Report for the period
1 January 2014 – 30 June 2014

14-th August 2014

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1. General information about the Company

1.1 Company details

Company name:	Agroliga Group PLC
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Fax:	+38 (057) 719-49-84
E-mail:	info@agroliga.com.ua
www:	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

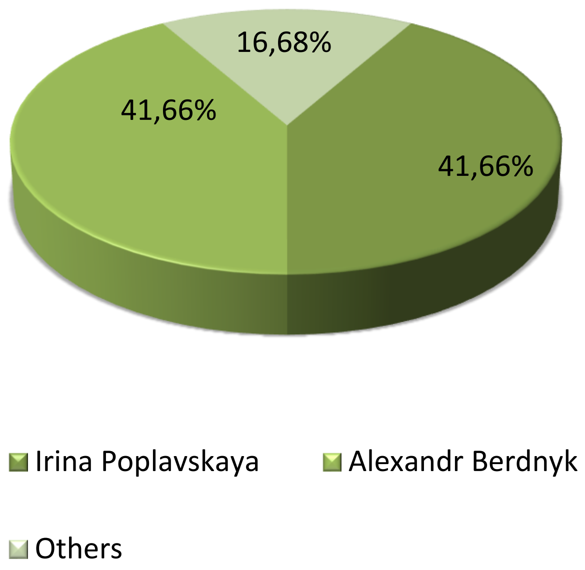
Bizserve Investments Limited – Member of the Board of Directors

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 14/08/2014)

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%**



1.5 Persons employed

There are 248 persons employed by Agroliga group as at 14/08/2014 (FTE, including all the Group's companies)

CATEGORY	2013-12-31
ADMINISTRATION	29
PRODUCTION EMPLOYEES	125
SUPPORT	62
TOTAL	216

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 2Q2014 (period ended 30 June 2014).

Table 2.
Condensed profit and loss statement

for the period from 01/01 to 30/06 of 2014 year (with comparative data)

	01/01/2014 - 30/06/2014	01/01/2013 - 30/06/2013	01/04/2013 - 30/06/2013	01/04/2014 - 30/06/2014
	€000	**€000**	**€000**	**€000**
Continuing operations				
Sales revenue	5 244	7 205	5 461	3 031
Cost of sales	(4 466)	(6 903)	(5 278)	(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	-271	114	7	-378
Gross profit	**506**	**417**	**190**	**251**
Selling and distribution costs	(99)	(15)	(11)	(95)
Administrative expenses	(169)	(226)	(131)	(41)
Income from government grants	398	354	97	141
Other operating income/(expenses), net	96	(6)	(4)	97
Operating profit	**732**	**524**	**141**	**354**
Non-operational income/(expenses), net	-	-	-	-
Financial income/(expenses), net	(170)	(129)	(61)	(103)
Exchange rate differences, net	(66)	9	(4)	(78)
Profit before tax from continuing operations	**495**	**404**	**76**	**173**
Income tax expense	0	(0)	0	0
Profit for the year from continuing operations	**495**	**403**	**76**	**174**
			0	0
Profit for the year attributable to				
Equity holders of the parent	**486**	**395**	**74**	**171**
Non-controlling interest	**9**	**8**	**2**	**3**

Source: Issuer

Table 3

Condensed statement of financial position

as at 30 June 2014 and 31 December 2013 (with comparative data)

	30 June, 2014	31 December, 2013	30 June, 2013	31 December, 2012
Assets	**€000**	**€000**	**€000**	**€000**
Non-current assets				
Property, plant and equipment	3 165	3 909	2 067	1 699
Non-current biological assets	121	145	184	183
Other non-current assets	879	1 118	251	300
Total non-current assets	**4 165**	**5 172**	**2 502**	**2 182**
Current assets				
Current biological assets	109	797	345	669
Inventories	3 997	5 545	5 092	4 677
Trade and other receivables	3 672	3 394	5 040	3 643
Cash and cash equivalent	188	109	41	103
Total current assets	**7 965**	**9 845**	**10 518**	**9 092**
Total assets	**12 130**	**15 017**	**13 021**	**11 274**
Equity and liabilities				
Share capital	51	51	51	51
Additional paid-in capital	952	952	952	953
Retained earnings	12 265	11 694	9 478	8 452
Exchange rate effect	-3 159	-598	-510	-125
Equity attributable to equity holders of the parent	**10 109**	**12 099**	**9 970**	**9 330**
Non-controlling interests	146	193	154	137
Total equity	**10 255**	**12 292**	**10 124**	**9 467**
Non-current liabilities				
Other non-current liabilities	122	122	106	137
Deferred tax liability	4	0	-31	42
Total non-current liabilities	**125**	**122**	**75**	**179**

Current liabilities				
Trade and other payables	924	470	2 038	1 114
Interest-bearing loans and borrowings	726	2 133	751	505
Provisions	100	0	32	9
Total current liabilities	**1 750**	**2 603**	**2 822**	**1 628**
Total liabilities	**1 875**	**2 725**	**2 897**	**1 807**
Total equity and liabilities	**12 130**	**15 017**	**13 021**	**11 274**

Source: Issuer

Table 4

Condensed statement for changes in equity

for the period from 01/01 to 31/06 of 2014 year

	Attributable to equity holders of the Company					
	Share capital	Share premium	Translation reserve	Retained earnings	Non-controlling interests	Total
	€000	**€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	-	-	-	486	9	495
Issue of share capital	-	-	-	-	-	-
Exchange difference on the translation and consolidation of foreign companies' financial statements	-	-	- 2 561	87	- 56	- 2 530
Balance at 30 June 2014	**51**	**953**	**- 3 159**	**12 265**	**146**	**10 256**

Source: Issuer

Table 5

Condensed statement of cash flows

for the period from 01/01 to 31/06 of 2014 year

€ '000	01/01/2014 - 30/06/2014	01/01/2013 - 31/12/2013
Cash flows from operating activities		
Profit before tax	495	3 427
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	-1 812	3 445
Increase in inventories and work in progress	1 549	-868
Increase in trade and other receivables	-278	249
Decrease/(increase) in biological assets	688	-90
(Decrease)/increase in trade and other payables	454	-644
Cash flows from operations	601	2 092
Tax refunded	0	-44
Net cash flows from operating activities	**601**	**2 048**
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	0	-2 829
Proceeds from disposal of property, plant and equipment	0	331
Loans granted	-574	-876
Interest received	3	5
Net cash flows used in investing activities	**-571**	**-3 369**
Cash flows from financing activities		
Proceeds from issue of share capital		

Proceeds of borrowings	222	1613
Interest paid	-173	-286
Suspense account (pending correction of Depreciation, Minority interest and share capital)		
Net cash flows (used in)/from financing activities	**49**	**1327**
Net decrease in cash and cash equivalents	79	6
Cash and cash equivalents:		
At beginning of the year/period	109	103
At end of the year/period	**188**	**109**

Source: Issuer

There are no comparative data for the period 2Q2013 for changes in equity and cash flows because of preparation in this period condensed statements of comprehensive income and financial positions only.

Statements were prepared according rules of IAS 34. There were no changes in accounting policy of the Group during period 01/01/14-30/06/14. More detailed Group's accounting policy is described in audited annual report of the Group.

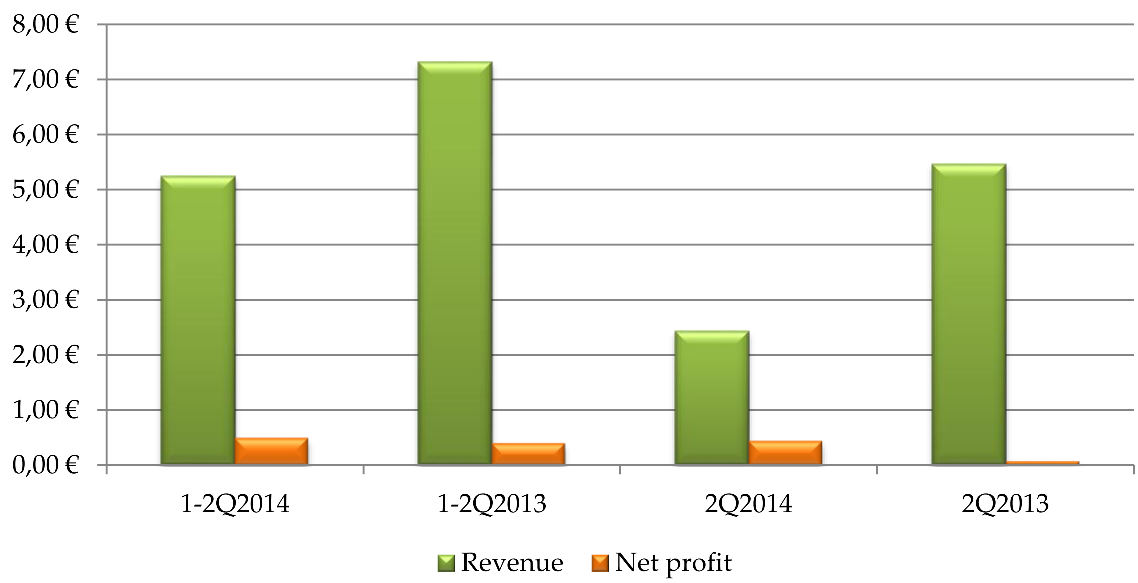
Statements based on annual audited report for 2013 year and comparative data may slightly changes from quarterly reports because of auditor's corrections and reclassifications.

3. The Board of Directors' report.

3.1 Comments to the financial results.

In the first half of 2014 Agroliga noted EUR 5 244 ths revenues and 486 ths net profit. Compared to the same period of the previous year, revenues decreased by EUR 2 076 ths and net profit increased by EUR 91 ths.

Chart 4 Selected financial data for the 2-nd quarter of 2014, together with data for 2013 [EUR M]



Source: Issuer

The decreasing of Group's revenue in 1-st half 2014 is a result of changes in hrivna's exchange rate. The increasing of net income was resulted by better operational processes and entering to the more profitable market segments.

3.2 Description of the most important events of the 2-nd quarter.

Winter of this season was soft and had no negative effect on winter crops, the lack of heavy frosts gain strong shoots of winter wheat and rapeseed.

Spring is not less favorable to the to agricultural producers of the eastern region. Weather conditions allowed Agroliga group to complete spring sawing in record time. So sowing of crops was completed in the first decade of April for all 1900 hectares planned for spring wheat and barley.

With proper attention sunflower and corn sowing which was also finalized.

This year, the sown area 2290 ha of sunflower was divided between high oleic and to drought tolerant hybrids from world leading manufacturers such as: RAGT, Syngenta, Limagrain, Pioner. Cornwas traditionally settled on middle-hybrids with high growth potential production-RAGT.

In June Agroliga group became the winner of the contest WSE IR Leader NewConnect 2013 among foreign issuers whose shares are listed on the Warsaw Stock Exchange, in the category of companies listed on NewConnect.

Second year in a row Agroliga receives the certificate for appreciation of the company's communication with the media and investors. Agroliga's website was also highly appreciated.

For us, this award is already becoming traditional.

The goal of the competition is to choose foreign issuers with the best investor relations practices (IR). Issuers were evaluated by members of the Competition Jury headed by representatives of the Warsaw Stock Exchange.

Also in Jine was completed planning of summer works at the oil refinery factory. As usual, in August, the production facilities will pass technical maintenance and preparation for the new season. Every year at this time passes equipment improving and modernization as well. This year's scheduled transition of oil refinery factory to own energy products - pellets from sunflower husks. This will significantly lower expenses for oil production and abandon gas consumption in the production process. The gas prices rising, planned this year by the government do not raise the cost of sunflower processing.

It was decided to install the additional press. This will ensure the smooth operation of the complex and increase plant performance by reducing the downtimes for presses technical maintenance.

In addition, it was decided to increase capacity of oil storage by 20%, which will secure the company from contractual risks associated with fluctuations prices of sunflower oil in the market.

Also this summer Agroliga will begin activities to prepare for oil refinery factory certification by ISO 9001. Certification planned to be completed by the end of the production year.

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 rising euro rate against hryvna from the beginning of the year up to 42%, 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 25 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.

The risk of partition or secession regions of Ukraine.

At the moment, Crimea held referendum to become part of the Russian Federation, and separated from Ukraine. Similar referendums held in Donetsk and Lugansk regions as well, and in this regions Ukraine government continue anti-terroristic operation.

In any event all the Group's land plots are located in the Kharkiv region, where there are no proposals for any territorial changes.

Replacement of the ruling political party.

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.

Any result of presidential elections, scheduled at May, 25, will change nothing significant for the Group.

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.

EURO	Forecast published in the Group forecasts	Achieved results for 2013	Level of implementation of the forecast (%)
Revenue from sale	18 011 000	2 814 229	16%
Net profit	3 635 000	60 592	2%

During 1Q 2014 year, the Issuer achieved 2 814 ths EUR of revenue and 61 ths EUR net profit. These results represent the implementation of the forecasts, respectively in 16 and 2 percent.

Financial prognoses on this year is recalculating now, because of changes in prices, exchange rates and overall situation in Ukraine, and new estimations will be published in next few month.

Aleksandr Berdnyk
Chairman of the Board of Directors