



AB LINAS AGRO GROUP CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE 12 MONTH PERIOD OF THE YEAR 2015/16
(UNAUDITED)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2016	As at 30 June 2015
ASSETS			
Non-current assets			
Intangible assets	5	5,552	901
Property, plant and equipment	6	110,087	104,213
Investment property	7	1,359	1,523
Animals and livestock		7,494	8,127
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		3,987	903
Non-current receivables from related parties	12	800	1,175
Total non-current financial assets		4,804	2,095
Deferred income tax asset		2,090	1,955
Total non-current assets		131,386	118,814
Current assets			
Crops		13,813	15,436
Livestock		2,610	1,997
Inventories		71,370	56,415
Prepayments		6,713	8,729
Accounts receivable			
Trade receivables		93,422	96,700
Receivables from related parties	12	18	19
Income tax receivable		664	901
Other accounts receivable		5,015	9,500
Total accounts receivable		99,119	107,120
Other current financial assets		1,639	519
Cash and cash equivalents		6,901	6,680
Total current assets		202,165	196,896
Total assets		333,551	315,710

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONT'D)

	Notes	As at 30 June 2016	As at 30 June 2015
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,032
Share premium	1	23,038	23,038
Legal reserve		2,936	2,704
Reserve for own shares		–	1,819
Own shares (-)		(455)	(457)
Foreign currency translation reserve		(22)	(22)
Retained earnings		89,162	84,197
Total equity attributable to equity holders of the parent		160,752	157,311
Non-controlling interest		2,439	1,826
Total equity		163,191	159,137
Liabilities			
Non-current liabilities			
Grants and subsidies		6,551	6,646
Non-current borrowings	8	23,205	22,729
Finance lease obligations		1,234	1,789
Non-current trade payables		1,553	183
Deferred income tax liability		859	1,157
Non-current employee benefits		353	266
Total non-current liabilities		33,755	32,770
Current liabilities			
Current portion of non-current borrowings	8	13,479	13,313
Current portion of finance lease obligations		948	803
Current borrowings	8, 12	58,093	64,256
Trade payables		44,171	28,179
Payables to related parties	12	1,514	21
Income tax payable		340	303
Derivative financial instruments		2	581
Other current liabilities		18,058	16,347
Total current liabilities		136,605	123,803
Total equity and liabilities		333,551	315,710

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 June)

	Notes	2015/2016 12 month	2014/2015 12 month
Sales	4	615,961	573,766
Cost of sales		(575,409)	(532,286)
Gross profit		40,552	41,480
Operating (expenses)	9	(33,728)	(30,887)
Other income	10	1,521	2,540
Other (expenses)		(578)	(796)
Operating profit		7,767	12,337
Income from financing activities		529	591
(Expenses) from financing activities		(2,442)	(2,568)
Profit before tax		5,854	10,360
Income tax		(1,194)	(1,166)
Net profit		4,660	9,194
Net profit attributable to:			
Equity holders of the parent		4,586	8,726
Non-controlling interest		74	468
		4,660	9,194
Basic and diluted earnings per share (EUR)		0.03	0.06
Net profit		4,660	9,194
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		–	22
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	22
Total comprehensive income, after tax		4,660	9,216
Total comprehensive income attributable to:			
The shareholders of the Company		4,586	8,748
Non-controlling interest		74	468
		4,660	9,216

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	2015/2016 4 Q	2014/2015 4 Q
Sales	4	141,637	128,718
Cost of sales		(129,693)	(116,124)
Gross profit		11,944	12,594
Operating (expenses)	9	(9,756)	(9,339)
Other income	10	304	1,386
Other (expenses)		(235)	242
Operating profit		2,257	4,883
Income from financing activities		48	86
(Expenses) from financing activities		(371)	(559)
Profit before tax		1,934	4,410
Income tax		(307)	(207)
Net profit		1,627	4,203
Net profit attributable to:			
Equity holders of the parent		1,538	4,058
Non-controlling interest		89	145
		1,627	4,203
Basic and diluted earnings per share (EUR)		0.01	0.03
Net profit			
Other comprehensive income		1,627	4,203
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		–	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Total comprehensive income, after tax		1,627	4,203
Total comprehensive income attributable to:			
The shareholders of the Company		1,538	4,068
Non-controlling interest		89	135
		1,627	4,203

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes	Equity attributable to equity holders of the parent									
	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2014	46,032	(458)	23,038	2,360	1,825	(44)	76,550	149,303	2,790	152,093
Net profit for the year	–	–	–	–	–	–	8,726	8,726	468	9,194
Other comprehensive income	–	–	–	–	–	22	–	22	–	22
Total comprehensive income	–	–	–	–	–	22	8,726	8,748	468	9,216
Disposal of own shares	–	1	–	–	–	–	(1)	–	–	–
Disposal of minority interest in subsidiaries	–	–	–	–	–	–	–	–	86	86
Declared dividends by Company	–	–	–	–	–	–	(1,447)	(1,447)	–	(1,447)
Dividends declared by the subsidiaries	–	–	–	–	–	–	–	–	(10)	(10)
Transfer to reserves	–	–	–	344	(6)	–	(338)	–	–	–
Acquisition of minority interest	–	–	–	–	–	–	707	707	(1,508)	(801)
Balance as at 30 June 2015	46,032	(457)	23,038	2,704	1,819	(22)	84,197	157,311	1,826	159,137
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	–	–	–	–	–	–	4,586	4,586	74	4,660
Total comprehensive income	–	–	–	–	–	–	4,586	4,586	74	4,660
Disposal of own shares	–	2	–	–	–	–	(2)	–	–	–
Declared dividends by company	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Share capital value adjustment due to conversion to euro	61	–	–	–	–	–	(61)	–	–	–
Reserves made	–	–	–	232	(1,819)	–	1,587	–	–	–
Dividends declared by the subsidiaries	–	–	–	–	–	–	–	–	(10)	(10)
Disposal of minority interest in subsidiaries	–	–	–	–	–	–	–	–	647	647
Acquisition of minority interest	–	–	–	–	–	–	57	57	(98)	(41)
Balance as at 30 June 2016	46,093	(455)	23,038	2,936	–	(22)	89,162	160,752	2,439	163,191

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

CONSOLIDATED CASH FLOW STATEMENT

	Notes	2015/2016 12 month	2014/2015 12 month
Cash flows from (to) operating activities			
Net profit		4,660	9,194
Adjustments for non-cash items:			
Depreciation and amortisation		9,907	9,399
Subsidies amortisation		(754)	(900)
(Gain) on disposal of property, plant and equipment		(320)	(117)
Change in impairment of property, plant and equipment and investment property		–	(25)
(Gain) on disposal of other investments		–	(359)
Change in allowance and write-offs for receivables and prepayments		(339)	753
Inventories write down to net realisable value		724	302
Change in accrued expenses		392	303
Change in fair value of biological assets		(574)	(3,612)
Change in deferred income tax		(351)	(142)
Current income tax expenses		1,546	1,308
Liabilities write of		(4)	(24)
Expenses (income) from change in fair value of financial instruments		(755)	272
Dividend (income)		–	(45)
Interest (income)		(529)	(591)
Interest expenses		2,441	2,568
		16,044	18,284
Changes in working capital:			
Decrease in biological assets		2,800	2,130
(Increase) decrease in inventories		(16,256)	11,297
Decrease (increase) in prepayments		2,015	(3,669)
Decrease in trade and other accounts receivable		3,709	(8,146)
(Increase) in restricted cash		(141)	(2)
Increase in trade and other accounts payable		(12,643)	(2,816)
Income tax (paid)		(1,251)	(1,649)
Net cash flows from (to) operating activities		(5,723)	15,429

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2015/2016 12 month	2014/2015 12 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(14,460)	(13,709)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,464	812
(Acquisition) of subsidiaries (less received cash balance in the Group)		(1,498)	(200)
Payment of previously unpaid financial assets		–	(1,510)
Disposal of other investments	3	–	434
Loans (granted)		(1,293)	(3,911)
Repayment of granted loans		3,106	1,653
Interest received		211	350
Dividends received		–	45
Net cash flows from (to) investing activities		(12,470)	(16,036)
Cash flows from (to) financing activities			
Proceeds from loans		114,660	83,718
(Repayment) of loans		(92,080)	(80,154)
Finance lease (payments)		(1,443)	(1,039)
Grants received		455	626
Interest (paid)		(1,925)	(2,588)
Dividends (paid) to non-controlling shareholders		(10)	(10)
Dividends (paid)		(1,202)	(1,447)
Acquisition of non-controlling interest		(41)	(451)
Net cash flows from (to) financing activities		18,414	(1,345)
Net (decrease) increase in cash and cash equivalents		221	(1,952)
Cash and cash equivalents at the beginning of the year		6,680	8,632
Cash and cash equivalents at the end of the year		6,901	6,680
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		908	1,176

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 and the Company starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As at 30 June 2016 and as at 30 June 2015 the shareholders of the Company were:

	As at 30 June 2016		As at 30 June 2015	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	100,269,646	63.09%	88,984,443	55.99%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank AS (Estonia) clients	10,367,627	6.52%	10,720,893	6.75%
SEB AS OMNIBUS (Luxembourg) clients	–	–	12,026,834	7.57%
Other shareholders (private and institutional investors)	31,253,130	19.66%	30,158,233	18.96%
Total	158,940,398	100.00%	158,940,398	100.00%

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2016 (EUR 0.29 each as at 30 June 2015) and were fully paid as at 30 June 2016 and as at 30 June 2015.

The Company holds 785,972 of its own shares, percentage 0.50%, as at 30 June 2016 (788,972 as at 30 June 2015). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2016 and as at 30 June 2015.

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 2016 the number of employees of the Group was 2 293 (2,334 as at 30 June 2015).

No changes in share capital occurred during the years ending 30 June 2016 and 30 June 2015.

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2014/2015 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 June 2016 and as at 30 June 2015 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2016	30 June 2015	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuvos Projektai	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	93.81%	96.47%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	93.81%	96.47%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
SIA Erfolg Group	Latvia	93.81%	96.47%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
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 5	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2016	30 June 2015	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.49%	98.48%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.34%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.80%	98.82%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	97.65%	97.41%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.21%	95.20%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.60%	98.64%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Žemės ūkio investicijos	Lithuania	–	100%	Liquidated
Panevėžys district Žibartonių ŽŪB	Lithuania	99.89%	99.80%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuvos Projektai)				
SIA DOTNUVOS PROJEKTAI	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuvos Projektai	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centras	Latvia	100%	100%	Preparation and warehousing of grains for trade
SIA Paleo	Latvia	100%	–	Warehousing activity.
Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)				
Karčemos kooperatinė bendrovė	Lithuania	4.00%*	3.98%*	Preparation and warehousing of grains for trade

* The Group indirectly controls 24.00% 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 12 month period 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 39 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.

The Company canceled agreement of acquisition of 3.08% AS Putnu fabrika Kekava share capital from the non-controlling shareholders.

During 12 month period, ended 30 June 2016, the Group acquired 0.09% Sidabravo ŽŪB share capital for EUR 1 thousand, 0.35% Panevėžio district Aukštadvario ŽŪB share capital for 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.

During 12 month period, ended 30 June 2016, the Group made restructurization of Užupės ŽŪB and Panevėžio district Žibartonių ŽŪB. Share capital of Panevėžio district Žibartonių ŽŪB was increased by contribution of Užupės ŽŪB property, plant and equipment. This consolidation have resulted in an increase of the effective Group ownership of Panevėžio district Žibartonių ŽŪB by 99.80% up to 99.90%.

On 20 April 2016 the Group acquired 100% shares of SIA Paleo for EUR 4,590 thousand to further expand business activities in Latvia. Differences between the purchase consideration and balance value of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purpose	30 April 2016
Property, plant and equipment	216
Prepayments and other current assets	34
Cash and cash equivalents	2
Total assets	252
Liabilities	(20)
Total liabilities	(232)
Total identifiable net assets at balance value	232
Goodwill recognized on acquisition of subsidiary, recognised under Intangible assets (Note 5)	4,358
Total purchase consideration	4,358
Purchase consideration	1,500
Less: cash acquired	(2)
Total purchase consideration, net of cash acquired	1,498

Changes in the Group during the year ended 30 June 2015

On 1 July 2014 share capital of AS Putnu fabrika Kekava increased from EUR 12,769 thousand to EUR 18,947 thousand by capitalization of payable amounts of AB Linas Agro Group and SIA Lielzeltini. The rest non-controlling shareholders didn't participate in the increasing of share capital, part of the shares owned by the Group increased from 84.36% to 89.46%. The difference of EUR 615 thousand gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

On 27 October 2014 AS Putnu fabrika Kekava acquired 100% of shares of SIA Erfolg Group. SIA Erfolg Group is not engaged in any business activity and its assets are not material to the financial statements.

During 12 month period, ended 30 June 2015, the Company additionally acquired 7.01% AS Putnu fabrika Kekava share capital for EUR 783 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 20 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The effective share of SIA PFK Trader held by the Group increased during 12 month period, ended 30 June 2015, due to acquisitions of AS Putnu fabrika Kekava shares which has 100% ownership of SIA PFK Trader.

During 12 month period, ended 30 June 2015, the Group acquired 1.80% Sidabravo ŽŪB share capital for EUR 13 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 60 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Group acquired 0.49% Panevėžys district Aukštadvario ŽŪB share capital for EUR 1 thousand. The difference of EUR 12 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Also the Group acquired 0.2% ŽŪK Kupiškio grūdai share capital for EUR 4 thousand from the minority shareholders. The consideration transferred was equal to the carrying value of interest acquired.

During 12 month period, ended 30 June 2015, UAB Fossio, not operating entity, was connected up to UAB Linas Agro Grūdų Centras.

During 12 month period, ended 30 June 2015, the Group sold 15.97% minority interest in Karčemos kooperatinė bendrovė for EUR 86 thousand. The consideration received was equal to the carrying value of interest sold.

During 12 month period, ended 30 June 2015, the Company increased share capital of UAB Linas Agro Konsultacijos, UAB Lineliai, Noreikiškių ŽŪB, ŽŪB Landvesta 2 in amount of EUR 1,425 thousand, EUR 87 thousand, EUR 73 thousand, EUR 7 thousand, respectively. The share capital of UAB Linas Agro Konsultacijos was increased by capitalization of the granted loan, interest receivable.

4. SEGMENT INFORMATION

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, vegetable oil, rapeseed 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 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 2016								
Revenue								
Third parties	382,388	158,399	15,084	60,336	(246)	–	–	615,961
Intersegment	4,518	9,672	12,069	–	–	–	(26,259) ¹⁾	–
Total revenue	386,906	168,071	27,153	60,336	(246)	–	(26,259)¹⁾	615,961
Results								
Operating expenses	(7,279)	(13,281)	(2,936)	(5,726)	(32)	(4,474)	–	(33,728)
Segment operating profit (loss)	8,673	2,927	1,531	(564)	(183)	(4,617)	–	7,767
Group								
Financial year ended 30 June 2015								
Revenue								
Third parties	381,172	117,129	14,904	60,540	21	–	–	573,766
Intersegment	7,141	8,247	10,249	1,640	–	–	(27,277) ¹⁾	–
Total revenue	388,313	125,376	25,153	62,180	21	–	(27,277)¹⁾	573,766
Results								
Operating expenses	(6,536)	(11,521)	(2,694)	(6,892)	–	(3,244)	–	(30,887)
Segment operating profit (loss)	7,484	965	3,532	3,193	97	(2,934)	–	12,337

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 2016	30 June 2015
Lithuania	188,152	143,218
Europe (except for Scandinavian countries, CIS and Lithuania)	203,847	189,151
Scandinavian countries	59,876	95,646
Asia	97,806	114,731
Africa	54,905	18,671
CIS	11,375	12,349
	615,961	573,766

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

Non-current assets	As at 30 June 2016	As at 30 June 2015
Lithuania	65,007	61,842
Latvia	50,580	43,310
Estonia	1,406	1,474
Denmark	5	11
	116,998	106,637

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

5. INTANGIBLE ASSETS

Group	Software	Goodwill	Other intangible assets	Total
Cost:				
Balance as at 30 June 2014	732	–	96	828
Additions	75	–	534	609
Write-offs	(3)	–	(17)	(20)
Balance as at 30 June 2015	804	–	613	1,417
Additions	22	–	834	856
Acquisition of subsidiaries	–	4,358	–	4,358
Write-offs	(21)	–	(482)	(503)
Reclassifications	115	–	(115)	–
Balance as at 30 June 2016	920	4,358	850	6,128
Accumulated amortization:				
Balance as at 30 June 2014	439	–	23	462
Charge for the year	56	–	18	74
Write-offs	(3)	–	(17)	(20)
Balance as at 30 June 2015	492	–	24	516
Charge for the year	66	–	34	100
Write-offs	(19)	–	(21)	(40)
Reclassifications	15	–	(15)	–
Balance as at 30 June 2016	554	–	22	576
Net book value as at 30 June 2016	366	4,358	828	5,552
Net book value as at 30 June 2015	312	–	589	901
Net book value as at 30 June 2014	293	–	73	366

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the statement of comprehensive income.

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2014	13,196	77,228	34,906	4,884	5,061	1,779	137,054
Additions	47	1,340	3,391	666	872	6,725	13,041
Disposals and write-offs	(9)	(201)	(866)	(566)	(321)	(25)	(1,988)
Transfers from investment property	107	–	–	–	–	–	107
Reclassifications	4	2,121	656	–	(11)	(2,770)	–
Balance as at 30 June 2015	13,345	80,488	38,087	4,984	5,601	5,709	148,214
Additions	33	629	9,449	487	369	6,601	17,568
Acquisition of subsidiaries	110	40	40	23	3	–	216
Disposals and write-offs	(5)	(1,309)	(2,722)	(391)	(880)	(44)	(5,351)
Transfers (to) from investment property	(22)	146	–	–	–	–	124
Reclassifications	–	4,711	1,515	2	16	(6,244)	–
Balance as at 30 June 2016	13,461	84,705	46,369	5,105	5,109	6,022	160,771
Accumulated depreciation:							
Balance as at 30 June 2014	–	15,216	14,855	1,990	2,619	–	34,680
Charge for the year	–	5,156	3,345	850	795	–	10,146
Disposals and write-offs	–	(76)	(443)	(464)	(309)	–	(1,292)
Reclassifications	–	–	6	–	(6)	–	–
Balance as at 30 June 2015	–	20,296	17,763	2,376	3,099	–	43,534
Charge for the year	–	5,503	3,591	812	807	–	10,713
Disposals and write-offs	–	(990)	(1,783)	(355)	(864)	–	(3,992)
Transfers from investment property	–	20	–	–	–	–	20
Balance as at 30 June 2016	–	24,829	19,571	2,833	3,042	–	50,275
Impairment losses:							
Balance as at 30 June 2014	46	434	11	–	1	–	492
(Reversal) charge for the year	(25)	–	–	–	–	–	(25)
Balance as at 30 June 2015	21	434	11	–	1	–	467
(Reversal) charge for the year	(21)	(35)	(1)	–	(1)	–	(58)
Balance as at 30 June 2016	–	399	10	–	–	–	409
Net book value as at 30 June 2016	13,461	59,477	26,788	2,272	2,067	6,022	110,087
Net book value as at 30 June 2015	13,324	59,758	20,313	2,608	2,501	5,709	104,213
Net book value as at 30 June 2014	13,150	61,578	20,040	2,894	2,441	1,779	101,882

7. INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Cost:	Land	Buildings	Total
Balance as at 30 June 2014	1,431	177	1,608
Additions	5	98	103
Disposals and write-offs	(16)	–	(16)
Transfers to property, plant and equipment	(107)	–	(107)
Balance as at 30 June 2015	1,313	275	1,588
Disposals and write-offs	–	(10)	(10)
Transfer from property, plant and equipment	22	(146)	(124)
Balance as at 30 June 2016	1,335	119	1,454
Accumulated depreciation:			
Balance as at 30 June 2014	–	49	49
Charge for the year	–	16	16
Balance as at 30 June 2015	–	65	65
Charge for the year	–	9	9
Disposals and write-offs	–	(10)	(10)
Transfer from investment property	–	(20)	(20)
Balance as at 30 June 2016	–	44	44
Impairment losses:			
Balance as at 30 June 2014	–	–	–
Balance as at 30 June 2015	–	–	–
(Reversal) charge for the year	51	–	51
Balance as at 30 June 2016	51	–	51
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
Net book value as at 30 June 2014	1,431	128	1,559

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

8. BORROWINGS

	As at 30 June 2016	As at 30 June 2015
Non-current borrowings		
Bank borrowings secured by the Group assets	23,196	22,729
Other non-current borrowings	9	–
	23,205	22,729
Current borrowings		
Current portion of non-current bank borrowings	13,479	13,313
Current bank borrowings secured by the Group assets	56,262	55,560
Other current borrowings (Note 12)	1,831	8,696
	71,572	77,569
	94,777	100,298

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	12 month period ended	
	30 June 2016	30 June 2015
Wages and salaries and social security	21,550	18,097
Consulting expenses	981	1,167
Depreciation and amortization	1,694	1,707
Other	9,503	9,916
	33,728	30,887

10. OTHER INCOME (EXPENSES)

	12 month period ended	
	30 June 2016	30 June 2015
Other income		
Rental income from investment property and property, plant and equipment	233	222
Gain from currency exchange	264	–
Gain from disposal of investment property and property, plant and equipment	320	220
Gain from disposal of other investments	–	359
Change in fair value of currency financial instruments	334	1,078
Write-off of liabilities	4	24
Other income	366	637
	1,521	2,540
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties	(281)	(181)
Loss from disposal of property, plant and equipment	(22)	(103)
Currency exchange loss	–	(320)
Other expenses	(275)	(192)
	(578)	(796)

11. COMMITMENTS AND CONTINGENCIES

As at 30 June 2016 the Group is committed to purchase property, plant and equipment for the total amount of EUR 2,251 thousand (EUR 534 thousand as at 30 June 2015).

A few companies of the Group (Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB and Panevėžys district Žibartonių ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Kėdainių district Labūnavos ŽŪB is committed not to discontinue operations related to agricultural up to the end of 2015, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB – up to 2019. UAB Linas Agro Grūdų Centras KŪB, Karčemos kooperatinė bendrovė received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2020, Karčemos kooperatinė bendrovė – up to 2017.

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

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 4,385 thousand as at 30 June 2016 (EUR 4,528 thousand as at 30 June 2015).

In July 2013 the Group company Linas Agro A/S received a ruling from the Danish Tax Inspection (hereafter- SKAT) stating that SKAT has changed the companies tax assessments for the income year 2007/2009 whereby total taxable payment for period has been increased by EUR 68 thousand (DKK 1,100 thousand). The changes relate to non-approved deduction for inter-group services. The company's management does not concur with SKAT's assessment and the decision is appealed. Accordingly, the Group did not recognize any tax liability or any interest as at 30 June 2016 and 30 June 2015.

In addition Linas Agro A/S received a ruling from SKAT regarding the valuation of customer base which was transferred to the Group company, AB Linas Agro in the year 2011/2012. The decision has a negative effect on the total tax loss carry forward amount which is incorporated into calculation of taxable income for the year 2012/2013. SKAT has ruled that the value of the customer base should have been EUR 4,894 thousand (DKK 36,414 thousand) and not EUR 1,571 thousand (DKK 11,722 thousand) as the value sold in 2011/2012 by Linas Agro A/S to AB Linas Agro. This implies a reduction of the total tax loss carry forward in the amount of EUR 3,323 thousand (DKK 24,692 thousand) (tax value EUR 781 thousand (DKK 6,173 thousand)). Deferred tax asset from the tax loss carry forward from this amount is not recognized by Linas Agro A/S. Linas Agro A/S management does not agree with SKAT and appealed the decision.

During the 12 month period ended 30 June 2016 the management of the Group initiated actions to reach the agreement between Lithuanian and Danish tax authorities. As at financial statements preparation date there were no decisions reached as the investigation might last up to two years.

12. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the years ended 30 June 2016 and 30 June 2015 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
 Vytautas Šidlauskas;
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Pranczevičius;
 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 2016 were as follows:

2016	Purchases	Sales	Receivables			Payables	Current payable loans
			Trade receivables	Current loans receivable	Non-current loans receivable		
Akola ApS group companies	1,420	12,738	18	–	800	1,514	1,000
Members of management board	–	7	–	–	–	–	–
	1,420	12,745	18	–	800	1,514	1,000

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

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

As at 30 June 2016 interest rates of the Group for current payable loans to related parties are equal to 4%.

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

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

Terms and conditions of the financial assets and liabilities:

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

The Group's receivables from related parties were nor due neither impaired as at 30 June 2016 and 30 June 2015.



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

OF AB LINAS AGRO GROUP


**FOR TWELVE MONTHS PERIOD
ENDED 30 JUNE 2016**

C ONFIRMATION 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 2015/16, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or losses and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Interim Consolidated Report for the twelve months of the financial year 2015/16 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.


AB Linas Agro Group Managing Director

31 August 2016

Darius Zubas


AB Linas Agro Group Finance Director

31 August 2016

Tomas Tumėnas


COMPANY DETAILS

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

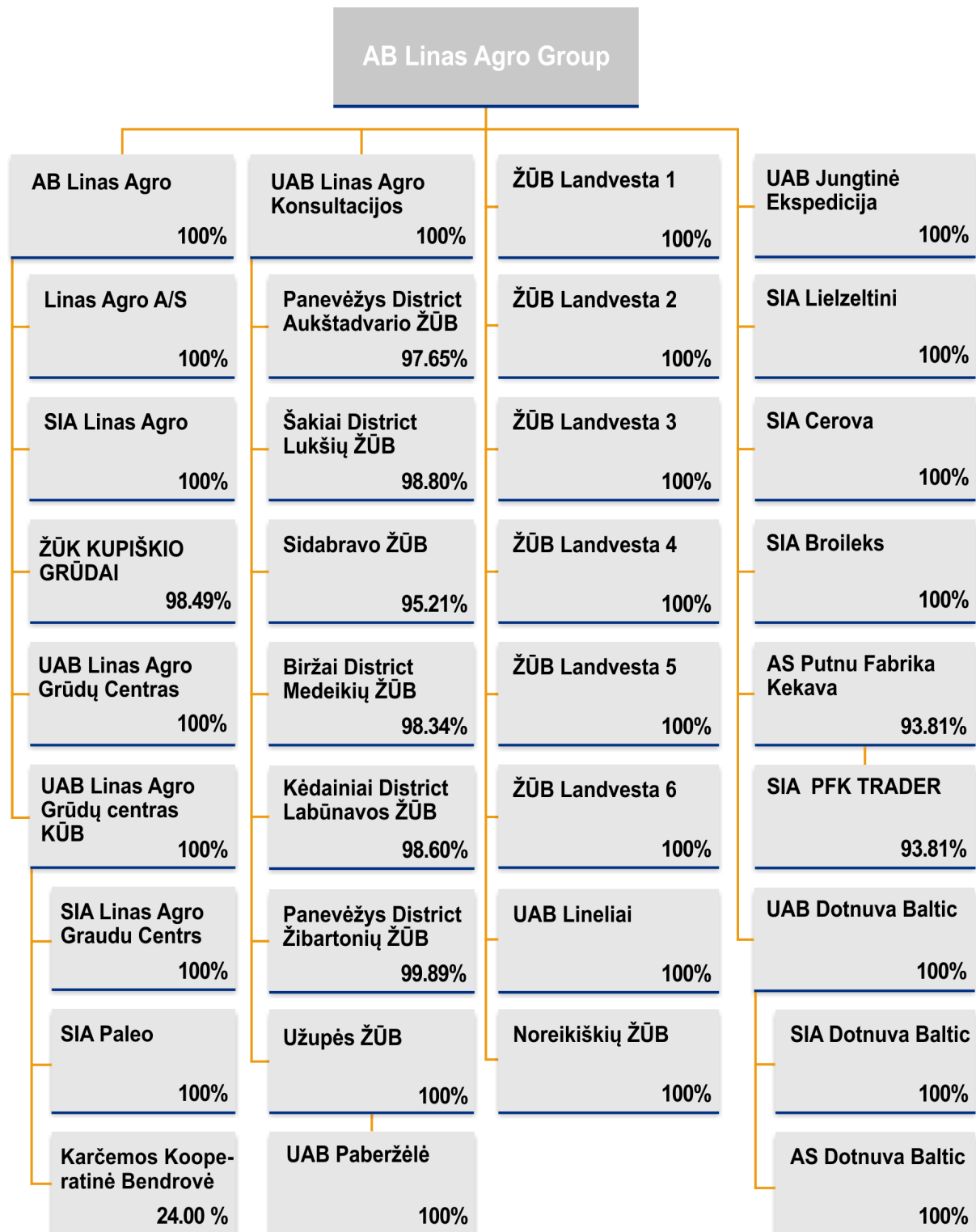
Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and had 39 companies at the end of the reporting period, and operates in four countries – Lithuania, Latvia, Estonia and Denmark. As at 30 June, 2016 the total headcount of the Group amounted to 2,293 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, 2016.

*Dormant companies UAB Gerera (100% shares), UAB Dotnuvos Technika (100% shares) and SIA Erfolg Group (93.81% shares not included).

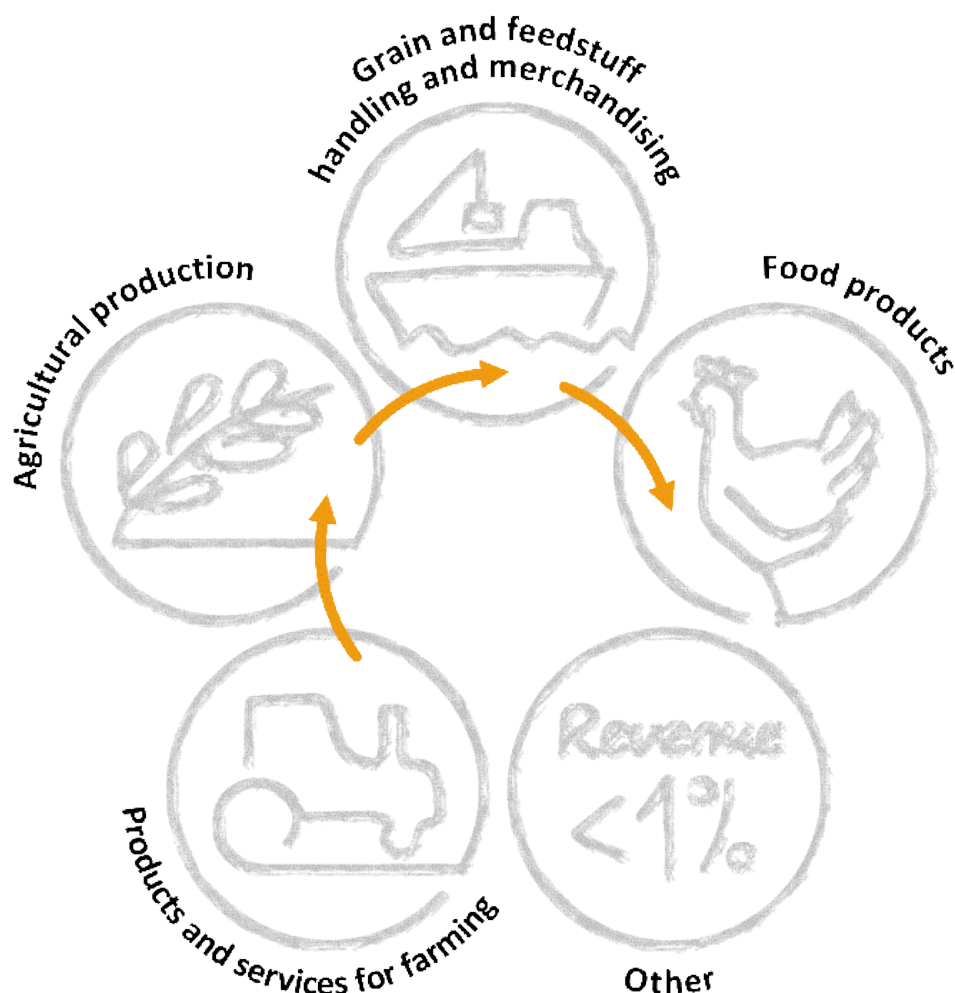


THE MAIN ACTIVITY

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. 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 2015/16 financial year totaled EUR 616 million and was 7% more as compared to previous year (EUR 574 million). Sales revenue for Q4 went up 10% to EUR 141 million as compared to the previous year (EUR 129 million).

The Group's sales volume in tons reached 2.2 million tons of various grains and agricultural inputs and was 12% more as compared to previous year (1.96 million tons).

The gross profit reached EUR 40.6 million or was 2% less than a year before (EUR 41.5 million).

Consolidated EBITDA decreased from EUR 21.8 million to EUR 17.7 million. EBITDA for Q4 totaled to EUR 4.4 million as compared to the previous year (EUR 7.2 million). The change in the fair value of biological Group's assets was negative and the loss amounted to almost EUR 2 million.

The Group's operating profit reached EUR 7.8 million or was 37% less as compared to the respective period of the previous year (EUR 12.3 million).

Profit before taxes amounted to EUR 5.9 million (compared to EUR 10.4 million in previous year). The net profit attributable to the Group stood at EUR 4.6 million (EUR 8.7 million in previous year).

The Group started the process of acquisition of fertilizers trading business in Latvia: it is planned to finalize the transaction in October 2017 and spend in total EUR 4.59 million.

FINANCIAL RATIOS

	2012/13 months	2013/14 12 months	2014/15 12 months	2015/16 12 months	Change 2015/16 compared to 2014/15 (thousand EUR)	Change 2015/16 compared to 2014/15 (%)
Sales revenues (thousand EUR)	591,734	584,557	573,766	615,961	42,195	7.35
Sales in tons	1,767,224	2,339,135	1,968,469	2,199,390	230,921	11.73
Gross profit (thousand EUR)	45,831	43,199	41,480	40,552	-928	-2.24
EBITDA (thousand EUR)	36,828	34,731	21,781	17,670	-4,111	-18.87
Operating profit (thousand EUR)	30,138	26,287	12,337	7,767	-4,570	-37.04
Earnings before taxes EBT (thousand EUR)	29,282	24,005	10,360	5,854	-4,506	-43.49
Net profit (thousand EUR)	26,210	23,639	9,194	4,660	-4,534	-49.31
Margins, %						
Gross profit margin	7.75	7.39	7.23	6.58	-0.65	-8.93
EBITDA margin	6.22	5.94	3.80	2.87	-0.93	24.43
Operating profit margin	5.09	4.50	2.15	1.26	-0.89	-41.36
Earnings before taxes margin	4.95	4.11	1.81	0.95	-0.66	-47.37
Net profit margin	4.43	4.04	1.60	0.76	-0.85	-52.80
Solvency ratios						
Current ratio	1.76	1.63	1.59	1.46	-0.13	-8.18
Debt / Equity ratio	0.47	0.66	0.63	0.58	-0.05	-7.94
Net financial debt / EBITDA	1.35	2.63	4.30	4.97	0.67	15.58
Return on equity (ROE), %	20.54	15.54	5.79	2.86	-2.93	-50.60
Return on capital employed (ROCE), %	16.72	10.05	3.99	3.01	-0.98	-24.56
Return on assets(ROA), %	11.02	7.60	2.91	3.01	0.10	3.44
Basic and diluted earnings per share (LTL) (EPS)	0.57	0.52	0.06	0.03	-0.03	-50.00
Price earnings ratio (P/E)*	4.42	4.55	11.42	22.17	10.75	94.16

OVERVIEW

The record harvest in the Baltic countries had a positive impact on sales of grain, the total traded volume of which grew up 25% to 1.5 million tons. The total Group's sales volume in tons increased by 12% and amounted to 2.2 million tons (nearly 2 million tons in FY 2014/15).

The cereal harvest in all three Baltic countries showed a record high in 2015 as well: harvest in Lithuania was 22% higher than in 2014 and amounted to 6.5 million tons, in Latvia it reached 3 million tons and was 35.7% more, in Estonia it reached 1.5 million tons or was 26% up compared to 2014.

The record harvest and high amount of carryover stocks directly affected prices for grains and oilseeds, where those fluctuated a lot and kept downward trend all over the trading season. According to the International Grain Council (IGC) data grain carryover stocks amounted to 471 million tons in 2015/16 trading season compared to 451 million tons a year ago. Total world harvest for cereals reached 2 billion tons compared to 2,047 billion in 2014/15 season. A high world grain harvest and an impressive carryover stocks had a direct impact on the world grain prices that declined if compared to the 2014/15 trading season. For instance, wheat price in MATIF Exchange over the period July-June fluctuated between 158-200 euros per ton compared to 186-205 euros per ton a year before, while the price for rapeseed went up to 356-380 euros per ton due to lower supply as compared to 317-350 euros per ton a year before.

Consolidated revenue of AB Linas Agro Group over twelve months of 2015/16 financial year amounted to EUR 616 million and increased by 7% as compared to previous year (EUR 574 million). The main reason that had a positive impact on the growth in revenue was a sales recovery in *Products and Services for Farming* business Segment - sales revenue grew from almost EUR 125 million to EUR 168 million. A record high crop yield in the agricultural companies controlled by the Group lifted sales of *Agricultural Production* business Segment: the revenue gained from farming grew from EUR 25 million to EUR 27 million. Revenue of *Food Products* business Segment remained almost unchanged and dropped by some 3% from EUR 62 million to EUR 60 million. The revenue of the largest business Segment of the Group, *Grain and Feedstuff Handling and Merchandising*, remained almost unchanged and amounted to EUR 389 million versus EUR 388 million in FY 2014/15.

The gross profit of AB Linas Agro Group over twelve months remained almost unchanged and was EUR 40.6 million (EUR 41.5 million a year before), while the operating profit declined from EUR 12 million to nearly EUR 8 million. One of the reasons that had a negative impact on Group's profitability was a change in fair value of biological assets. At the end of the financial year the change in the market value of biological assets of the Group - crops, livestock and poultry - was negative and amounted to EUR 2 million, whereas EUR 1.3 million loss came from crops and EUR 0.75 million from poultry evaluation. Fair value of biological asset is not cash item therefore it does not affect Group's cash flows.

Group's EBITDA amounted to EUR 18 million as compared to EUR 22 million in 2014/15 financial year. If we eliminate the change in fair value of biological assets, Group's EBITDA would have amounted to EUR 20 million.

FINANCIAL COSTS

Financial expenses remained almost unchanged from last year amounting to EUR 2.4 million (EUR 2.6 million in 2014/15). The amount of financials loans slightly declined from EUR 100 million to EUR 95 million and financial expenditures were slightly lower due to ongoing drop of interest rate base. Short term loans,

used to finance the working capital, accounted to 62% of the total loans portfolio. The amount of long term loans slightly grew from EUR 22.7 million to EUR 23.2 million due to undergoing investments into poultry business.

CASH FLOWS

Group's cash flow from operating activities before the changes in working capital remained almost unchanged and amounted to EUR 16 million as compared to EUR 18 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 6 million (positive EUR 15 million over the respective period of 2014/15 financial year), the reason was increase in stocks as those over referenced period grew up by EUR 16 million. Group's cash and cash equivalents at the end of the reporting period amounted to EUR 7 million (EUR 7 million in 2014/15 financial year).

PERFORMANCE RESULTS OF SEGMENTS

Activities of the Group are divided into five business Segments:

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

OPERATING PROFIT (LOSS) BY SEGMENTS, THOUSAND EUR

	2015/16 12 months	2014/15 12 months	2013/14 12 months	2012/13 12 months	2011/12 12 months
Grain and Feedstuff Handling and Merchandising	8 673	7,484	10,978	23,379	9,189
Products and Services for Farming	2 927	965	1,796	7,645	25,835
Agricultural Production	1 531	3,532	4,848	8,232	2,479
Food products	(564)	3,193	9,888	n.d.	n.d.
Other	(183)	97	2,745	(72)	446



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. The Group consistently expands the capacity of its own grain elevators, and two brand new grain elevators – one in Lithuania and the other one in Latvia- started operating in FY 2015/16. Currently the Group's own storage capacity for various grains and inputs amounts to 254 thousand tons.

Revenue of this business Segment remained almost unchanged amounting to EUR 389 million (EUR 388 million in 2014/15 financial year). Around 1.8 million tons of various grains and feedstuff were sold as compared to 1.6 million tons a year ago. The sales of traditional crops (wheat, rapeseed, barley) increased the most by 17%: their sales revenue rose from EUR 245 million to EUR 288 million. The sales volume of feedstuff decreased from EUR 144 million to EUR 99 million due to the high ending stocks of feed manufacturers and a subsequent fall in demand, also because of poor harvests in some of the supply regions.

The grain storage facilities owned by the Group collected and processed over 541 thousand tons of various grains or 9% more as compared to the respective period of FY 2014/15 (497 thousand tons). Differently from the previous season, this year the harvested grain was dry and therefore the drop in revenue from drying services has been recorded.

The Group invested EUR 2.7 million into grain storage facilities and equipment over the referenced period.

Due to successful sales of grains, the Segment's operating profit increased by 16 % from EUR 7.5 million to EUR 8.7 million.



PRODUCTS AND SERVICES FOR FARMING

This business Segment includes the sale of seeds, plant protection products, fertilizers, agricultural machinery, grain storage and other equipment. A supply of agricultural inputs trace back to 1993 and business is currently run in Lithuania, Latvia and Estonia. Since 1998 the Group is a shareholder of UAB Dotnuvos Projektai, a wholesaler and retailer of agricultural machinery and grain storage facilities, a producer of certified seeds. In June, 2016 UAB Dotnuvos Projektai and its subsidiaries in Latvia and Estonia changed their name to "Dotnuva Baltic".

Sales of agricultural machinery and equipment for grain elevators are directly affected by availability of EU structural funds. During the reporting period sales of new agricultural machinery increased under EU support to the farmers in Lithuania and Latvia. The purchases under EU support, particularly intensified in the Q4 of the 2015/16 financial year. But there was practically no EU support program for the purchase of new equipment in Estonia in 2015, since the first applications were approved only in late October 2015, after the end of the growing season; therefore farmers shifted planned investments to 2016. The next stage of approval of the farmers applications for funding was in spring, 2016, while actual purchases started by the end of the financial year. The economical situation in Estonia's dairy and livestock farms remains quite complicate, but the crop-oriented farms live better. There is a trend of shift of livestock farms to crop production observed in all Baltic countries.

The Group increased sales of various new and used agricultural equipment and machinery by 61% to 1,499 units over the reporting period as compared to previous year. The sales of new agricultural machinery in units increased by 81% in Latvia, by 57% in Lithuania and by 61% in Estonia as compared to previous year. Sales of tractors grew the most or by 96% to 308 units in all Baltic states. Successful sales has been recorded also in construction of new elevators as almost 36 new objects has been launched what was 1.7 times more as compared to previous year.

Group's revenue from the sales of agricultural machinery, spare parts and elevators equipment grew 72% to EUR 70 million, while gross profit from this business accelerated 90% from EUR 5.2 million to EUR

9.9 million. Revenue from agricultural machinery and grain processing equipment grew 79% in Lithuania to EUR 53 million, 58% in Latvia to EUR 12 million and 83% in Estonia to EUR 10 million.

Revenue gained from sales of fertilizers, seeds and plant protection products increased by 13.5% to EUR 92 million.

Unfortunately, falling world prices for grain and energy commodities had a direct impact on fertilizer prices drop. That had negative impact on sales profit margins for fertilizers, where gross profit dropped from EUR 2.8 million to EUR 0.4 million.

Gross profit in trade of seeds and plant protection products grew 24% to EUR 4.8 million.

Sales revenue of this business Segment amounted to EUR 168 million, gross profit was EUR 16 million and operating profit stood at EUR 2.9 million (revenue in FY 2014/15 was EUR 125 million, gross profit EUR 12.4 million and operating profit EUR 1 million).

The Group invested EUR 0.6 million to install storage facilities of liquid fertilizers over the referenced period. Also the Group acquired a fertilizers trading business in Latvia: the subsidiary of AB Linas Agro Group, UAB Linas Agro Grūdų centras KŪB acquired SIA Paleo, company that runs warehousing business, while SIA Linas Agro is taking over the fertilizer trade business and trademark from SIA Latfert. During the partial upgrade of seed manufacturing plant at Dotnuva has been accomplished what allows to increase its production capacity by 16%.



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. During the reporting period Užupės ŽŪB ceased its farming activities and transferred its main assets as a contribution to increase the share capital of Panevėžys District Žibartonių ŽŪB, becoming its biggest shareholder. The current activity of the company is a land rent.

Agricultural companies were cultivating 16,975 ha of land. At the end of the reporting period the Group had 6,762 ha of own land.

Due to the low profitability of growing the farming companies minimized triticale and feed barley growing areas, and increased legume areas. More than 8.8 thousand ha were planted with winter grains and only 3% of crops were lost. But the dry and hot weather in June had a negative impact on crops – it is forecasted that winter crop yields will be 0.5 t/ha less and summer crop yields will decrease by 1t/ha.

Group controlled farms harvested a record amount of various crops or 92 thousand tons what was 6% more if compared to previous year. Almost 77 thousand tons of crops were sold or 14% more if compared to previous year.

Group owned farms had 3,201 milking cows in total or almost the same as a year before (3,210 cows). Almost 31.2 thousand tons of raw milk has been sold over the referenced period or almost the same if compared to the respective period of previous year (31.3 thousand tons). The raw milk purchase price was 13% less compared to what was a year ago. Revenue from the milk sales dropped by 7% and amounted to EUR 7 million (EUR 7.5 million a year before). By comparing the average milk purchase price in FY 2015/16

to the same price in FY 2014/15, we evaluate, that the Group have lost more than 1 million euros in profit because of the decreased milk purchase prices.

A slight recovery in raw milk prices is expected in FY 2016/17 and that is already recorded in milk sale contracts for September.

It was sold 1.3 thousand tons of meat or almost the same as year ago and sales revenue stood also at the same level or EUR 1.5 million.

Agricultural companies invested almost EUR 2.5 million into agricultural equipment and grains storage and drying facilities.

The revenue of this business Segment went up 7.7% to EUR 27 million (EUR 25 million in 2014/15 financial year) as revenue from sales of crops grew up from EUR 12.7 million to EUR 14.1 million.

Taking into account a fair value adjustments in biological assets (that resulted into EUR 1.3 million loss), Segment's operating profit dropped from EUR 3.5 million to EUR 1.5 million.



FOOD PRODUCTS

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

AS Putnu Fabrika Kekava – No1 poultry producer in Latvia with full poultry manufacturing cycle, including egg incubation, chicken hatching, broiler breeding, production of fresh poultry and processed products under brand name “Kekava”. The subsidiary of the company, SIA PFK Trader operated 22 retail shops all over Latvia.

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

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

The poultry companies produced 38 thousand tons of live weight or 1.7% more as compared to previous year (37 thousand tons of live weight). Around 29.4 thousand tons of poultry and poultry products were sold (29 thousand tons a year before).

As it has been already mentioned in the previous reports of the Company, the general fall in prices of raw materials has negatively affected the food prices all over the world. According to the data of UN Food and Agricultural organization, FAO food price index, accounting also prices for meat, decreased from 164.9 to 163.2 points over the referenced period, while meat price index decreased almost 7% from 169.5 to 157.9 points over the referenced period. An average broiler price in the EU in June, 2016 was about EUR 183 per 100 kg or 6% less than a year before (EUR 194 per 100 kg). Drop of the world meat prices was the main reason that negatively affected performance of this business Segment. The Group's average poultry sales price dropped 3% from previous year.

Revenue from this business Segment remained almost the same and amounted to EUR 60.3 million (EUR 62.2 million in FY 2014/15) while the operating profit, due to decreased prices and shrunken margins,

went down from EUR 3.2 million a year before to a loss EUR 0.6 million this year. The negative change in the value of biological assets (poultry) also had a negative impact on profitability as decline in poultry market prices at the end of the financial year resulted into EUR 0.75 million loss. Without it, Segment's operating profit would be at breakeven.

Over referenced period Group concentrated its slaughtering capacities in one place, by transferring it from Bauske to Kekava. Also almost EUR 8 million has been invested to increase the capacity of the slaughterhouse and effectiveness of cutting lines, to modernize feed production and production package 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 loss of this business Segment amounted to EUR 0.2 thousand compared to a EUR 97 thousand profit in previous year.

T HE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

T HE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 June, 2016, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

23/06/2016 10:00 EEST	Notification on AB Linas Agro Group manager's related party transactions	Notifications on transactions concluded by managers of the companies	EN, LT
31/05/2016 10:00 EEST	Notification about interim 9 months financial results of the financial year 2015/2016	Interim information	EN, LT
22/04/2016 09:45 EET	AB Linas Agro Group acquires fertilizers trading business in Latvia	Notification on material event	EN, LT
29/02/2016 09:00 EET	Notification about interim 6 months financial results of the financial year 2015/2016	Interim information	EN, LT
23/12/2015 09:00:32 EET	Notification on AB Linas Agro Group manager's related party transactions	Notifications on transactions concluded by managers of the companies	EN, LT

15/12/2015 09:30:32 EET	AB Linas Agro Group Notification about disposal of voting rights	Notification about acquisition (disposal) of a block of shares	EN, LT
02/12/2015- 08:30:31 EET	AB Linas Agro Group investor's calendar for the 2016	Other information	EN, LT
27/11/2015 09:23:32 EET	Notification about interim 3 months financial results of the financial year 2015/2016	Interim information	EN, LT
26/11/2015 11:34:32 EET	Registration of new wording of the Articles of Association of AB Linas Agro Group and authorized capital expressed in euro	Additional information	EN, LT
22/10/2015 16:02:33 EEST	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 22 October 2015	Notification on material event	EN, LT
22/10/2015 16:02:33 EEST	Procedure for the payout of dividends for the financial year ended 30 June 2015	Notification on material event	EN, LT
22/10/2015 16:01:33 EEST	AB Linas Agro Group notification about the Annual information of the financial year 2014/2015	Annual information	EN, LT
02/10/2015 14:00:31 EEST	AB Linas Agro Group presentation to investors	Other information	EN, LT
29/09/2015 09:00:32 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
28/08/2015 09:06:34 EEST	Notification about interim 12 months financial results of the financial year 2014/2015	Interim information	EN, LT
27/08/2015 10:00:31 EEST	Changes in management of Latvian poultry farming companies owned by AB Linas Agro Group	Notification on material event	EN, LT
31/07/2015 09:00:32 EEST	Swedbank issues over 11m euros in loans to producers AS Putnu fabrika Ķekava and SIA Lielzeltiņi to AB Linas Agro Group controlled companies	Other information	EN
31/07/2015 09:36:32 EEST	SEB Bank increasing its financing for AB "Linas Agro" by EUR 26 million	Notification on material event	EN, LT

OTHER EVENTS DURING THE REPORTING PERIOD

Aug 2015-June 2016	The Company additionally acquired 2,006 shares of AS Putnu fabrika Kekava.
Mar-June 2016	The authorized capital of ŽŪB Landvesta 5 was increased from 681,475.91 to 906,500 euros.
Jan-April 2016	The authorized capital of Panevėžys District Žibartonių ŽŪB was increased from 913,098.50 to 1,857,198.50 euros.

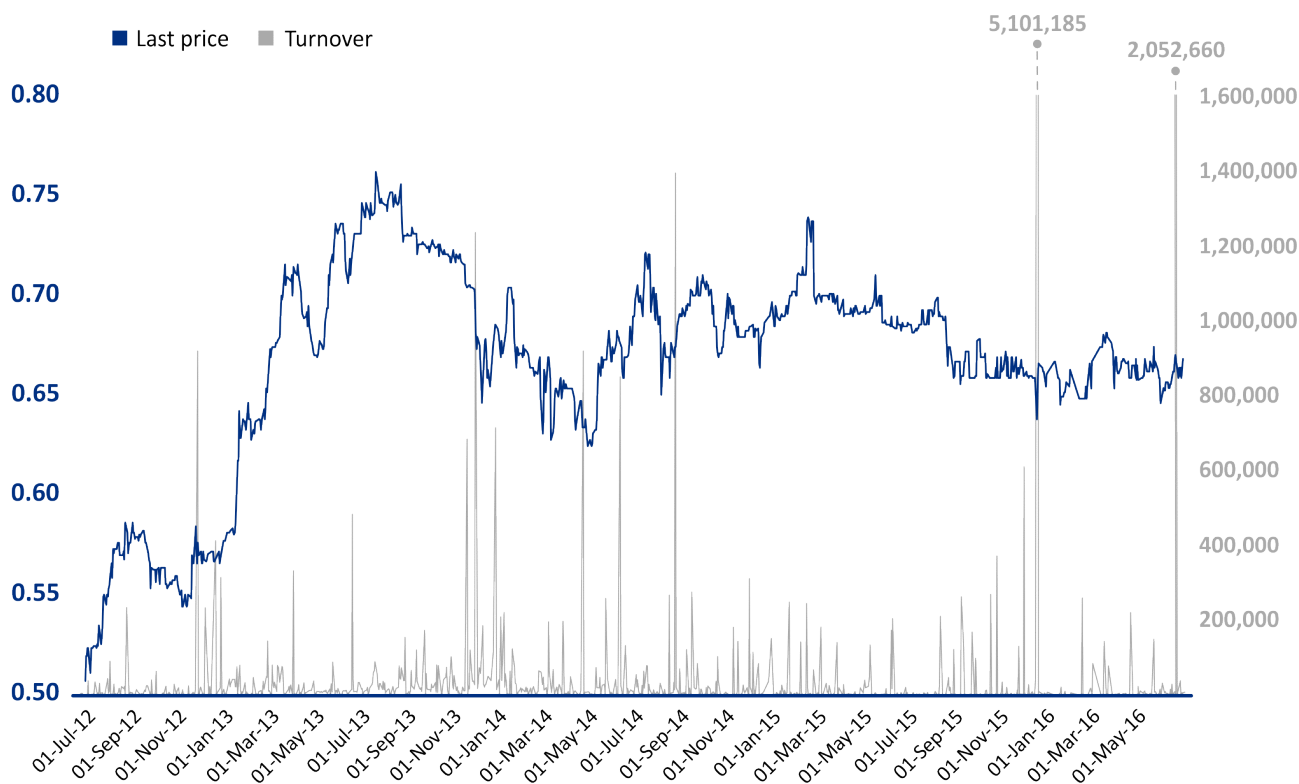
Jul 2015- June 2016	The authorized capital of Noreikiškių ŽŪB was increased from 433,000 to 511,000 euros.
30/09/2015	The authorized capital of UAB Lineliai was increased from 553,000 to 638,000 euros.
18/08/2015	The company UAB Žemės Ūkio Investicijos was delisted from the Center of Register of Republic of Lithuania.
17/07/2015	The authorized capital of ŽŪB Landvesta 4 was increased from 553,753.48 to 603,777.11 euros.

SUBSEQUENT EVENTS

15/07/01	The authorized capital of ŽŪB Landvesta 5 was increased from 906,500 to 1,006,500 euros.
01/07/01	The authorized capital of SIA Linas Agro Graudu Centrs was increased from 1,656,828 to 2,180,000 euros.

PRICES OF SHARES AND TURNOVER 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 2016, is presented in the following diagram:



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