



Report for the period
1 January 2015 – 30 June 2015

14th August 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;
- Maiak operating in Ukraine and conducts plant production. It was added to Group in August 2015.

1.3 Management Board

Aleksander Berdnyk - Chairman of the Board of Directors

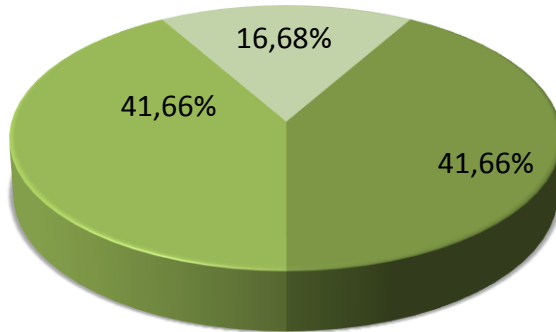
Bizserve Investments Limited – Member of the Board of Directors

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 14/08/2015)

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 243 persons employed by Agroliga group as at 14/08/2015 (FTE, including all the Group's companies)

CATEGORY	2015-08-14
ADMINISTRATION	35
PRODUCTION EMPLOYEES	148
SUPPORT	60
TOTAL	243

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 2Q2015 (period ended 30 June 2015).

Table 2.
Condensed profit and loss statement

for the period from 01/01 to 30/06 of 2015 year (with comparative data)

	01/01/2015 30/06/2015	01/01/2014 30/06/2014	01/04/2015 30/06/2015	01/04/2014 30/06/2014
	€000	€000		€000
Continuing operations				
Sales revenue	12 850	5 244	8 286	3 031
Cost of sales	(10 372)	(4 466)	(7 105)	(2 401)
Income (expenses) from change in fair value of biological assets	0	0	0	0
Income from change in fair value of agricultural products	56	-271	182	-378
Gross profit	2 534	506	1 363	251
Selling and distribution costs	(84)	(99)	(45)	(95)
Administrative expenses	(573)	(169)	(368)	(41)
Income from government grants	463	398	150	141
Other operating income/(expenses), net	114	96	74	97
Operating profit	2 454	732	1 173	354
Non-operational income/(expenses), net	0	-	-	-
Financial income/(expenses), net	(157)	(170)	(74)	(103)
Exchange rate differences, net	(170)	(66)	(50)	(78)
Profit before tax from continuing operations	2 127	495	1 049	173
Income tax expense	(1)	0	(1)	0
Profit for the year from continuing operations	2 126	495	1 048	174
			0	0
Profit for the year attributable to				
Equity holders of the parent	2 089	486	1 034	171
Non-controlling interest	37	9	14	3

Source: Issuer

Table 3

Condensed statement of financial position

as at 30 June 2015 and 31 December 2014 (with comparative data)

	30 June, 2015	31 December, 2014	30 June, 2014	31 December, 2013
Assets	€000	€000	€000	€000
Non-current assets				
Property, plant and equipment	3 210	2 683	3 165	3 909
Non-current biological assets	171	187	121	145
Other non-current assets	549	668	879	1 118
Total non-current assets	3 929	3 538	4 165	5 172
Current assets				
Current biological assets	498	476	109	797
Inventories	3 225	4 562	3 997	5 545
Trade and other receivables	10 421	3 880	3 672	3 394
Cash and cash equivalent	1 403	505	188	109
Total current assets	15 547	9 423	7 965	9 845
Total assets	19 476	12 960	12 130	15 017
Equity and liabilities				
Share capital	51	51	51	51
Additional paid-in capital	953	953	952	952
Retained earnings	16 460	14 418	12 265	11 694
Exchange rate effect	-7 918	-5 783	-3 159	-598
Equity attributable to equity holders of the parent	9 547	9 639	10 109	12 099
Non-controlling interests	269	230	146	193
Total equity	9 816	9 869	10 255	12 292
Non-current liabilities				
Other non-current liabilities	106	117	122	122
Deferred tax liability	78	91	4	0
Total non-current liabilities	184	208	125	122
Current liabilities				
Trade and other payables	8 563	1 564	924	470

Interest-bearing loans and borrowings	928	1 264	726	2 133
Provisions	-15	55	100	0
Total current liabilities	9 476	2 883	1 750	2 603
Total liabilities	9 660	3 091	1 875	2 725
Total equity and liabilities	19 476	12 960	12 130	15 017

Source: Issuer

Table 4

Condensed statement for changes in equity
for the period from 01/01 to 30/06 of 2015 year

	Attributable to equity holders of the Company						Total
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests		
	€000	€000	€000	€000	€000	€000	
Balance at 31 December 2013 /1 January 2014	51	953	-	598	11 692	193	12 291
Net profit for the period	-	-	-	2 726	37	-	2 763
Issue of share capital	-	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-	5 185	-	-	5 185
Balance at 31 December 2014/1 January 2015	51	953	-	5 783	14 418	230	9 869
Net profit for the period	-	-	-	2 089	37	-	2 126
Issue of share capital	-	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-	-2 135	-47	2	-2 180
Balance at 30 June 2015	51	953	-7 918	16 460	269	269	9 816

Source: Issuer

Table 5
Condensed statement of cash flows
for the period from 01/01 to 31/05 of 2015 year

€ '000	01/01/2015 - 31/06/2015	01/01/2014 - 31/06/2014
Cash flows from operating activities		
Profit before tax	2 127	2 886
Adjustments for:		
Depreciation of property, plant and equipment	61	144
Exchange difference arising on the translation of assets on foreign currencies	-2064	-3095
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	-5	-5
Interest expense	157	360
Cash flows from operations before working capital changes	276	290
Increase in inventories and work in progress	1 337	983
Increase in trade and other receivables	-6 542	60
Decrease/(increase) in biological assets	-22	321
(Decrease)/increase in trade and other payables	6 999	1 094
Cash flows from operations	2 049	2 748
Tax refunded	0	0
Net cash flows from operating activities	2 049	2 748
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	-996	-825
Proceeds from disposal of property, plant and equipment	0	0
Loans granted	0	-231
Interest received	2	5
Net cash flows used in investing activities	-994	-1 051
Cash flows from financing activities		
Proceeds from issue of share capital		

Proceeds of borrowings		428
Interest paid	-157	-1367
Suspense account (pending correction of Depreciation, Minority interest and share capital)		-360
Net cash flows (used in)/from financing activities	-157	-1299
Net decrease in cash and cash equivalents	898	398
Cash and cash equivalents:		
At beginning of the year/period	505	109
At end of the year/period	1 403	505

Source: Issuer

Statements were prepared according rules of IAS 34. There were no changes in accounting policy of the Group during period 01/01/15-30/06/15. 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.

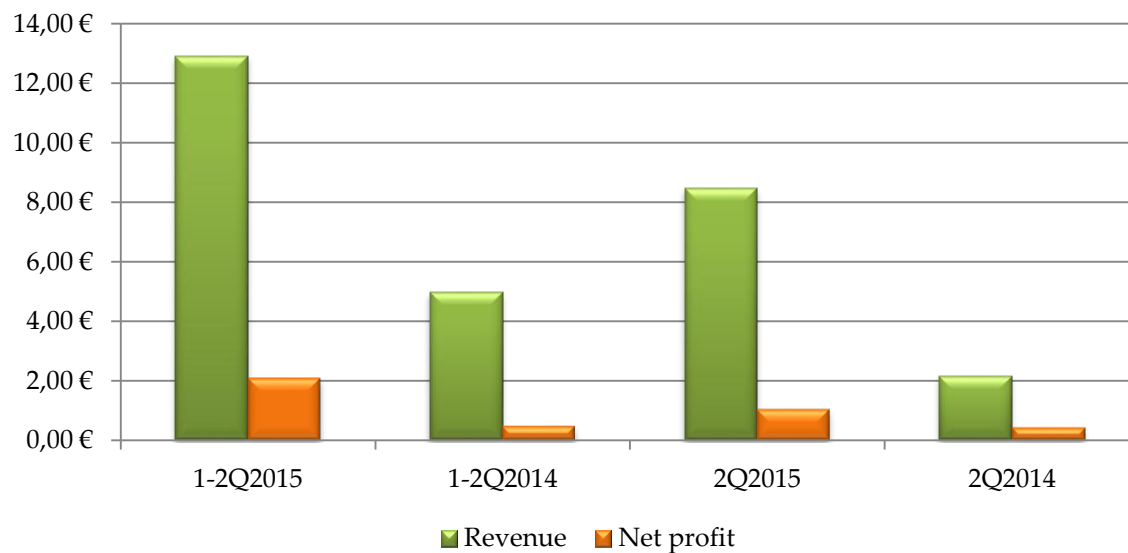
Statements based on annual audited report and comparative data may slightly changes from quarterly reports because of auditor's corrections and reclassifications.

3. The Board of Directors' report.

3.1 Comments to the financial results.

In 1H of 2015 Agroliga noted EUR 12 906 thousand revenues and 2 089 thousand net profit. Compared to the same period of the previous year, revenues increased by EUR 7 934 thousand and net profit increased by EUR 1 603 thousand.

Chart 4 Selected financial data for the 1st half of 2015, together with data for 2014 [EUR M]



Source: Issuer

The increasing of Group's revenue in 1 half 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 beginning of 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 2^d quarter.

At the May, 05 Agroliga obtained HACCP Certificate.



The increasing consumer requirements for food safety and hygiene in the manufacturing process make the leading enterprises throughout the world introduce the model of the preventative food safety management based on the principles - HACCP (Hazard Analysis and Critical Control Point).

The domestic policy of AGROLIGA GROUP PLC is also aimed at obtaining the final product of high quality.

That is why the process of sunflower oil production in the company “Agrokom Novaya Vodolaga” is organized to meet the strict requirements for the production safety of Ukrainian and international quality standards. The process of certification is drawing to its completion.

The first stage of the certification of manufacturing according to the standard HACCP – 4161 has been completed. The Certificate of Conformity that the system of safety management of vegetable oil manufacturing complies with DSTU (State Standards of Ukraine) 4161-2003 “Systems of Food Safety Management” has been registered.

As we know HACCP was developed specifically for the food industry and was first applied in the USA in 1960s to provide safe food for space expeditions. Unlike other quality control systems based on periodic testing of raw materials and finished products HACCP provides for permanent control at all stages of manufacturing. Obtaining this certification demonstrates that the enterprise has the balanced system of early identification and elimination of risks affecting the quality and food safety of our sunflower oil.

The second stage provides for the certification of production according to international standard ISO 22000: 2005. This standard was approved by the international organization for certification of ISO, it combines the requirements of ISO 9001 and HACCP, and is based on compliance with legal and regulatory requirements for manufacturing. Currently, we have done all necessary preparatory work and implemented all requirements prescribed by this standard. The certificate - ISO 22000: 2005 is expected to be registered in September of this year.

These certificates guarantee the high quality of our products, will contribute to the increase of our products competitiveness in foreign markets, and ensure the growth of consumer confidence in products manufactured under the brand name AGROLIGA GROUP.

3.3 Situation in Ukraine.

In connection with recent 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.

From 1 January 2015 and up to 30 June 2015, the Ukrainian Hryvnia (the «UAH») depreciated against EURO by approximately 51%. The NBU imposed certain restrictions on purchase of foreign currencies, cross border settlements (including repayment of dividends), and also mandated obligatory conversion of foreign currency proceeds into UAH.

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.

Changes in taxation.

According memorandum with IMF, government should bring the agriculture sector fully under the general VAT regime in line with international practice, effective January 2016, but there are any changes in legislation made yet.

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.

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 thousand ha and will be actively working for significant increasing of efficiency and yields crops.

As a part of realization of this strategy in August 2015 Group obtained another agricultural company with land plot 1,8 thousand ha.

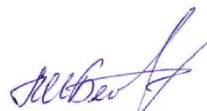
3) Company will be also develop dairy farm. Besides significant increasing of cowherd to 1400 cows Agroliga will be establish production of processing products. In plan of company is a starting dry milk and soft cheese.

As a step to realization of this point will be opened retail dairy shop during August 2015.

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