



Quarterly report for the period  
1st January 2013 – 31 March 2013

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15th May 2013

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## 1. General information about the Company

### 1.1 Company details

<b>Company name:</b>	Agroliga Group PLC
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<b>E-mail:</b>	info@agroliga.com.ua
<b>www:</b>	www.agroliga.com.ua

Source: Issuer

### 1.2 Company profile

Agroliga Group ("Group") is Ukraine based company conducting food and agricultural business. The Group produces sunflower oil, grain and breeds milk cows. The Group consists of six companies:

- Agroliga Group PLC – the holding company based in Cyprus;
- Agroliga operating in Ukraine. It conducts plant production;
- Mechnikovo operating in Ukraine. It specializes in milk cows breeding and plant production;
- Agrokom Novaj Vodolaga operating in Ukraine. It conducts sunflower oil production;
- PLC Liga A operating in Ukraine. It focuses on sales and trading services for other companies in the Group.
- Group of Companies Agroliga LLC– the holding company based in Ukraine.
- VostokAgroKontrakt operating in Ukraine. It conducts plant production;

### 1.3 Management Board

Aleksander Berdnyk - Chairman of the Board of Directors

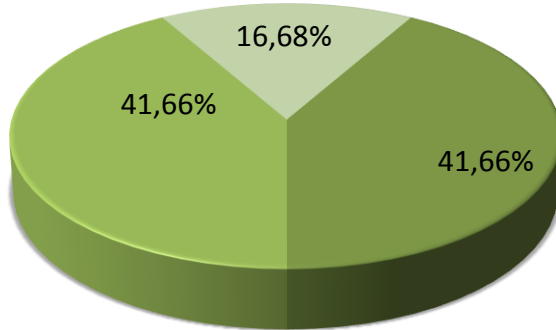
Bizserve Investments Limited – Member of the Board of Directors

Bizserve Management Limited – Member of the Board of Directors

### 1.4 Shareholder structure

**Table 1 - The Shareholding structure of the Issuer, indicating shareholders holding at least 5% of the votes at the date of report (as of 15/05/2013)**

Stockholder	Number of shares	Number of votes at the general meeting	Participation in share capital	Participation in the total number of votes at the general meeting
Alexandr Berdnyk	128 150	128 150	41,66%	41,66%
Irina Poplavskaya	128 150	128 150	41,66%	41,66%
Others	51 260	51 260	16,68%	16,68%
<b>ALL</b>	<b>307 560</b>	<b>307 560</b>	<b>100,00%</b>	<b>100,00%</b>



- Irina Poplavskaya
- Alexandr Berdnyk
- Others

## 2. Selected Financial Results

Tables below provides selected key data from consolidated and unaudited financial statement of Agroliga Group PLC, in accordance with International Financial Reporting Standards for a 4Q2012 (quarterly period ended 31 December 2012)

**Table 2 - Selected financial data from the profit and loss account**

Selected Financial Results	1Q2013 € 000	1Q2012 € 000
Revenues from the sale	1 851	2 741

Gross profit / loss on sales	227	112
Profit / loss from operating activities	383	136
Gross profit / loss	328	60
Net profit / loss	327	60
Depreciation	32	27

Source: Issuer

**Table 3 - Selected financial data from balance sheet**

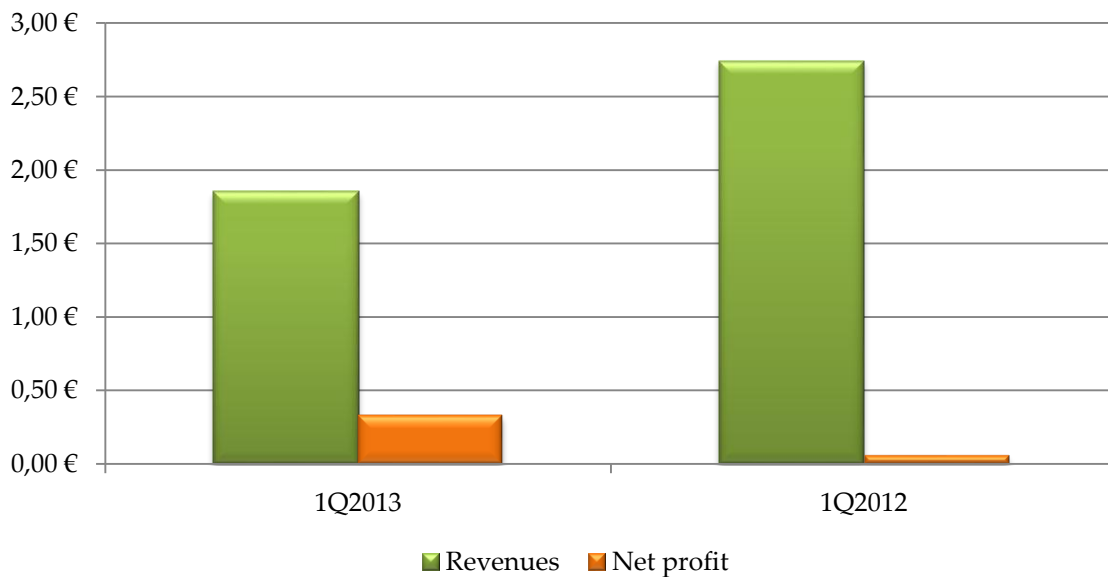
Selected financial data from balance sheet	31.03.2013 € 000	31.12.2012 € 000	31.03.2012 € 000	31.12.2011 € 000
Tangible fixed assets	1 878	1 482	1 387	1 237
Long-term receivables	0	0	0	0
Current assets	9 551	9 712	7 416	7 194
Short-term receivables	734	1 115	1 300	703
Cash and cash equivalents	159	24	103	104
Equity	9 968	9 610	7 937	7 992
Long-term liabilities	74	139	153	153
Short-term liabilities	1 819	1 653	2 614	2 435

Source: Issuer

### 3. The Board of Directors’ comment on the factors and events that affect the achieved financial results

In the first quarter of 2013 Agroliga noted EUR 1851 ths revenues and 327 ths net profit. Compared to the same period of the previous year, revenues decreased by EUR 890 ths and net profit increased by EUR 267 ths.

**Chart 4 Selected financial data for the 1<sup>st</sup> quarter of 2013 and on a cumulative basis, together with data for 2012 [ths EUR]**



*Source: Issuer*

Revenue in the 1-st quarter is slightly less, than year before, because of quite low inventories of agriculture production, which was not sold in 2012. Previous year these quantities were much bigger, and many sales in first quarter 2012 were from selling crops from harvest of 2011. But in autumn 2012 – winter 2013 we concentrate on sunflower refinery production and sell most of our crops stocks at the end of 2012. As a result, our profit for this period is much bigger, than in 2012.

*The current situation on the Ukrainian market for cereals and oilseeds*

In January 2013 the rise in prices on the world grain market stalled. However, by the end of the 2012-13 season, the growth can be activated under the influence of declining global stocks. The market is the medium to grain decreases, which also activates the real purchase. In the season 2013-14 is expected to increase crop production in the world, which will reduce the potential growth rates of 1-2%.

The January USDA forecast also showed a decrease in world wheat production in the 2012-13 season, the December forecast of 0.1% to 654.31 million tons, which is also 6.0% below the world wheat production in 2011-12 season.

World consumption is reduced by 0.07% in December 2012 to 673.45 million tons, but it is also a 3.6% lower consumption in the 2011-12 season. In this case, carry-over stocks of wheat in the world will fall by 9.8% compared to last season to 176.64 million tons and by 0.2% compared to the December forecast.

Grain harvest in Ukraine in 2012 was 46.17 million tons, of which 15.76 million tons of wheat (-19.4% to last year), 20.92 million tons of corn (-8.4%), 6.94 million tons of barley (-23.8%).

Winter crops was sown at 8.1 million hectares, which is 34% lower than last year Grain harvest in 2013 is officially 56 million tons, according to analysts about 51.85 million tons.

Ministry of Agrarian Policy and Food of Ukraine forecasts grain harvest increased in 2013 by 20-30% compared with 2012.

In case of favorable weather conditions in the winter and spring, 2013 harvest may rise to 55-57 million tons.

Grain exports in the 2012-13 season at the end of December 2012 amounted to 15.26 million tons, of which 5.9 million tons of wheat, 7.15 million tons of corn and 1.95 million tons of barley. Total exports in the 2012-13 season officially estimated at 23 million tons, traders - at 21 million tons.

The average annual cost of wheat in 2012 was \$ 275 / ton (749.3 c / bush), corn - 272.8 \$ / ton (694.1 c / bush). According to the calculation model the average price of wheat in 2013 will amount to



288.9 \$ / ton (786.9 cents / bushel), the average annual cost of maize in 2013 is estimated at \$ 278.7 / t (709.1 cents / bushel).

In the domestic market can be expected to continue rising prices due to falling grain carryover stocks at the end of the 2012-13 season. In a January report of USDA World cereal production in 2012-13 season is given at the level of 2241.09 million tons, which is 3.2% lower than in the 2011-12 season.

According to the Ministry of Agriculture of the United States, the export from Ukraine of sunflower last marketing year amounted to 300 000 tons, with a forecast for this year to 450 000 tons. Ukrainian sunflower oil export according this forecast will rise by 21% - up to 3.5 million tons.

### **3.1 The Management Board's opinion about the achieved results and the forecasts for 2013.**

In the Information Document dated on 21 January 2011, the Company published its financial forecasts, which assumed the achievement in 2013:

- 13 626 100 EUR revenue from sales
- and 2 564 800 EUR net profit.

According our results for year 2012, with revenue at the level 16,5 mln euro and net profit more than 3 mln euro, this forecasts look quite cautious.

But because of completing first stage of company development and preparing for stage two, our planned financials for next 3 years are revising now, and will be presented at the nearest future. In May 2013 we sign agreement with Noble Securities, and we should and we want coordinate with them our strategy.

So we ask to wait a little bit more for our big presentation, an right now we could only say, that our results in 2013 could be no less, that it was published in Information document, and no less, for sure, than 2012 results.

	Forecast published in the Information Document dated on 21.01.2011	Achieved results for 1Q2013	Level of implementation of the new forecast (%)
Revenue from sale	13 626 100 EUR	1 851 000 EUR	14%
Net profit	2 564 800 EUR	327 000 EUR	13%

During 1Q 2013 year, the Issuer achieved 1 851 ths EUR of revenue and 327 ths EUR net profit. These results represent the implementation of the forecasts, respectively in 14 and 13 percent.

#### *Forecast of economic development of Ukraine in 2012-2013*

Ministry of Economic Development and Trade of Ukraine published the latest forecast of the economic development of Ukraine Fri "Ukraine: prospects of development".

According to this forecast, the nominal GDP of the country in 2012 will be 1.5 billion UAH, and real GDP growth at 3.2% (in the Budget of Ukraine for the year 2012 this rate was assumed at 3.9% forecast by the European Bank for Reconstruction and Development and the World Bank, Ukraine's economic growth at 2.5%). In turn, in 2013 the real GDP growth of 4.1% (1.7 billion UAH). Exports of goods and services from the Ukraine in 2013 will increase compared to 2012, from 10.1% to 10.9% and imports of goods and services to Ukraine will decline from 10.5% to 9.9%. The average consumer price index (December to December) in 2013 is estimated at 7.2% (it may be in the range 5.9% - 9%), while industrial prices will increase 9.7% (possible variations in the interval 6.3% - 15.5%).

Forecasts of the Ministry are based on assessment of the further economic development of

Ukraine, prepared by experts from 15 national, international and private analytic institutions operating in Ukraine.

#### **4. Report on the Company's activities in 2013Q1**

In the 1<sup>st</sup> quarter 2012, Company concentrated on oil production, and preparations to the spring sowing time.

Also at first quarter of 2012, agricultural companies of the Agroliga Group continued to sell yields obtained in 2011.

The Board of Directors and Company's management decided to set first phase of Agroliga group investment program as completed.

In the light of achieved results and received propositions, next phase of the Group's development will be significantly changed comparing with Information Document presented in 2010.


New investment and development plan is under construction now, and will be presented in the next few months. However, we could already say, that Agroliga group is going to enter main market of Warsaw Stock Exchange during this year.

#### **5. Indication of the units included in the Issuer's group on the last day of the period covered by the quarterly report**

The Agroliga Group consists of six companies:

- Agroliga Group PLC – the holding company based in Cyprus;
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Aleksandr Berdnyk  
Chairman of the Board of Directors