



Report for the period
1 October 2014 – 31 December 2014

14th February 2015

Table of contents

1. General information about the Company	3
1.1 Company details	3
1.2 Company profile	3
1.3 Management Board	4
1.4 Shareholder structure	4
1.5 Persons employed	5
2. Condensed Financial Statements	6
3. The Board of Directors' report.	11
3.1 Comments to the financial results.	11
3.2 Description of the most important events of the 4 th quarter.	12
3.3 Situation in Ukraine.	14
Hryvna devaluation.	14
Raising capital in the foreign markets.	14
Risk of changes in taxation.	14
Risk of military activity.	15
Government changes.	15
Decline in living standards and changing markets.	15
3.4 Developing of the strategy.	16
3.5 The Board's opinion about the achieved results and the forecasts.	17

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

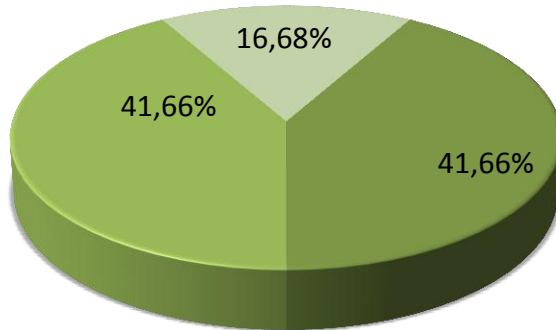
Bizserve Investments Limited – Member of the Board of Directors

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 14/02/2015)

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 14/02/2015 (FTE, including all the Group's companies)

CATEGORY	2014-11-14
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 4Q2014 (period ended 31 December 2014).

Table 2.
Condensed profit and loss statement

for the period from 01/01 to 31/12 of 2014 year (with comparative data)

	01/01/2014 31/12/2014	01/01/2013 31/12/2013	01/10/2014 31/12/2014	01/10/2013 31/12/2013
	€000	€000	€000	€000
Continuing operations				
Sales revenue	18 283	15 425	8 049	3 728
Cost of sales	(15 860)	(11 155)	(7 096)	(279)
Income (expenses) from change in fair value of biological assets	78	0	78	0
Income from change in fair value of agricultural products	1 445	0	306	-2 714
Gross profit	3 946	4 270	1 337	734
Selling and distribution costs	(566)	828	(341)	853
Administrative expenses	(465)	(108)	(238)	247
Income from government grants	473	(443)	(146)	(952)
Other operating income/(expenses), net	(26)	(713)	-200	(702)
Operating profit	3 363	3 834	412	181
Non-operational income/(expenses), net	-	-	-	-
Financial income/(expenses), net	(355)	(407)	(101)	(198)
Exchange rate differences, net	(238)	-	(79)	(2)
Profit before tax from continuing operations	2 769	3 427	232	(19)
Income tax expense	(24)	(36)	(24)	(36)
Profit for the year from continuing operations	2 745	3 391	208	-55
Profit for the year attributable to				
Equity holders of the parent	2 697	3 332	231	(58)
Non-controlling interest	48	59	5	3

Source: Issuer

Table 3

Condensed statement of financial position
as at 31 December 2014 and 31 December 2013 (with comparative data)

	31 December, 2014	31 December, 2013
Assets	€000	€000
Non-current assets		
Property, plant and equipment	2 698	3 909
Non-current biological assets	99	145
Other non-current assets	649	1 118
Total non-current assets	3 446	5 172
Current assets		
Current biological assets	105	797
Inventories	4 768	5 545
Trade and other receivables	3 908	3 394
Cash and cash equivalent	505	109
Total current assets	9 286	9 845
Total assets	12 732	15 017
Equity and liabilities		
Share capital	51	51
Additional paid-in capital	952	952
Retained earnings	14 471	11 694
Exchange rate effect	-5 788	-598
Equity attributable to equity holders of the parent	9 686	12 099
Non-controlling interests	157	193
Total equity	9 843	12 292
Non-current liabilities		
Other non-current liabilities	101	122
Deferred tax liability	7	0
Total non-current liabilities	108	122

Current liabilities

Trade and other payables	1 996	470
Interest-bearing loans and borrowings	738	2 133
Provisions	48	0
Total current liabilities	2 781	2 603
Total liabilities	2 889	2 725
Total equity and liabilities	12 732	15 017

Source: Issuer

Table 4
Condensed statement for changes in equity
 for the period from 01/01 to 31/12 of 2014 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	
Balance at 31 December 2012 /1 January 2013	51	953	- 126	8 452	137	9 467
Net profit the period	-	-	-	3 335	56	3 391
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-472	-	-	-472
Result of aggregation	-	-	-	-95	-	-95
Balance at 31 December 2013/1 January 2014	51	953	- 598	11 692	193	12 291
Net profit the period	-	-	-	2 697	48	2 745
Issue of share capital	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	-5 190	52	-56	-5 194
Balance at 31 December 2014	51	953	-5 788	14 441	185	9 842

Source: Issuer

Table 5
Condensed statement of cash flows

for the period from 01/01 to 31/12 of 2014 year

€ '000	01/01/2014 - 31/12/2014	01/01/2013 - 31/12/2013
Cash flows from operating activities		
Profit before tax	2 537	3 446
Adjustments for:		
Depreciation of property, plant and equipment	84	168
Exchange difference arising on the translation of assets on foreign currencies	-2561	-431
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	0	
Impairment charge of property, plant and equipment	0	
Interest income	-3	-5
Interest expense	173	286
Cash flows from operations before working capital changes	462	3 445
Increase in inventories and work in progress	778	-868
Increase in trade and other receivables	-514	249
Decrease/(increase) in biological assets	691	-90
(Decrease)/increase in trade and other payables	1 526	-644
Cash flows from operations	2 942	2 092
Tax refunded	0	-44
Net cash flows from operating activities	2 942	2 048
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	-981	-2 829
Proceeds from disposal of property, plant and equipment	0	331
Loans granted	-2133	-876
Interest received	3	5
Net cash flows used in investing activities	-3 111	-3 369
Cash flows from financing activities		
Proceeds from issue of share capital		

Proceeds of borrowings	738	1613
Interest paid	-173	-286
Suspense account (pending correction of Depreciation, Minority interest and share capital)		
Net cash flows (used in)/from financing activities	565	1327
Net decrease in cash and cash equivalents	396	6
Cash and cash equivalents:		
At beginning of the year/period	109	103
At end of the year/period	505	109

Source: Issuer

Statements were prepared according rules of IAS 34. There were no changes in accounting policy of the Group during period 01/01/14-31/12/14. 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 for 2013 year and comparative data may slightly changes from quarterly reports because of auditor's corrections and reclassifications.

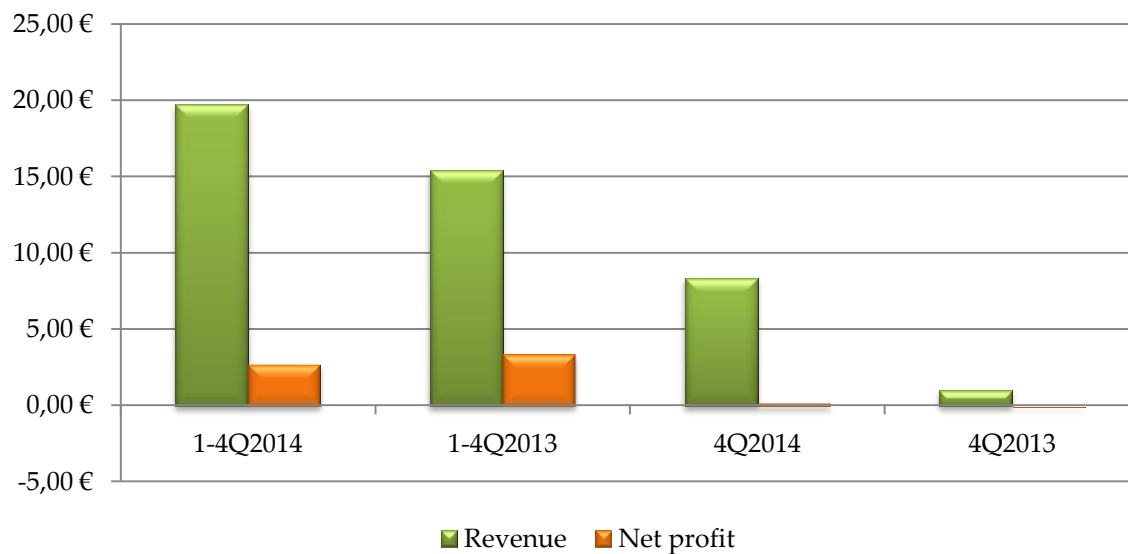
4 q 2014 for Ukrainian companies according Ukrainian legislation this year still open until February, 28, so minor changes in statements are possible and full information will be shown in annual report.

3. The Board of Directors' report.

3.1 Comments to the financial results.

In 4Q of 2014 Agroliga noted EUR 8 355 ths revenues and 208 ths net profit. Compared to the same period of the previous year, revenues increased by EUR 7 342 ths and net profit increased by EUR 266 ths.

Chart 4 Selected financial data for the 4th quarter of 2014, together with data for 2013 [EUR M]



Source: Issuer

The increasing of Group's revenue in 4Q 2014 is a result of expanding of the Group's export activity, as well as increasing of the net profit.

3.2 Description of the most important events of the 4th quarter.

In the late October was published interview to local media of Agroliga Group CFO, Alexander Berdnik:

- How did the complicated weather conditions influence the winter crops planting and preparing soil for the winter?

- In spite of the whims of nature, by the beginning of October the personnel was able to complete all field works two weeks before the scheduled dates. Moreover, the sowing of winter crops was completed in optimal terms, and the steady rains during last two weeks of September were the additional stimulus for plants development.

- What area was allocated for winter crops sowing this year?

- Comparing with the previous year we have increased the area for winter crops by more than 1,000 hectares. In 2014/2015, in total, 2800 hectares of land were allocated for winter crops, of which wheat was planted on 2,000 hectares, barley – on 200 hectares and winter rape – on 600 hectares.

- At the beginning of spring the company's official website informed about experimental sowing of sunflower and corn, have you obtained the results?

The results of the experiment with highly productive sunflower hybrids from originators «RAGT», «Syngenta», «Limagrain» and «Pioner» have exceeded all our expectations.

Due to timely performed agro-technical steps, we were able to achieve the potential of the seed and reach the record yield index - 43.5 c/ha on the average. The sunflower was harvested from 2,900 hectares. More than 12,600 ton of oilseed was milled. We are also pleased with the results of dredge corn harvesting. The hybrids “Makksaliya” and “Rulekks” manufactured by the European leading company RAGT SEMENCES gave 59 and 61 t/ha of “golden grain” respectively.

- Are you planning to carry out new experiments this year, possibly with winter crops?

- As for making choice about winter wheat seed we traditionally decided on the quality variety of domestic production – “Bogdan”, which repeatedly gives the yield of more than 55 t/ha. The experimental fields were allocated for winter rape crops where the modern hybrids of rapeseed NC “Technik” and NC “Petrol” have been planted, and the partnership program with the originator “Syngenta” has been also carried out successfully.

- What other possibilities for your company development can you mention?

One of the most important factors hindering the further increase of crop capacity is lack of moisture. In 2015 the company is planning to implement the project for irrigation of fields allocated for corn and legumes.

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 from the beginning of the year, National Bank of Ukraine demonstrates the ability of to control the situation. Ukraine also has been offered the EU and U.S. financial and credit support of up to 17 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 continuing, but after days of 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.

In the Group development forecast dated on 24 June 2013, the Company published its financial prognoses, which assumed the achievement in 2014:

- 18 011 000 EUR revenue from sales
- and 3 635 000 EUR net profit.

<i>EURO</i>	Forecast published in the Group forecasts	Achieved results for 4Q2014	Level of implementation of the forecast (%)
Revenue from sale	18 011 000	19 728 530	110%
Net profit	3 635 000	2 745 064	76%

During 1-4Q 2014 year, the Issuer achieved 19 729 ths EUR of revenue and 2 745 ths EUR net profit. These results represent the implementation of the forecasts, respectively in 110 and 76 percent.

Financial prognoses on this year is going to be recalculated, because of changes in prices, exchange rates and overall situation in Ukraine, but situation changed too quickly to make any long-term financial forecasts.



Aleksandr Berdnyk
Chairman of the Board of Directors