78	26.48	20.54	16.31	-4.23	-20.60
Return on capital employed (ROCE), %	3.95	20.02	16.72	10.09	-6.63	-39.65
Return on assets(ROA), %	3.11	13.65	11.02	7.91	-3.11	-28.21
Basic and diluted earnings per share (LTL) (EPS)	0.12	0.56	0.57	0.53	-0.04	-0.81
Price earnings ratio (P/E)*	14.56	3.10	4.42	4.40	-0.04	-0.81

* The last close price of AB Linas Agro Group financial year



2. OVERVIEW

The consolidated revenue of AB Linas Agro Group over twelve months of 2013/2014 financial year amounted to LTL 2,019 million and was 1% lower as compared to LTL 2,043 million earned during the same period of the previous year. The main reason explaining earnings close to that of a record financial year 2012/2013 was growth in sales of business segment *Products and services for farmers* and complete consolidation of UAB Dotnuvos Projektai (sales revenue of this company was LTL 210 million). In addition, the acquisition of Latvian poultry companies during this financial year has created new business segment *Food products* that generated revenue of LTL 117 million. The successful business diversification of the Group allowed counterbalance sales decline in its main business segment – *Grain and feedstuff handling and merchandising*.

The Group managed to maintain its gross profitability above 7% and earned LTL 150 million in gross profit (LTL 158 million in 2012/2013 financial year). The Group earned bigger gross profit (LTL 52 million) during the fourth quarter of financial year as compared to preceding reporting periods – the first, the second and the third quarters (LTL 36 million, LTL 22 million and LTL 41 million accordingly). The gross profit margin in fourth quarter stood at 12% (9% in the respective period of 2012/2013 financial year). The growth of margin resulted from increased profitability in feedstuffs trade and poultry business performance on overall profitability of the Group.

The Group's operating profit amounted to LTL 94 million and was 9.7% less if compared to the respective period of 2012/2013 financial year (LTL 104 million). Operating profit was negatively affected by the increase in operating costs from LTL 79.5 million to LTL 104.5 million, mostly due to the consolidation of UAB Dotnuvos Projektai and Latvian poultry companies (standalone operating expenditures of above companies amounted to LTL 34 million and LTL 14 million accordingly). It should be noted that in 2012/2013 financials a positive LTL 26 million goodwill has been accounted due to the acquisition of various companies and in this financial year the amount of positive goodwill amounted to the same LTL 26 million as well. If we omit the impact of the goodwill on the Group's financials and one-off income item of LTL 14 million (the write off of the liabilities of AS Putnu Fabrika Kekava), the operating profit of AB Linas Agro Group would stand at LTL 54 million, being less than LTL 78 million gained in 2012/2013 financial year. All Groups' business segments operated profitably.

Recent investments of the Group have been focused on enhancement of profitability of the Group.



3. ACTIVITY RESULTS BY SEGMENTS

OPERATING PROFIT (THOUSAND LTL) BY SEGMENTS:

	2013/2014	2012/2013	2011/2012
	12 months	12 months	12 months
Grain and Feedstuff Handling and Merchandising	38,126	80,723	31,727
Products and Services for Farming	5,420	26,396	89,202
Agricultural Production	6,757	28,425	8,621
Food products	48,164	n/a	n/a
Other	9,659	(247)	1,540

GRAIN AND FEEDSTUFF HANDLING AND MERCHANDISING

Being the largest operating segment, this one includes the sale of grain, oilseeds and feedstuffs, as well as grain storage and logistics services.

Sales revenue of the segment over twelve months of financial year amounted to LTL 1,456 million (LTL 1,632 million in 2012/2013 financial year) and operating profit amounted to LTL 38.1 million (LTL 80.7 million in 2012/2013 financial year). The decline in revenue is explained by decrease in world grain prices within a range of 10-15% as traded volumes grew from 1,541 to 1,622 thousand tons. The drop in operating profit was influenced by less profitable sales in traditional products like wheat and oilseed rape if compared to the respective period of the previous year. The profitability was negatively influenced by the decrease in income gained from grain storage network. Good weather conditions during the harvest season decreased demand for grain drying service and this had a negative impact on income of grain elevators, which amounted to LTL 29 million (LTL 37 million previous year). As it was expected, the majority of profitable grain sales contracts have been shifted to the second half of 2013/2014 financial year, and the operating profit in the second half of financial year amounted to LTL 31 million being 3.7 times higher if compared to that of the first half of financial year (LTL 8.3 million).

Grain storage facilities owned by the Group processed 429 thousand tons of grain over the respective period or 23% less than previous year. This is explained by lower grain harvest in the region than previous



year that resulted in grain sourcing decrease, in addition, some grain was transported to the port directly from the farmers.

PRODUCTS AND SERVICES FOR FARMING

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

Sales revenue of this segment during twelve months reached LTL 442 million and was 11% higher as compared to previous year (LTL 397 million). An increase in revenue is mainly attributable due to increased sales of fertilizers and seeding material also full consolidation of UAB Dotnuvos Projektai within the Group. Income generated from fertilizer trade was LTL 179 million, from seed trade – LTL 50 million; from plant protection products trade - LTL 41 million, from agricultural and forestry machinery as well grain storage equipment trade - LTL 172 million.

The gross profit of the segment increased from LTL 40.3 million to LTL 45.9 million while operating profit dropped five times from LTL 26.4 million to LTL 5.4 million. This was caused by 10% drop in sales margins in fertilizers and plant protection products trade due to increased competition, also diminished profitability in sale of agricultural machinery (operating profit decreased by LTL 5 million). Farmers' decision to buy less farm machinery and grain storage facilities was affected by fallen grain market prices and lack of funding from the EU, as vast majority of agricultural equipment is purchased using the EU funds. The market shrank significantly without funding (f. i., tractors market shrank 30% in Lithuania, 57% in Latvia and 27% in Estonia) – this had an impact on revenue as well as operating profit. UAB Dotnuvos Projektai has formed LTL 4.8 million in provision for bad debts, which also had negative impact on operating profit.

AGRICULTURAL PRODUCTION

This business segment covers cultivation of cereals, oilseed rape, sugar beet and other crops, production of milk and beef cattle farming. The Group owns seven agricultural companies.

Total revenue of this segment during twelve months amounted to LTL 95 million (LTL 80 million in 2012/2013 financial year). Though revenue from agricultural production sales decreased due to the fallen crop purchase prices, the acquisition of agricultural company Panevezys district Žibartonių ŽŪB enabled to





increase revenue of the segment by 18% percent as stand-alone revenues of that farm amounted to LTL 17.5 million.

The segment's gross profit decreased from LTL 16.9 million to LTL 14.5 million. The operating profit has shrunken from LTL 28.4 million in 2012/2013 financial year to LTL 6.7 million. In fact, performance was positively influenced by positive goodwill from acquisition of agricultural farms. And if we eliminate a positive impact of the goodwill this year and last year, the operating loss of the segment in this financial year would amount to LTL 2.8 million while operating profit of LTL 8.8 million was recorded previous year. The loss is mainly explained negative change in biological asset evaluation for cattle due to a recent drop in milk purchasing prices (LTL 6 million).

Over 71 thousand tons of crop production was sold during the reporting period.

In autumn 6,000 hectares were sown with winter wheat and 2,000 ha – with winter oilseed rape, respectively 25% and 28% more than the previous year. Due to adverse winter weather conditions 46% of winter crop was lost and farms accrued LTL 4.4 million of losses for re-planting.

The companies raise 2,996 dairy cows and have sold over 26 thousand tons of milk within twelve months or 64% more than the previous year. The average milk yield per cow per year is 7.9 tons.

FOOD PRODUCTS

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

The company SIA Putnu Fabrika Kekava is included in the Group as from November, 2013, and the other companies as from February, 2014, respectively, their results are consolidated in the Group's results since then.

The revenue of AS Putnu Fabrika Kekava for eight months period amounted to LTL 93 million and the total revenue of SIA Broileks, SIA Cerova and SIA Lielzeltini for five months was LTL 45 million. After acquisition of AS Putnu Fabrika Kekava, the company finished its restructuring procedure and 49% of old company's debts have been written off. Therefore the company recognized income of around LTL 14



million as *other income*. That also had a positive effect on profitability of the segment, which amounted to LTL 48 million during the reporting period. Operating profit of the segment in the fourth quarter of the financial year was LTL 15 million.

OTHER

This business segment includes small activities, not attributable to other segments. The sales of this business segment are predominated essentially by sales of raw lignin.

During the financial year the Group split the lignin stock into two parts and sold one of them together with UAB Lignineko for LTL 4.55 million and the other part together with the real estate for LTL 6 million in the fourth quarter. Therefore segment's operating profit amounted to LTL 9.6 million.

4. FINANCIAL COSTS

Financial expenses amounted to LTL 9.6 million over referenced period and were almost 10% more than that in 2012/2013 financial year (LTL 8.7 million). The main reasons affecting an increase in the expenses was consolidation of Latvian poultry companies and increased total loan portfolio, as credit institution loans to those companies amounted to LTL 54 million.

5. CASH FLOWS

Group's cash flow from operating activities before the changes in working capital decreased to LTL 87 million as compared to LTL 103 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative amounting to LTL 74 million (positive LTL 108 million over the respective period of 2012/2013 financial year). This is due decreased trade payables (LTL 122 million) and increased inventory (LTL 35 million). Group's cash and cash equivalents at the end of the reporting period amounted to LTL 30 million (LTL 34 million in 2012/2013 financial year).



THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended June 30, 2014, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

AB Linas Agro Group sold the rest of lignin accumulation	Notification on material event	En, Lt	20/06/2014 09:00:30 EEST
Interim 9 months financial results of the financial year 2013/2014	Interim information	En, Lt	30/05/2014 09:00:30 EEST
AB Linas Agro Group sold UAB Lignineko	Notification on material event	En, Lt	02/05/2014 09:00:30 EEST
AB Linas Agro Group notification about interim 6 months financial results of the financial year 2013/2014	Interim information	En, Lt	28/02/2014 09:00:34 EET
AB Linas Agro Group has completed the acquisition of Latvian poultry companies and extended loans to two of them	Notification on material event	En, Lt	10/02/2014 15:00:33 EET
AB Linas Agro Group investor's calendar for the 2014	Other information	En, Lt	18/12/2013 11:00:33 EET
AB Linas Agro Group AB acquired claim in respect of Putnu Fabrika Kekava	Notification on material event	En, Lt	6/12/2013 15:00:31 EET
	Interim information	En, Lt	27/11/2013 09:48:32 EET
AB Linas Agro Group notification about interim 3 months financial results of the financial year 2013/2014			
AB Linas Agro Group acquired shares of AS Putnu fabrika Kekava and rights granted thereby	Notification on material event	En, Lt	30/10/2013 09:00:31 EET
AB Linas Agro Group received the permission to acquire poultry companies in Latvia	Notification on material event	En, Lt	28/10/2013 5:00:31 EET
Procedure for the payout of dividends for the financial year ended 30 June 2013	Notification on material event	En, Lt	25/10/2013 09:19:33 EEST



AB Linas Agro Group notification about the Annual information of the financial year 2012/2013	Annual information	En, Lt	25/10/2013 09:16:33 EEST
Results of voting of the Annual General Meeting of AB Linas Agro Group, held on 24 of October, 2013	Notification on material event	En, Lt	25/10/2013 09:12:32 EEST
Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	En, Lt	2/10/2013 09:00:31 EEST
Changes in AB Linas Agro group business segments	Notification on material event	En, Lt	10/9/2013 09:15:31 EEST
AB Linas Agro Group acquired farming company, together with its owner	Notification on material event	En, Lt	5/9/2013 11:45:30 EEST
AB Linas Agro Group notification about interim twelve month financial results of the financial year 2012/2013	Interim information	En, Lt	30/8/2013 09:00:32 EEST
SEB Bank issued AB Linas Agro an LTL 200 million credit line	Notification on material event	En, Lt	6/8/2013 09:06:30 EEST
AB Linas Agro Group is planning to acquire a property management company that owns farming company	Notification on material event	En, Lt	22/7/2013 16:09:30 EEST
AB Linas Agro Group is planning to acquire poultry companies in Latvia	Notification on material event	En, Lt	3/7/2013 13:16:31 EEST
AB Linas Agro Group received Exporter of the Year Award	Other information	En, Lt	2/7/2013 08:30:31 EEST

OTHER EVENTS DURING THE REPORTING PERIOD

Share capital of Noreikiškių ŽŪB was increased from LTL 1,010,000 to LTL 1,243,000.

UAB Linas Agro Konsultacijos additionally acquired 79,980.55 worth of shares of Sidabravo ŽŪB.

UAB Linas Agro Konsultacijos additionally acquired 31,611.12 worth of shares of Panevėžys district Žibartonių ŽŪB.



06/05/2014	UAB Linas Agro Konsultacijos acquired 3,089,046.33 worth of shares of Panevėžys district Žibartonių ŽŪB from subsidiary UAB Žemės Ūkio Investicijos.
23/04/2014	Shareholders of AS Putnu Fabrika Kekava decided to increase share capital of the company.
05/03/2014	AB Linas Agro Group became a member of Panevėžys District Žibartonių ŽŪB by increasing share capital of the company from LTL 3,149,746.49 to LTL 3,152,746.49.
05/02/2014	Share capital of SIA DOTNUVOS PROJEKTAI was increased from LVL 60,000 to EUR 2,000,000.
2014	In January-February months AB Linas Agro Group acquired 100 pct shares of SIA Lielzeltini (Latvia).
27/01/2014	Restructuring procedure of Latvian chicken meat producer AS Putnu Fabrika Kekava (PFK) was finalized.
09/01/2014	UAB Fossio was established after splitting part of the assets and liabilities from UAB Lignineko.
2013	In December share capital of ŽŪB Landvesta 2 was increased from LTL 855,000 to LTL 1,182,000.
2013	In November-December months share capital of ŽŪB Landvesta 1 increased from LTL 323,000 to LTL 2,422,000.
2013	In August-December months share capital of UAB Lineliai increased from LTL 60,000 to LTL 1,610,000.
31/12/2013	Share capital of ŽŪB Landvesta 3 increased from LTL 102,000 to LTL 726,000.
31/12/2013	Share capital of ŽŪB Landvesta 4 increased from LTL 437,000 to LTL 1,912,000.
31/12/2013	Share capital of ŽŪB Landvesta 5 increased from LTL 1,014,493 to LTL 2,353,000.
31/12/2013	Share capital of ŽŪB Landvesta 6 increased from LTL 320,000 to LTL 1,837,000.
27/12/2013	Share capital of AS Dotnuvos Projektai increased from EUR 100,000 to EUR 1,300,000.
07/11/2013	Share capital of AS Putnu Fabrika Kekava was increased from LVL 5,632,620 to LVL 8,973,944.
08/10/2013	Share capital of SIA Linas Agro increased from LVL 500,000 to LVL 1,554,206.



- 04/10/2013 Share capital of UAB Linas Agro Konsultacijos increased from LTL 10,144,600 to LTL 38,400,000.
- 24/07/2013 AB SEB bank has increased its credit line to AB Linas Agro issued a year before by LTL 50 million to LTL 200 million.

SUBSEQUENT EVENTS

- 27/08/2014 Share capital of UAB Lineliai increased from LTL 1,610,000 to LTL 1,790,000.
- 25/08/2014 Share capital of Noreikiškių ŽŪB increased from LTL 1,243,000 to LTL 1,290,000.
- 28/07/2014 The credit line in the amount of 30 million euros has been granted by SEB and DNB banks in Latvia.
- 25/07/2014 UAB Linas Agro Konsultacijos additionally acquired 944.70 worth of shares of Sidabravo ŽŪB.
- 09/07/2014 AB SEB bank has increased its credit line to AB Linas Agro issued a year before by LTL 28 million to LTL 228 million.
- 2014-07-01 Share capital of AS Putnu Fabrika Kekava was increased from LVL 8,973,944 to LVL 13,316,240, the number of shares owned by the Group after share capital increase is 89.46 pct. of share capital.

CONTACT PERSONS

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