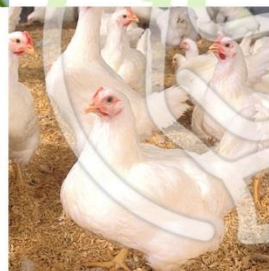
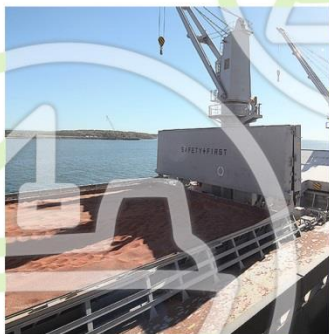


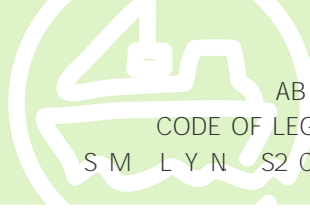
CONSOLIDATED INTERIM REPORT

OF THE FINANCIAL YEAR 2014/15

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FOR 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2014



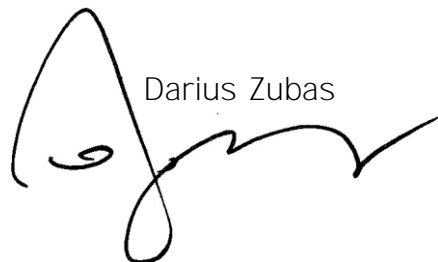


## CONFIRMATION OF RESPONSIBLE PERSONS

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodical and Additional Information of the Bank of Lithuania, we, Darius Zubas, Managing Director of AB Linas Agro Group, a director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the not audited AB Linas Agro Group Interim Consolidated Financial Statements for the three months of the financial year 2014, 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 confirm that Interim Consolidated Report for the three months of the financial year 2014 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

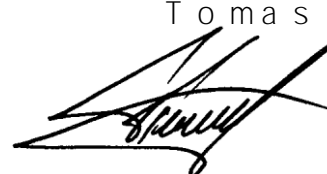
AB Linas Agro Group Managing Director

28 November 2014

  
Darius Zubas

AB Linas Agro Group Finance Director

28 November 2014

  
T o m a s T u m o n a s



## 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 Registr. Centras)
Address	Smilyns-3 St. 1432 Panevžys,
Phone	+370 45 50 73 03
Fax	+370 45 50 73 04
E-mail	<i>group@linasagro.lt</i>
Website	<i>www.linasagro.lt</i>
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank cod
ISIN code	LT0000128092
Ticker in	NASDAQ OMX Vilnius LNA1L

## ABOUT THE GROUP

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter subsidiaries) makes the Group, which was founded in 1991 and had 39 companies at the end of reporting period, and operates in four countries Lithuania, Latvia, Estonia and Denmark. As at 30 September, 2014 the headcount of the Group amounted 402 employees. The financial year of the Group begins on 1 July. The Company does not have any branches and representative offices.



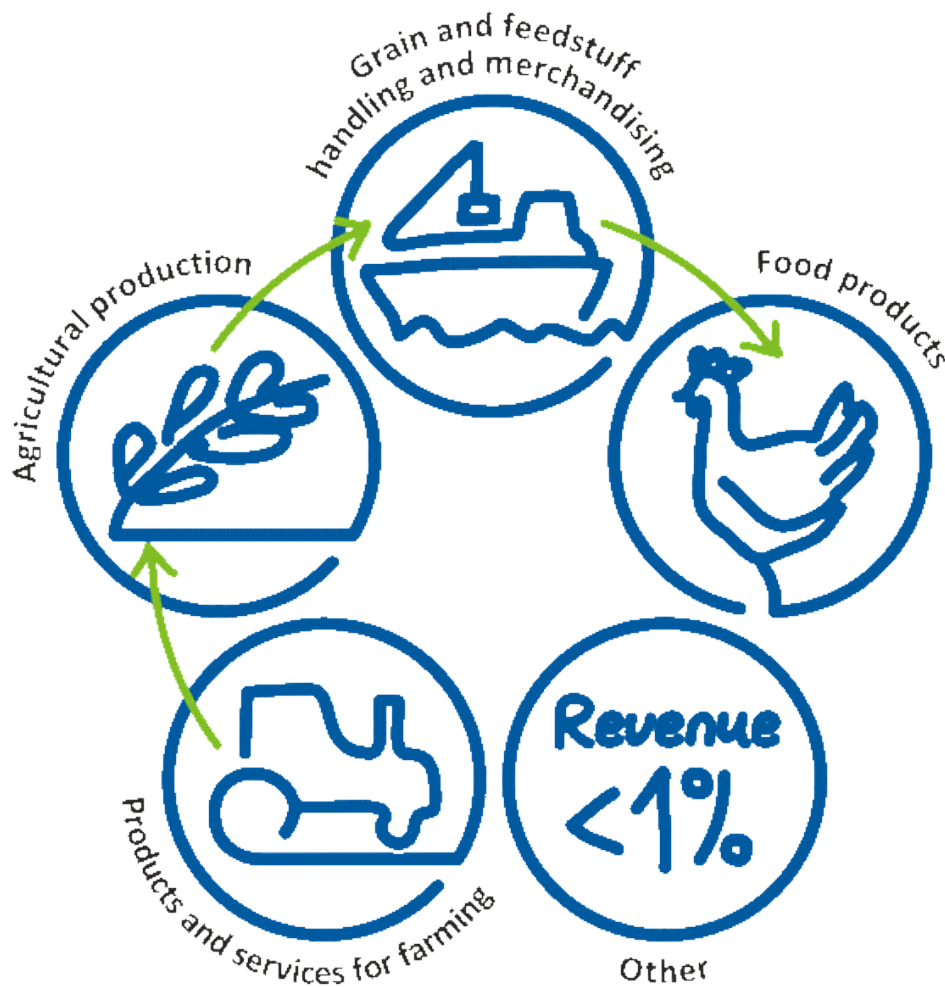


The subsidiaries controlled by the Company produce, handle and merchandise agricultural and food products, also provide products and services for farming. The Company performs only the management function and is not involved in any trading or production activities.

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 machinery) in Lithuania. It 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 segments: Grain and Feedstuff Handling, Food products, Agricultural Production, Products and Services for Farming, and Merchandising. Division into separate Segments is dictated by different types of products and character of activities; however, activities of the Segments are often interconnected.

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



## ACTIVITY AND FINANCIAL RESULTS OF THE GROUP



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



The Group's sales of 21 thousand tons of various grains, agricultural inputs and was 14% more as compared to previous year (36 tons).



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



The Group's gross profit reached LTL 36 million compared to LTL 31 million of the respective period of the previous year. Consolidated EBITDA declined to LTL 21 million from LTL 31 million last year.



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



## 1. FINANCIAL RATIOS

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

## 2. OVERVIEW

According to International Grain Council (IGC) data the total world grains and oilseeds harvest in 2013 is considered one of the highest in the last three years, and it is predicted that wheat harvest would reach 720 million tons (715 million tons in 2013), soybeans 312 million tons (285 million tons in 2013). Also global wheat ending stocks are expected to increase from 186 million tons to 193 million tons and soybeans stocks from 8 million tons to 90 million tons. The grain harvest in Lithuania is also one of the best and would amount to 4.9 million tons (4.6 million tons in 2013). Harvest in Latvia is expected to be 1.9 million tons or 11 % more if compared with the five year average.

Good harvest and big inventories affected the global prices for grains and oilseeds, which declined as compared to 2013. For instance, wheat price in MATIF Exchange over period July-September fluctuated between 15-180 euros per ton compared to 195 euros per ton a year before, the fornicapeseed was 25335 euros per ton compared to 390 euros per ton in previous year.

Decline in the grain prices had an impact on their grain till price received. Nevertheless, Group has been actively buying and simultaneously selling grain therefore was able to increase traded volumes of various products to 67 thousand tons last year from 42 thousand tons.

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

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



profitability so far. AB LTL 12% to LTL 31 million and operating profit is - by 53% to LTL 12 million. Group's EBITDA stood at 2013/14 LTL financial year

It should be noted that LTL 8 million profit from acquisition of v ž y s d i agricultural Ž i b company was recorded in previous financial year. Therefore operating profit of AB LTL is t Agro Group declined from LTL 17 million to LTL 12 million.

### 3. PERFORMANCE RESULTS OF SEGMENTS

#### OPERATING PROFIT (€) BY SEGMENTS, THOUSAND LTL:

	2014/5 3 months	2013/4 3 months	2012/3 3 months	2011/2 3 months
Grain and Feedstuff Handling and Merchandising	13,079	10,070	11,642	7,459
Products and Services for Farming	1,969	10,855	3,760	16,528
Agricultural Production	(5,158)	7,015	19,336	(2,918)
Food products	3,677	-	-	-
Other	112	(407)	(67)	(139)



#### GRAIN AND FEEDSTUFF HANDLING AND MERCHANDISING

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

Despite decline in world grain and oilseed prices sales revenue of the largest segment of the Group grew up from LTL 302 million in 2013/14 to LTL 370 million and operating profit amounted to LTL 13 million (LTL 10 million in 2013/14 financial year). Revenue growth was driven by growth of grain sales from 204 thousand to 232 thousand tons. Growth in feedstuffs also has been recorded where there has been trade of 111 thousand tons as compared to 77 thousand in 2013/14 year.

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

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







## PRODUCTS AND SERVICES FOR FARMING

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

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

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

Sale revenues of this segment amounted to LTL 97 million or were by 1.5 times less as compared to previous year (LTL 141 million). Sales of agricultural machinery and fertilizers were also lower.

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

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

Taking into consideration aforementioned reasons segment's operating income decreased from LTL 22 million to LTL 2 million.

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

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



## AGRICULTURAL PRODUCTION

This business Segment covers cultivation of cereals, oilseed rape, sugar beet and other production of milk and beef cattle farming. The Group owns seven agricultural companies situated on fertile land across Lithuania: Panevėžys District, Aukštaitės District, Kėdainiai District, Labanavas ŽB, Šakių District, Sidabravos ŽB.

Over the respective period Group controlled farms operated 90 ha of land. After several winter the farms replanted 49% of winter crops and harvested a record amount of grains 78.9 thousand tons or 9% more as compared previous year. The harvest of wheat amounted to 42.6 thousand tons, malting barley 17.7 thousand tons, rapeseed 10.4 thousand.

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

Group controlled farms owned 58 milking cows and produced 420 tons of milk, sold 630 tons of raw milk over the first three months, 16% more as compared with previous year (540 tons).

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

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



## FOOD PRODUCTS

This business Segment includes a whole cycle poultry business, including incubation of hatchlings, broiler breeding, production of poultry and its products, feed manufacturing and self-tail sale of chicken meat and its products. The Group 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 companies as from February 2014, respectively, their results are consolidated in the Group's results from then. Because of this the operating results of this business segment has not been accounted in 2013/14 season.

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





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



## OTHER

This business Segment includes small activities, not attributable to other Segments, services of elevator's to a third parties, sale o

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

## 4. FINANCIAL COSTS

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

## 5. CASH FLOWS

Group's cash flow from operating increased to LTL 28 million as compared to LTL 12 million of the corresponding period of the previous year. Cash flow from operating activities changes in working capital was negative and amounted to LTL 9 million (negative LTL 14 million over the respective period of 2014 financial year), the reason was increase in stock because of active purchases of the Group of various grains during the reporting period. Group's cash and equivalents at the end of the reporting period amounted to LTL 62 million (LTL 20 million in 2014 financial year).



## THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

### THE PUBLICLY DISCLOSED INFORMATION

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

20140916 09:00:34 EEST	AB Linas Agro Group presentation to investors	Other information	Lt, En
20140829 09:31:42 EEST	AB Linas Agro Group notification about interim months financial results for financial year 2013/2014	Interim information	Lt, En
20140805 09:00:31 EEST	Credit line of LTL 228 million granted to company Linas Agro by SEB bankas	Notification on material event	Lt, En
20140728 09:00:30 EEST	SEB and DNB Brailhon for SIA Linas Agro expansion	Other information	En
20140711 10:57:31 EEST	Notification on Linas Agro Group AB manager's party transaction	Notifications or transactions concluded by managers of the companies	Lt, En

### OTHER EVENTS DURING THE REPORTING PERIOD

30/09/2014	SIA Lielzeltin Council was formed and representatives of the Group from Lithuania Darius Zubas, Andrius Pranckevicius of it. They all are the members of the Council of AS Ratiņķava as well.
22/09/2014	UAB Linas Agro Konsultacijos and AB Linas Agro sold shares of farming company Panevėžys District riški ŽB.
18/09/2014	AB Linas Agro, the sole shareholder of companies UAB Fossio ir UAB Linas Grūdai, made decision decided to reorganize UAB Fossio and merge UAB Linas Agro Grūdai Centras.
Aug-Sept, 2014	Share capital of Noreikiški ŽB in





Jul-Sept, 2014	UAB Linas Agro Konsultacijos additionally acquired 2,199.21 worth of shares of Sidabravo Ž B .
26/08/2014	Share capital of UAB Lineliai increased from LTL 1,610,000 to LTL 1,790,000.
28/07/2014	The credit line in the amount of 30 million euros has been granted to SIA Linas Agro by SEB and DNB banks in Latvia.
09/07/2014	AB SEB bank has increased its credit line to AB Linas Agro issued a year ago from 28 million to LTL 228 million.
01/07/2014	Share capital of AS Putnu Fabrika Kekava was increased from LVL 8,973,133 to LVL 13,376,240, the number of shares owned by the Group after share capital increase is 89.46 pct. of share capital.

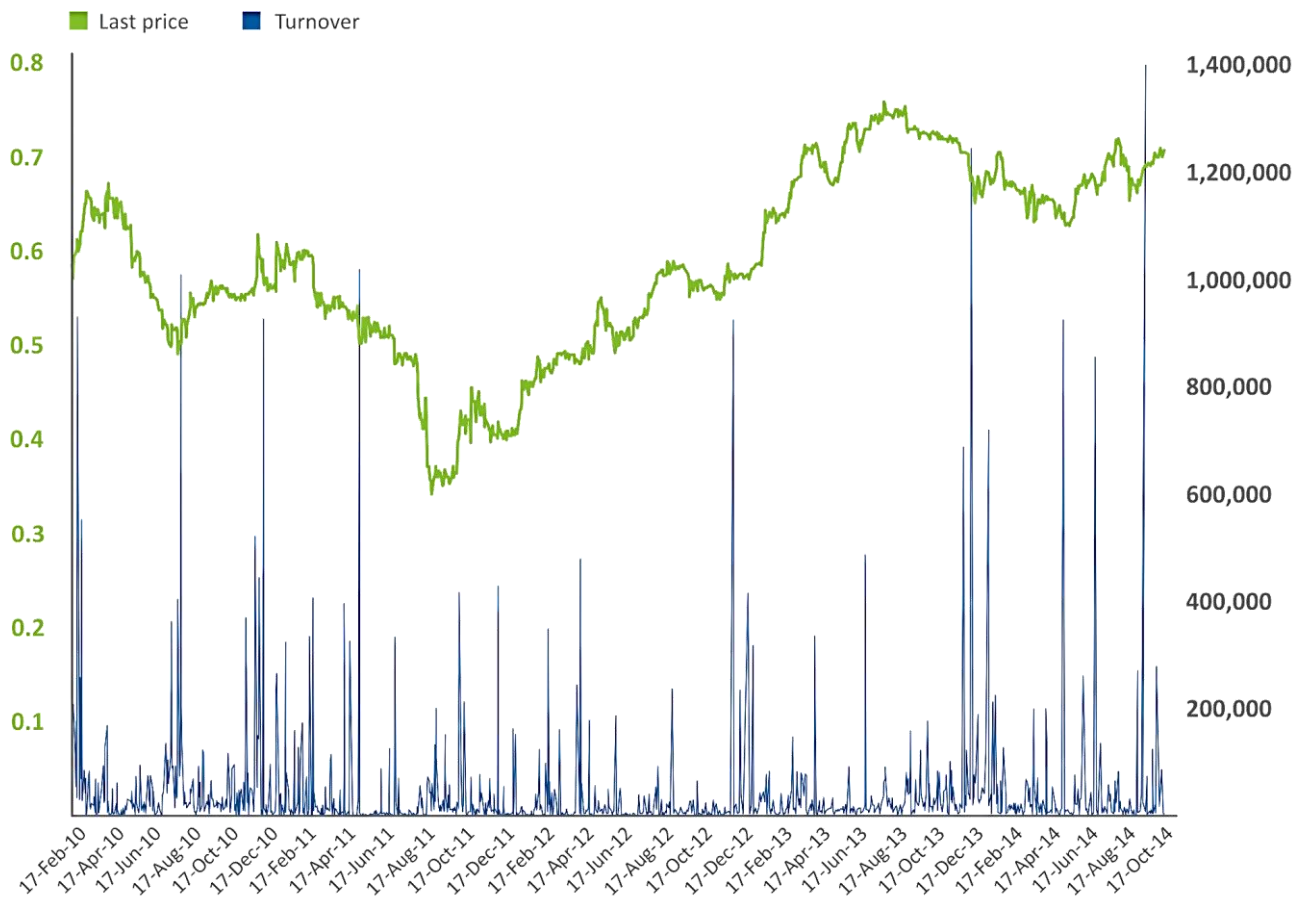
## SUBSEQUENT EVENTS

Oct-Nov, 2014	Share capital of Noreikių Š B was increased from LTL 1,315,000 to LTL 1,365,000.
Oct-Nov, 2014	UAB Linas Agro Konsultacijos additionally acquired 17,073.19 worth of shares of Sidabravo Ž B .
Nov, 2014	The Company additionally acquired 1,395 worth of shares of AS Putnu Fabrika Kekava.
26/11/2014	After the completion of the reorganization of SIA Linas Agro the company was deregistered, and its rights and obligations were transferred to SIA Linas Agro Centras. After merging UAB Fossio, Centras increased from 0,000 to 590,600 litas.
20/11/2014	There was made a decision to increase the authorized capital of SIA Linas Graudu Centrs from EUR 2,828 to EUR 6,6828.



## PRICES OF SHARES AND TURNOVER OF AB LINASAGRO 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 during the reporting period, i. e. 30 September 2014 is presented in the following diagram:



### CONTACT PERSONS

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