



Report for the period
1 January 2015 – 31 March 2015

15th May 2015

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1. General information about the Company

1.1 Company details

Company name:	Agroliga Group PLC
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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

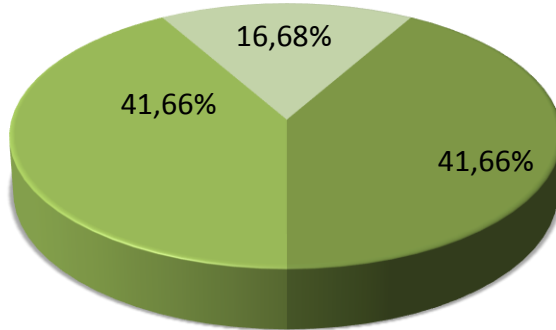
Bizserve Investments Limited – Member of the Board of Directors

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 15/03/2015)

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	640 750	640 750	41,66%	41,66%
Irina Poplavskaya	640 750	640 750	41,66%	41,66%
Free float	256 300	256 300	16,68%	16,68%
ALL	1 537 800	1 537 800	100,00%	100,00%



- Irina Poplavskaya
- Alexandr Berdnyk
- Others

1.5 Persons employed

There are 221 persons employed by Agroliga group as at 15/03/2015 (FTE, including all the Group's companies)

CATEGORY	2015-05-15
ADMINISTRATION	29
PRODUCTION EMPLOYEES	130
SUPPORT	59
TOTAL	218

2. Condensed Financial Statements

Tables below provides data from condensed and unaudited financial statements of Agroliga Group PLC, prepared in accordance with International Accounting Standard 34 for 1Q2015 (period ended 31 March 2015).

Table 2.
Condensed profit and loss statement

for the period from 01/01 to 31/03 of 2015 year (with comparative data)

	01/01/2015	01/01/2014
	31/03/2015	31/03/2014
	€000	€000
Continuing operations		
Sales revenue	4 563	2 814
Cost of sales	(3 267)	(2 563)
Income (expenses) from change in fair value of biological assets	0	0
Income from change in fair value of agricultural products	-125	0
Gross profit	1 172	251
Selling and distribution costs	(38)	(25)
Administrative expenses	(204)	(123)
Income from government grants	313	242
Other operating income/(expenses), net	39	(147)
Operating profit	1 282	198
Non-operational income/(expenses), net	-	-
Financial income/(expenses), net	(83)	(82)
Exchange rate differences, net	(120)	(55)
Profit before tax from continuing operations	1 078	61
Income tax expense	-	0
Profit for the year from continuing operations	1 078	61
Profit for the year attributable to		
Equity holders of the parent	1 055	59
Non-controlling interest	23	2

Source: Issuer

Table 3

Condensed statement of financial position

as at 31 March 2015 and 31 December 2014 (with comparative data)

	31 March, 2015	31 December, 2014
Assets	€000	€000
Non-current assets		
Property, plant and equipment	2 136	2 698
Non-current biological assets	140	99
Other non-current assets	495	649
Total non-current assets	2 771	3 446
Current assets		
Current biological assets	318	105
Inventories	2 680	4 768
Trade and other receivables	6 926	3 908
Cash and cash equivalent	863	505
Total current assets	10 786	9 286
Total assets	13 557	12 732
Equity and liabilities		
Share capital	51	51
Additional paid-in capital	952	952
Retained earnings	15 643	14 471
Exchange rate effect	-8 537	-5 788
Equity attributable to equity holders of the parent	8 109	9 686
Non-controlling interests	160	157
Total equity	8 269	9 843
Non-current liabilities		
Other non-current liabilities	87	101
Deferred tax liability	10	7
Total non-current liabilities	96	108
Current liabilities		
Trade and other payables	4 884	1 996

Interest-bearing loans and borrowings	331	738
Provisions	-24	48
Total current liabilities	5 191	2 781
Total liabilities	5 288	2 889
Total equity and liabilities	13 557	12 732

Source: Issuer

Table 4

Condensed statement for changes in equity
for the period from 01/01 to 31/03 of 2015 year

	Attributable to equity holders of the Company						Total €000
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests		
	€000	€000	€000	€000	€000		
Balance at 31 December 2013 /1 January 2014	51	952	- 598	11 692	193	12 291	
Net profit the period	-	-	-	2 697	48	2 745	
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-	-	-	-	
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	- 5 190	52	- 56	- 5 194	
Balance at 31 December 2014/1 January 2015	51	952	- 5 788	14 441	185	9 842	
Net profit the period	-	-	-	1 055	23	1 078	
Issue of share capital	-	-	-	-	-	-	
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	- 2 750	146	- 48	- 2 652	
Balance at 31 March 2015	51	952	- 8 537	15 642	160	8 269	

Source: Issuer

Table 5
Condensed statement of cash flows
for the period from 01/01 to 31/03 of 2015 year

€ '000	01/01/2015 - 31/03/2015	01/01/2014 - 31/03/2014
Cash flows from operating activities		
Profit before tax	1 078	61
Adjustments for:		
Depreciation of property, plant and equipment	12	24
Exchange difference arising on the translation of assets on foreign currencies	-2 750	-2255
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	0	0
Impairment charge of property, plant and equipment	0	0
Interest income	-3	-1
Interest expense	83	84
Cash flows from operations before working capital changes	-1 579	-2 088
Increase in inventories and work in progress	2 088	1 722
Increase in trade and other receivables	-3 018	818
Decrease/(increase) in biological assets	-213	374
(Decrease)/increase in trade and other payables	2 888	-463
Cash flows from operations	166	364
Tax refunded	0	0
Net cash flows from operating activities	166	364
Cash flows from investing activities		
Payment for purchase of property, plant and equipment		0
Proceeds from disposal of property, plant and equipment	0	0
Loans granted	272	222
Interest received	3	1
Net cash flows used in investing activities	275	223
Cash flows from financing activities		
Proceeds from issue of share capital		

Proceeds of borrowings		-455
Interest paid	-83	-84
Suspense account (pending correction of Depreciation, Minority interest and share capital)		
Net cash flows (used in)/from financing activities	-83	-539
Net decrease in cash and cash equivalents	358	48
Cash and cash equivalents:		
At beginning of the year/period	505	271
At end of the year/period	863	319

Source: Issuer

Statements were prepared according rules of IAS 34. There were no changes in accounting policy of the Group during period 01/01/15-31/03/15. More detailed Group's accounting policy is described in audited annual report of the Group.

Exchange rate effect was noted in Statement of financial position.

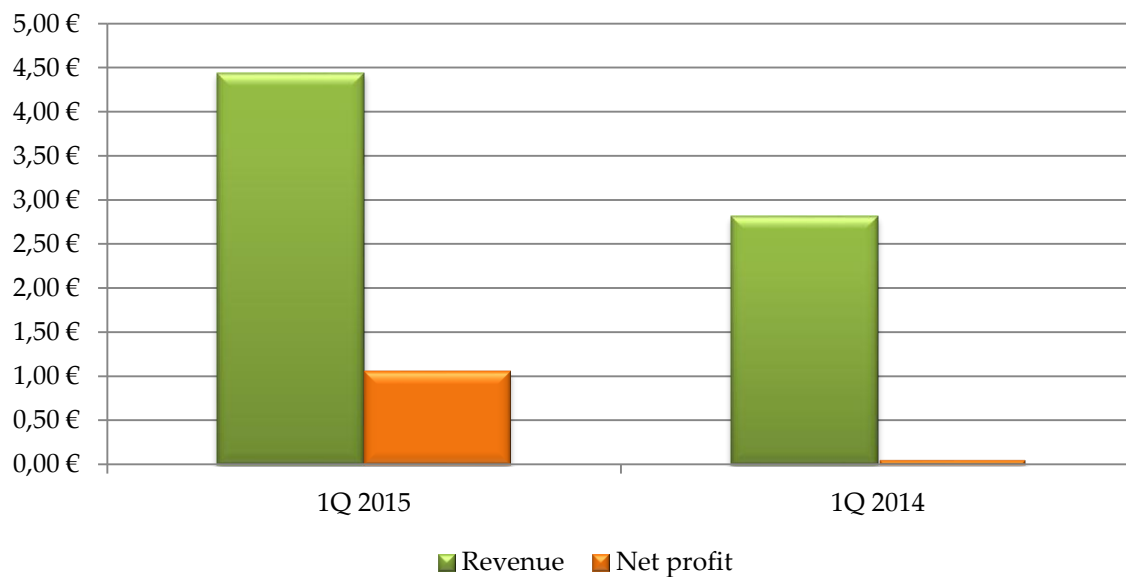
Statements based on annual audited report and comparative data may slightly changes from quarterly reports because of auditor's corrections and reclassifications.

3. The Board of Directors' report.

3.1 Comments to the financial results.

In 1Q of 2015 Agroliga noted EUR 4 438 ths revenues and 1 055 ths net profit. Compared to the same period of the previous year, revenues increased by EUR 1 624 ths and net profit increased by EUR 996 ths.

Chart 4 Selected financial data for the 1st quarter of 2015, together with data for 2011 [EUR M]



Source: Issuer

The increasing of Group's revenue in 1Q 2015 is a result of expanding of the Group's oil export activity, as well as increasing of the net profit. Additional factor for increasing of net profit was falling of hryvna exchange rate during 1Q 2015, with most Group's operational expenses fixed in local currency and most sales fixed in euro.

3.2 Description of the most important events of the 1st quarter.

At the beginning of the year Agroliga Group have completed the formation of the crop plan for 2015.

Like last year, the focus will be mainly on industrial crops - sunflower and rapeseed. Sunflower planting is planned for 2,623 ha, winter rape planted on 561 hectares, winter barley -on 198 hectares and winter wheat - on 2,201 ha. Barley will be planted on 645 hectares, maize - on 550 ha.

During March was successfully completed planting of spring crops.

3.3 Situation in Ukraine.

In connection with recent significant changes in Ukraine's political and economic situation, there is a need to comment on their impact on the operations of the Group companies.

Hryvna devaluation.

Despite significant rate shocks caused by political events and significant rising euro rate against hryvna for the last year, National Bank of Ukraine demonstrates the ability of to control the situation. During last 2 month exchange rate of national currency was stabilized. Also Ukraine has been granted the EU and U.S. financial and credit support of 15 billion euros.

Currently, all the Agroliga's loans are denominated in local currency, while the price of sales of agricultural products mainly tied to the euro or US dollar. Thus devaluation will reduce the finance and other costs in the cost structure.

Raising capital in the foreign markets.

The group planned to raise additional financing on the WSE in the 1st quarter of 2014, simultaneously with the transition to the upper market. Due to the stock prices instability of Ukrainian companies associated with the dynamic political situation in Ukraine, these plans has been postponed, but not canceled. Once the market calms down, Group will return to this issue.

The initial stage of development program 2013-2015 does not require substantial investments, and the Group is proceeding with his own funds.

Risk of changes in taxation.

The main efforts of the new government aimed at budget savings. Changes in taxation were made in June and land tax, which is primary for the most companies of the Group, was not changed or canceled, as well as agricultural VAT.

At the same time, the new government announced increased transparency of administration of the tax system that can reduce the number of tax audits and increase the ease of paying taxes.

Risk of military activity.

Anti-terroristic operation in Donetsk and Lugansk regions paused after peace talks in Minsk under the auspices of the Organization for Security and Co-operation in Europe (OSCE), Ukraine, Russia, the DPR, and the LPR agreed to a ceasefire on 15 February.

In any event all the Group's land plots are located in the Kharkiv region, where there are no proposals for any territorial changes, and no military activity was held or planned at this region.

Government changes.

The main asset of the Group is a land that was taken in a long term lease from a large number of individuals. In addition, the assets include machinery, equipment and real estate.

None of these assets is obtained from a state and none is disputed. None of the Group's majority shareholder or their related entities is a politician or a government official, even at the local level.

Decline in living standards and changing markets.

The main market for Agroliga's crops is export. Significant changes in the export market does not happen, the denomination of the hryvna will allow to speak of obtaining additional profits from exchange rate differences. Logistically main point of export for the partners of the group now is either Nikolaev or Odessa, both located in southern Ukraine. Changes in quotas or export rules are not announced by the new government.

The main sales market for crude sunflower oil is the East and Centre of Ukraine - confectioneries, manufacturers of mayonnaise, sauces and refined oil. They mainly produce low-end products, the demand for which varies only slightly with the worsening economic situation, so no significant change in the projected volumes and sales prices. Price and volume of oil going for export, similarly projected grain exports.

Milk is supplied to local dairies for processing. No significant change in the projected volumes of its sales estimated. But we should point, that Russia is a target market for large milk exporters, and with their difficulties milk prices going down. But milk revenue is less than 10% of total Group's revenue, and no significant influence connected with it estimated.

3.4 Developing of the strategy.

Strategy of the Group for 2013-2015 years was published 12/06/13 and is conducting conduct in three areas:

1) One of the main part of this strategy is developing oil refinery and significant increasing this segment in result of company. Agroliga Group will be conduct this task by increasing capacity from 55 000 tons to 70 000 tons in 2015 and - up to 100 000 tons until 2017 accordingly. Agroliga plans to be produce more profitable products through implementation of new technology of oil extraction and in the long term perspective starting of bottling oil.

2) Agroliga Group plans to be mostly use own sunflower seeds for production what allow to better control prices of raw material and finally to achieve a better margin. For this Company will be expand land bank to 12,3 ths ha and will be actively working for significant increasing of efficiency and yields crops.

3) Company will be also develop dairy farm. Besides significant increasing of cowherd to 1400 cows Agroliga will be establish production of processing products. In plan of company is a starting dry milk and soft cheese.

Because of significant changes in Ukraine, the Group is working on adjusting forecasts and Group's development strategy. There are no major changes planned, but terms of realization and details will be reviewed.

3.5 The Board's opinion about the achieved results and the forecasts.

Because of changes in prices, exchange rates and overall situation in Ukraine Group cannot make any long-term financial forecasts for 2015 year.



Aleksandr Berdnyk
Chairman of the Board of Directors