Consolidated Financial Statements

31 December 2014

AGRO Generation

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Consolidated statement of financial position

(in thousands of Euros)

Assets	*Note*	December 31, 2014	December 31, 2013
Non-current assets		**63 560**	**94 275**
Intangible assets and leasehold rights	8	40 876	48 623
Property, plant and equipment	9	22 181	44 953
Financial assets	10	275	394
Biological assets	13	228	305
Deferred tax assets	11.2	-	-
Current Assets		**35 323**	**51 275**
Inventories	12	10 916	21 435
Financial assets	15.1	1 798	-
Biological assets	13	12 093	10 398
Trade and other receivables	14	5 101	6 448
Cash and cash equivalents	15.1	5 415	8 902
Total assets of disposal group classified as held for sale		-	4 092
Total assets		**98 883**	**145 550**

Equity and Liabilities	*Note*	December 31, 2014	December 31, 2013
Equity		**6 569**	**51 055**
Share capital	16	4 618	4 618
Share premium	16	166 468	166 468
Other reserves		(101 199)	(101 169)
Retained earnings		(18 275)	4 283
Currency translation differences		(23 378)	(587)
Net Income		(21 665)	(22 558)
Non-controlling interests			-
Non-current liabilities		**58 362**	**50 951**
Provisions	17	-	4
Non-current borrowings	15.2	58 362	50 947
Deferred tax liabilities		-	-
Current liabilities		**33 952**	**43 544**
Provisions	17	-	659
Current borrowings	15.2	24 241	27 833
Trade and other payables	18	8 894	9 019
Current income tax liability		817	817
Bank overdraft	15.1	-	1 677
Total liabilities of disposal group classified as held for sale		-	3 539
Total equity and liabilities		**98 883**	**145 550**

Consolidated income statement

(in thousands of Euros)	Note	2014	2013
Revenue	20	**64 620**	**53 702**
Change in fair value of biological assets and finished goods	13	12 732	698
Cost of sales	21	(55 679)	(54 430)
Gross profit / (loss)		**21 673**	**(30)**
Selling, general and administrative expenses	21	(14647)	(15 955)
Other income and expenses	22	6 085	(840)
Profit before interest and tax		**13 111**	**(16 825)**
Financial net expenses	23	(36190)	(3 470)
Income tax expense	11.1	(15)	(228)
Profit / (loss) from continued operations		**(23 094)**	**(20 523)**
Profit after tax from discontinued operations (attributable to the Group)	24	1 429	(2 035)
Profit / (loss) for the period		**(21 665)**	**(22 558)**
Non-controlling interests			
Profit / (loss) from continued and discontinued operations attributable to the Group		**(21 665)**	**(22 558)**
Profit / (Loss) attributable to equity holders of the company (€, 000)		(21 665)	(22 558)
Weighted average number of ordinary shares		91 927 864	64 889 666
Basic earnings / (loss) per share (in Euros per share)	25	**(0,24)**	**(0,35)**
Weighted average number of ordinary and potential shares		91 927 864	64 889 666
Diluted earnings / (loss) per share (in Euros per share)	25	**(0,24)**	**(0,35)**

Consolidated statement of comprehensive income

(in thousands of Euros)	2014	2013
Profit / (loss) for the period	**(21 665)**	**(22 558)**
Items recyclable in income, net of tax	**(22 791)**	**(527)**
Currency translation differences	(22 791)	(527)
Total comprehensive income of the period	**(44 456)**	**(23 085)**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Share premium	Other reserves	Retained earnings	Other comprehensive income (expense)	Total, Group share	Non-controlling interest	Total equity
Balance as of January 1, 2013*	**4**	**89 997**	**(39 157)****	**4 283**	**(60)**	**55 067**	**241**	**55 308**
Adjustment for restating capital structure of AgroGeneration***	1 751	(38 058)	36 307	-	-	-	-	-
Consideration effectively transferred for purchase of AgroGeneration***	2 863	114 529	(67 554)	-	-	49 838	-	49 838
Issue of bonds for Konkur***	-	-	(30 770)	-	-	(30 770)	-	(30 770)
Other changes in scope	-	-	88	-		88	(241)	(153)
Currency translation differences	-	-	-	-	(527)	(527)	-	(527)
Shared-based payments	-	-	5	-	-	5	-	5
Own shares	-	-	(88)	-	-	(88)	-	(88)
Net Income / (loss) for the year	-	-	-	(22 558)	-	(22 558)	-	(22 558)
Balance as of December 31, 2013	**4 618**	**166 468**	**(101 169)**	**(18 275)**	**(587)**	**51 055**	**-**	**51 055**
Issue of new shares								
Change in scope			12			12		12
Currency translation differences****					(22 791)	(22 791)		(22 791)
Shared-based payments			(4)			(4)		(4)
Own shares			(38)			(38)		(38)
Net Income / (loss) for the year				(21 665)		(21 665)		(21 665)
Balance as of December 31, 2014	**4 618**	**166 468**	**(101 199)**	**(39 940)**	**(23 378)**	**6 569**		**6 569**

(*) The balance as of January 1, 2013 includes an impact of €8,5m relating to waiving auditors' qualifications (€4,8m with effect on the Income statement and €3,7m on Retained earnings as of January 1, 2012).

(**) Harmelia Group (cf. Note 1.1) adopted IFRS for the first time on January 1, 2011. For business combinations acquired before those date no goodwill had been recognised as accounts were prepared under Ukrainian GAAP rules. As of the date of transition to IFRS, January 1, 2011, the deemed goodwill has been impaired and written off to the opening cumulative losses due to the lack of sufficient documentation on valuation of fair value of purchased business combinations. This impairment is included in "Other reserves" as of January 1, 2011 (€37 913K).

(***) The reverse acquisition finalised on October 11, 2013 resulted in the following changes in equity:

- Adjustment for restating capital structure from the one of Harmelia to the capital structure of AgroGeneration: the capital structure of the new Group represents the number of shares, the share capital and own shares of the legal acquirer AgroGeneration SA.
- Consideration effectively transferred for purchase of AgroGeneration (€49 838K) represents the acquisition-date fair value of AgroGeneration equity interests measured at October 11, 2013 (cf. Note 2.1. Purchase price allocation).
- Issue of $40 m (€30,8 m) bonds for the benefit of Konkur as part of the consideration paid.

For more information please refer to Note 2.1.4 of Consolidated Financial Statements as of December 31,2013.

(****) Currency translation differences

Significant devaluation of Ukrainian hryvnia (cf Note 3.2) had significant impact on assets and liabilities of the Consolidated Financial Statements.

The presentation currency of the Consolidated Financial Statements (EURO) differs from the functional currency of Ukrainian entities (Ukrainian hryvnia), therefore, the Group translated each stand-alone income statement and statement of financial position of Ukrainian entities into the presentation currency of the Group using the following procedures:

(a) ***statement of financial position***: assets and liabilities were translated at the closing rate (19,23 UAH/EURO);
(b) ***income statement***: income and expenses were translated at the average exchange rate of the period (15,68 UAH/ EURO);

(c) The net impact of currency translation differences on Equity amounts to **€22 791 loss** and is composed of:

€ 40 737 K loss relating to inter-company loans of Ukrainian entities denominated in USD and translated into the functional currency, Ukrainian hryvnia, at the closing rate. These loans were treated as net investment (cf. Note 23).

€ 2 197 K gain due to translation difference on ***current year loss*** arising from the difference between average and closing rate (15,68 UAH/ EURO and 19,23 UAH/EURO respectively).
€ 15 749 K gain due to translating the opening *net assets* at a closing rate (19,23 UAH/EURO) that differs from the previous closing rate (11,04 UAH/EURO): the gain is due to the fact that retained earnings of Ukrainian entities are negative.

In 2015 the Group realised the debt restructuring plan which resulted in the decrease of the net debt and increase of the equity part (cf. Note 5.3).

Consolidated cash flow statement

(in thousands of Euros)	Note	2014	2013*
Profit / (loss) for the period		**(23 094)**	**(22 558)**
Depreciation on tangible and intangible assets		7 294	6 307
Provisions		(546)	2 850
Capital (gains) / losses from disposals		398	398
Net financial (income) / loss		36 190	3 488
Deferred taxes (income) / expense		15	249
Biological assets and finished goods fair value (increase) / decrease		(2 169)	(2 507)
Impairment of finished goods inventory		(363)	359
Other (income) / expense with no cash impact		58	(82)
Cash flow from operating activities		**17 783**	**(8 989)**
Trade and other payables increase / (decrease) **		4 286	(1 070)
Inventories (increase) / decrease		(4 656)	1 711
Biological assets cost (increase) / decrease		1 952	13 146
Trade and other receivables (increase) / decrease ***		(713)	2 240
Income tax paid		(16)	(16)
Working capital variation		**853**	**13 504**
Net operating cash flow		**18 636**	**4 515**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		-	(232)
Purchase of property, plant and equipment		(2 325)	(3 808)
Purchase of intangible assets		(64)	(253)
Purchase of financial assets		(2 030)	-
Disposal of subsidiary		1 284	-
Disposal of property, plant and equipment		84	21
Disposal of financial assets		73	-
Net investing cash flow		**(2 978)**	**(4 272)**
Cash flow from financing activities			
(Purchase) / sale of treasury shares		93	88
Proceeds from borrowings		41 649	12 785
Repayment of borrowings		(37 781)	(13 594)
Gain / (losses) from realised foreign exchange		(12 330)	198
Paid interests		(6 568)	(1 788)
Net cash generated from financing activities		**(14 937)**	**(2 311)**
Effects of exchange rate changes on cash and cash equivalents		(2 531)	(187)
Net movement in cash and cash equivalents		**(1 810)**	**(2 255)**
Cash and cash equivalents at beginning of period	15.1	7 225	5 246
Change in scope			4 276
Cash and cash equivalents at end of period	15.1	5 415	7 267
Cash and cash equivalents at the end of the period from discontinued operations			42
Cash and cash equivalents at the end of period from continued operations		**5 415**	**7 225**

** The figures of 2013 include cash flows from discontinued operations in Argentina. The figures of 2014 do not include cash flows from discontinued operations in Argentina: net operating cash flow € 10k, net financing cash flow €(4)k.*

*** In the consolidated balance sheet, the accounts receivable as of December 31, 2014 include prepayments made to suppliers of the Group in connection with inputs for the 2015 harvest. In the consolidated cash flow statement, the variation in prepayments to suppliers, which stands at € 367 K, not inclusive of exchange rate effects (positive cash flow / decrease in receivable), is presented as a change in accounts payable.*

**** In the consolidated balance sheet, the accounts payable as of December 31, 2014 include prepayments received from Group customers in respect of upcoming deliveries in financial year 2015. In the consolidated cash flow statement, the change in customer prepayments, which amounts to € 611 K, not inclusive of exchange rate effects (negative cash flow / decrease in debt) is presented as a change in accounts receivable.*

Notes to the Consolidated Financial Statements

The Consolidated Financial Statements of the AgroGeneration Group (“AgroGeneration”, “the Group” or “the Company”) for the year ending December 31, 2014 were authorized for issue by the Board of Directors on 29 April, 2015. These Financial Statements are presented in thousands of euro for all financial years, except for the per-share information.

1. Scope of consolidation

The Group’s consolidated financial statements 2014 include the accounts of AgroGeneration SA and of all companies controlled by the Group, as well as those of jointly controlled companies and companies over which the Group exercises significant influence. Please refer to the Note 31 for the List of consolidated entities.

1.1. Changes in the Group structure

In 2013 the scope of consolidation changed following the reverse acquisition (merger was completed on October 11th, 2013; please refer to the Consolidated Financial Statements as of December 31, 2013 for further details). As a result the control over the Legal Acquirer (AgroGeneration SA, "ex-AgroGeneration Group") passed to the Legal Acquiree (Harmelia Investments Limited, "Harmelia Group").

The Consolidated Financial Statements 2013 reflect financial figures of Harmelia Group for 12 months of 2013 and financial figures of ex-AgroGeneration Group for the last 3 months of 2013 (merger was completed on October 11th, 2013). The Consolidated Financial Statements 2014 reflect the new combined group AgroGeneration and include financial figures of Harmelia Group and financial figures of ex-AgroGeneration Group for 12 months 2014.

Please refer to consolidated Financial Statements as of 31 December 2013 for further details.

1.2. General information and background

AgroGeneration was created in March 2007. The parent company is a Joint Stock Company (AgroGeneration SA) recorded on the Paris Trade and Companies Register with number 494 765 951, whose shares have been listed on the Alternext market of NYSE-Euronext Paris since March 1, 2010.

The registered office address is 33 rue d'Artois, 75008 Paris.

The Group's operational structure is presented in note 7.

The information on ownership and governance is presented in note 28.1.

2. Major events of the period

2.1. Discontinued operations in Argentina

In November 2013, the Board of Directors decided to discontinue AgerAustral activity in Argentina and to sell the company. In compliance with IFRS 5 as of December 2013, AgerAustral was classified as disposal group held for sale. As of 31 December 2013, the management assessed that the potential selling price of AgerAustral was €2,5 million lower than its net assets due to risks related to exchange rates and capital repatriation risks attributed to Argentina. As a result, the Group recognised a provision for €2,5 million in "Profit/(loss) from discontinued operations".

On 5 June 2014 AgerAustral was sold and the overall result in first half 2014 from the transaction (taking into account the release of the provision made in 2013) amounted to €1 018k gain. Together with the profit from operations relating to the first five months of 2014, €411k, the net result from discontinued operations in Argentina amounted to €1 429k.

3. Financial risk management

3.1. Political risks in Ukraine

The Group conducts most of its operations in Ukraine. The Ukrainian economy while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition. These characteristics include, but are not limited to, low levels of liquidity in the capital markets, high inflation, and significant imbalances in the public finance and foreign trade.

In 2014, Ukrainian political and economic situation deteriorated significantly. The political and social unrest combined with the illegal Russian annexation of the Autonomous Republic of Crimea, full-fledged armed confrontations with Russian-backed separatists in certain parts of the Donetsk and Lugansk regions, led to the significant deterioration of the political and economic relations of Ukraine with the Russian Federation. These factors have contributed to the decline of key economic indices, increase of the state budget deficit, depletion of the NBU's foreign currency reserves and, as a result, further downgrading of the Ukrainian sovereign debt credit ratings.

From 1 January 2014 and up to the date of the issuance of these consolidated financial statements, the Ukrainian Hryvnia (the "UAH") depreciated against major foreign currencies by approximately 60% calculated based on the National Bank of Ukraine (the "NBU") exchange rate of UAH to US Dollar and EURO. The NBU imposed certain restrictions on purchase of foreign currencies, cross border settlements, and also strengthened requirements on obligatory conversion of foreign currency proceeds into UAH.

The known and estimable effects of the above events on the financial position and performance of the Group in the reporting period have been taken into account in preparing these consolidated financial statements.

The Government has committed to direct its policy towards the association with the European Union, to implement a set of reforms aiming at the removal of the existing imbalances in the economy, public finance and public governance, and the improvement of the investment climate.

Stabilisation of the Ukrainian economy in the foreseeable future depends on the success of the actions undertaken by the Government and securing continued financial support of Ukraine by international donors and international financial institutions.

The Group has a number of farming subsidiaries in the Kharkiv oblast of Ukraine, where there is a certain risk in the escalation of protests and possible military conflicts. As of 31 December 2014, the carrying value of the Group's assets located in the Kharkiv oblast is EUR 23 075 thousand. Sowings of the Group in 2015 in Kharkiv oblast represents 63 859 ha (36 096 ha winter crops and 27 763 ha spring crops).

Management is monitoring the developments in the current environment and taking actions, where appropriate, to minimize any negative effects to the extent possible. Further adverse developments in the political, macroeconomic and/or international trade conditions may further adversely affect the Group's financial position and performance in a manner not currently determinable.

3.2. Risks related to changes in exchange rates

Incomes and expenses of the Group are partly exposed to changes in exchange rates, particularly the euro, the USD and the hryvnia.

Ukraine operations

Starting 9 July 2012 the National Bank of Ukraine (NBU) fixed the exchange rate for USD / hryvnia at the rate of 7,993 hryvnia per 1 USD. On 6 February 2014 this measure was released and NBU stopped supporting the exchange rate of hryvnia. This measure together with the current economic situation resulted in a precipitation of hryvnia foreign exchange rate which reached 15,77 UAH/USD as of the end of the reporting period and 23,44 UAH/USD as of the 31 March 2015.

The devaluation of hryvnia against the euro was in line with EURO/USD exchange rate.

Ukrainian legislation concerning the hryvnia prohibits the use of most of the exchange rate hedging instruments that are available in other countries. Options, futures, forwards, and swaps are not available in hryvnia. Therefore, AgroGeneration does not actively cover its exposure to fluctuations in the hryvnia on financial markets.

The Group is partially naturally hedged against a risk of change in exchange rate of the hryvnia against the USD. Indeed, in the scope of its operations in Ukraine, crop revenues and some of the Group's costs (seeds, chemicals, pesticides, etc.) are influenced by worldwide commodity market in USD even if denominated in UAH. In case the local price is not automatically adjusted to the international market, the Group has sufficient storage capacity to postpone its sales.

At last, the currency risk in relation to USD denominated liabilities for crop financing is partially mitigated by the existence of USD export sales.

Financial debt

Interest rate risk sensitivity analysis

At 31 December 2014, if interest rates (for both variable-rate and fixed-rate borrowings) at that date had been 10 basis points higher/lower with all other variables held constant, interest expense for the year would have been €792K (2013 — €776K) higher/lower.

Foreign currency exchange rate sensitivity analysis

The Group's foreign currency denominated monetary assets and liabilities as of 31 December 2014 consist of US dollar denominated loans and other debts. Other monetary assets and liabilities are not significant.

At 31 December 2014, if the USD had weakened/increased by 10 per cent with all other variables held constant, pre-tax profit for the year would have been €5 996K lower/higher.

3.3. Risks related to commodities price changes

Due to the size of its grain production, the Group is exposed to fluctuations of crop prices.

For a few years now, agricultural markets have been characterized by high volatility of prices, which depend on world prices which are mainly formed on the stock exchanges of agricultural products. The main factors affecting prices are the climatic factors, the level of energy and inputs prices, and the seasonality of demand.

The market for agricultural commodities in Ukraine is subject to fluctuations in agricultural commodity prices on international markets. It is also subject to conditions of Ukraine’s local demand and export capacity, especially when export quota policies are set up, as was the case in 2010. Since Ukraine is a member of the WTO, these quotas are intended to be exceptional and of limited duration, justified only by a significant reduction in production on a country-wide scale. To limit this risk, the Group has developed its own storage capacity enabling it to better manage the pace of commercialization of its production.

The Group hedges against the pricing risk, making forward sales in Ukraine (sales at a fixed price with forward delivery, denominated in U.S. dollars) in the months prior to the harvest, so as to lock in its margin. The Group’s goal is to be hedged at the rate of around 30% to 40% of its production prior to the harvest. As of December 31, 2014 the Group has no signed forward sales contracts with respect to 2015 harvest.

3.4. Liquidity risks on crop financing

The main liquidity risk arises from the seasonality of agricultural production. Costs and required working capital reach their peak in spring ahead of the harvest. The cash inflows are concentrated in the second half of the year after harvest. The Group has remedied this seasonality by acquiring its own storage capacity which allows it to sell its production throughout the year. In addition, the management team controls the liquidity risk by monitoring key performance indicators, including those regarding cash flow.

Companies face significant liquidity problems due to poor sources of foreign investment and low lending capacity by the domestic banking system.

The Group continues collaboration with Ukrainian private bank, AlfaBank, which granted a crop financing "revolver" credit line of $35m until 2019, releasable in several instalments. During the second part of 2014, the Group fully reimbursed its credits to Crédit Agricole, Raiffeisen, BNP and the AlfaBank credit line for the campaign 2013/2014. In October, November and December 2014 and February 2015, AlfaBank provided 23 million US dollars for the financing of 2014/2015 campaign.

In addition to the above elements, the Group is putting in place alternative sources of financing, such as prepayments of forward contracts and the use of guaranteed promissory notes to pay some of the input suppliers. These additional sources of financing give additional comfort to continue normal operations through the harvest season.

Finally, in the unlikely case that the Group is unable to obtain additional financing from Alfa and/or other alternative sources of financing, with the funding secured to date, it will still be in a position to complete the sowing campaign successfully, and in the worst case scenario would simply achieve lesser yields after the sowing. While this may lead to a less profitable year that the Group would have liked, it is not believed that this will represent any material danger to continuing business operations of the Company.

3.5. Counterparty risks

The Group is exposed to credit risks through its cash and cash equivalents, which are kept in current accounts and with financial institutions (local banks), its supplier credit and customer credit, which includes delinquencies and commitments towards third parties. Credit risks are not concentrated in a particular counterpart. Although the company receives lines of credit from many input suppliers during the season, there is no line of credit secured in advance by the company because the Group manages its positions on a case by case basis. The Group tends to work with banks and financial institutions owned by leading international groups.

3.6. Capital repatriation risks

Risks related to repatriation of capital come from the investments in its Ukrainian subsidiaries. To date, foreign groups are able to repatriate their capital through dividend payments or the repayment of shareholder loans without tax implications. AgroGeneration finances most of its investments in Ukraine via shareholder loans, normally through its Cypriot entities. The capital repatriation risks are linked to these investments. Possible changes in the political environment in Ukraine or in Cyprus could lead to restrictions on repatriation of capital invested in this country.

4. Critical accounting judgments and estimates

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are the following.

Estimates and judgments are continually evaluated on the basis of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1. Impairment test on intangible assets

Intangible assets are tested for impairment at each balance sheet date and whenever there are indications of impairment. The outcome of this exercise is highly sensitive to certain assumptions (weighted average cost of capital, fluctuation of the commodities price (cf. note 8)).

4.2. Fair value of biological assets and net realisable value of agricultural produce

The Group's biological assets are measured at fair value less point-of-sale costs at each balance sheet date. The fair value of biological assets varies according to climatic conditions during growth and harvest, yield potential and price development. A change in any of these estimates could lead to a material change in the income statement. If the management team's assumptions as of December 31, 2014, would have been different by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 2 921 K.

The agricultural produce harvested by the Group is first fair valued at the harvest date when accounted for in inventory in the "Agricultural produce". They are later re-valued at the lower of that fair value and the market price at the balance sheet date. The value used for agricultural produce in the assessment of fair value at harvest time and subsequently for the market price at the balance sheet date is determined based on the actual prices on the principle market and contract prices on the presold crops.

4.3. Equity-settled share-based transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and model used for payments made through shares within the Group are disclosed in note 26 "Share-based compensation".

4.4. Pre-emptive rights on land leases

Due to the existence of a moratorium on any sale of arable land in Ukraine, either to nationals or foreigners, it has been decided to recognise land leases as operational leases, and not to take into account the pre-emptive rights to buy the land at the term of the lease in the assessment of the qualification of the lease. The moratorium will be lifted after the laws on the State land registry and the real estate market are passed. The deadline to pass these laws has already been pushed forward several times, and the Group is retaining this accounting method in the absence of any information concerning the actual lifting of the moratorium.

5. Events after the balance sheet date

5.1. Geopolitical situation in Ukraine and financing agricultural campaign 2015

Geopolitical events between Russia and Ukraine at the beginning of 2015 did not affect the Group's agricultural operations. They nevertheless had an impact on the duration of the discussions with the banking partners in the financing of the next campaign.

5.2. Purchase of the new subsidiary in February 2015

In February 2015 the Group acquired 100% shares of a new company Agroholding Tornado for €1,3 m. The acquisition was financed by operating cash flow (€0,3 m paid in February 2015 and €0,05 m payable on a monthly basis till December 2016). This acquisition will allow the company to increase its storage capacities as the acquired company owns a grain elevator with the storage capacity of 39,100 tons (comprising of 2 bin blocks of 12k tons capacity each, and related to them silos of over 7k tons capacity each). This elevator has been rented by the Group via finance lease since August 2011.

5.3. Debt restructuring

AgroGeneration announced on 30 December 2014 its plan on debt restructuring which would consist in:

- conversion of the listed and non-listed bonds of the Company into Subordinated Bonds Redeemable into New or Existing Shares (OSRANE) which would for the most part be treated as equity; and

- restructuring of the loan granted by the European Bank for Reconstruction and Development ("EBRD") mainly consisting in waiving the ongoing breaches of financial ratios, an extension of the maturity of the loan granted and a reset of the financial ratios for the future.

On 31 March 2015 the restructuring plan was successfully accomplished with the following results.

(1) Debt restructuring by issuing Subordinated Bonds Redeemable into New or Existing Shares (OSRANE)

On 31 March 2015, the Group finalised the issue of 595 753 OSRANE ("Obligations Subordonnées Remboursables en Actions Nouvelles ou Existantes") with a nominal value of €100 per OSRANE and a coupon interest of 8% payable semi-annually (on the 1st of April and 1st of October).

These bonds will be redeemed at maturity, on 1 April 2019, into 192 new or existing shares per OSRANE. At each coupon payment date, the bondholders might opt for early redemption and will be entitled to bonus shares (additional four shares per OSRANE and per each remaining half year). The maximum number of shares converted at early redemption is limited to 220 shares per OSRANE.

These new financial instruments were issued with preferential subscription rights ("Droit Préférentiel de Souscription") for the existing shareholders. The bonds were settled partly in cash, €1 878 200, and partly,

€57 697 100, against existing receivables including those of listed bondholders, Konkur Investments Limited and Cordial Consulting Limited.

The OSRANE bonds are traded on the regulated market of Alternext Paris starting from 31 March 2015 under ISIN code FR0012600872.

Being a hybrid instrument, OSRANE will allow the Group to significantly reduce its bond related debt (amounting to €55 554K as of 31 December 2014). In 2015, about 75% of OSRANE value will be accounted as equity component and about 25% as debt component.

(2) Rescheduling EBRD loan repayment

On 15 January 2015, the Group signed an amendment to the loan agreement with effective date on 31 March 2015 which included the following major changes:

- Postponing loan repayment schedule for a year (new terms: ten equal semi-annual instalments starting on the 1st March 2016 with the final repayment on 3 September 2020);
- Updating definitions and ratio calculations for covenants;
- Increasing of fixed part of interest rate from 8% to 8.5%.

6. Summary of significant accounting policies

The principal accounting policies applied are summarized below.

6.1. Basis of preparation

AgroGeneration's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU) as of December 31st, 2014. They comprise (i) the IFRS, (ii) the International Accounting Standards (IAS) and (iii) the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

The Group's Consolidated Financial Statements include the Financial Statements of AgroGeneration and those of all its subsidiaries as of December 31st, 2014. The Financial Statements of the subsidiaries are prepared for the same accounting period as those of the parent company and are based on the same accounting policies.

The IFRS accounting policies used by AgroGeneration in the preparation of these Consolidated Financial Statements as of December 31st, 2014 are the same as for 2013 ones presented, except for those pertaining to to the effect of the new or amended standards or interpretations detailed below.

(a) Standards and amendments for mandatory application in the European Union for financial years ended December 31, 2014 and that may have an effect on the Group's Financial Statements

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 28 Investments in Associates and Joint Ventures
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans
- Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance
- Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

The application of these standards and amendments has had no significant impact on the Group's accounts as of December 31, 2014.

(b) Standards and Interpretations published by IASB and approved by the EU (application of the following texts published by the IASB is not yet mandatory for financial periods ended December 31, 2014):

- IFRIC Interpretation 21 Levies
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle

The potential impact of the above standards is currently under examination.

(c) Standards and Interpretations published by the IASB but not yet endorsed by the EU

- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014)
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- IFRS 9 Financial Instruments
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Annual Improvements to IFRSs 2012–2014 Cycle
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception
- Amendments to IAS 1: Disclosure Initiative
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

6.2. Consolidation

All intercompany balances and transactions as well as income, expenses and unrealised gain/losses, which are included in the net book value of assets, which derive from intercompany transactions, are fully eliminated. Subsidiaries are consolidated with effect from the date of acquisition, which corresponds to the date on which the Group obtained control, and they continue to be consolidated until the date when the Group loses control. The entities over which the Group does exert sole control are consolidated according to the full consolidation method. The Group does not exert joint control over any of the entities within its scope of consolidation as at December 31, 2014.

(a) Subsidiaries

The Consolidated Financial Statements include all subsidiaries of AgroGeneration. Subsidiaries are those entities controlled by the Group, in other words, whose financial and operating policies it is able to control. An entity is presumed to be controlled by AgroGeneration when the latter holds more than 50% of its voting rights. Potential voting rights that may be exercised or converted immediately are also taken into account in assessing control of an entity.

Business combinations are accounted for under the purchase method of business, all identifiable assets acquired, liabilities and contingent liabilities incurred or assumed are recorded at fair value at the date of transfer of control in favour of AgroGeneration (acquisition date). The price of a business combination is assessed based on the fair value of assets given to the seller, equity instruments issued and liabilities incurred or assumed at the date of the exchange. Any excess of the price of the business combination on the fair value of identifiable net assets acquired, liabilities or contingent liabilities is recognised in the assets as goodwill. If the cost of an acquisition is less than the fair value of net assets of the subsidiary acquired, the remaining difference is immediately recognised in the consolidated income statement.

(b) Non-controlling interests (NCI)

In accordance with IAS 27, acquisitions of NCI from outside the period of takeover do not generate goodwill and are charged directly to the reserves of the Group and of the NCI.

6.3. Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of each Group entity are measured using the currency of primary economic environment in which the entity operates (“the functional currency”).

The functional currency of the parent and Cypriote subsidiaries is the euro (EUR) and the functional currency of Ukrainian subsidiaries is the hryvnia (UAH).

The presentation currency of the Consolidated Financial Statements is the euro (EUR).

(b) Foreign transactions

Foreign currency transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as financial income and expense in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(c) Translation of Financial Statements expressed in foreign currencies

The income statements and balance sheets of all Group entities that have a functional currency different from the presentation currency (none having a currency of a hyperinflationary economy as of December 31, 2014) are translated into the presentation currency as follows:

- Assets and liabilities of the balance sheet are translated at the exchange rate of closing date,
- Revenues and charges in the income statement are translated at average exchange rate for the year,
- Residual foreign exchange differences are recognised in a separate component of equity.

The exchange rate used for translating Financial Statements of subsidiaries in Ukraine are the following:

	As of December 31, 2014		As of December 31, 2013	
Monetary unit per € 1	Average	Closing	Average	Closing
Ukrainian Hryvnia (UAH)	15,6833	19,2329	10,6157	11,0415
American Dollar (USD)	1,3287	1,2197	1,3281	1,3814

The rates used for the hryvnia and the U.S. dollar are those of the National Bank of Ukraine ("NBU") in force.

Exchange rate differences on a monetary item forming part of the net investment of the entity presenting the Financial Statements in a foreign operation are recognised in other comprehensive income and reclassified from equity to profit or loss upon partial or total disposal of this net investment.

Goodwill and fair value adjustments recognised in the acquisition of a foreign entity are recognised as assets and liabilities of the foreign entity and translated at closing exchange rate.

6.4. Intangible assets and leasehold rights

The main intangible assets recognised are goodwill and leasehold rights. These have been recognised as part of the business combination process. Depreciation of the leasehold rights is calculated on a linear basis using average residual useful lives until the term of the lease contract.

The average residual term of depreciation of the leasehold rights is 7,5 years as of December 31, 2014.

6.5. Property, plant and equipment

Fixed assets are stated at their acquisition cost or fair value for those acquired in business combinations, net of depreciation and impairment losses.

The acquisition cost of the tangible fixed assets includes all the expenses directly attributable to the acquisition of the fixed assets.

The carrying amount of the replaced limited-life component is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Fixed assets are depreciated over their estimated useful lives:

- Buildings 10 – 40 years
- Machinery and equipment 5 – 20 years
- Other tangible assets 3 - 20 years

Production facilities represent immobile agricultural production equipment, mainly dryers and cleaners. Machinery and vehicles include other mobile agricultural equipment (tractors, combines, harvesters, seed planters, trucks etc).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

6.6. Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill are reviewed for possible impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

6.7. Financial assets

The Group has financial assets in the following categories: (a) loans and receivables and (b) assets available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset).

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

Loans and receivables are carried at amortized cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Available-for-sale assets are carried at fair value in the subsequent period. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

6.8. Agriculture

(a) Definitions

The Group accounting policies for agricultural activities are based on IAS 41 "Agriculture".

Agricultural activity is defined as an activity to transform biological assets into agricultural products or into other biological assets.

Biological assets are plants grown for a future sale which are plants in the ground, as well as livestock.

Agricultural produce are the products of the harvest of biological assets of the Group and produce received from cattle breeding, i.e. harvested grain that is stored, milk, meat and other livestock produce.

(b) Biological assets

Biological assets are measured at initial recognition and at each balance sheet date at their fair value less point-of-sale cost at harvest date, except where fair value cannot be measured reliably.

The fair value of livestock is based on expected volume of milk produced during the productive lives of the dairy cattle and expected volume of meat at the date of slaughter, respective anticipated prices, average expected productive lives of the livestock and future production costs.

The fair value of plant-growing Biological assets is determined based on, among other estimates, weather conditions, quality of soils, growth potential, yields, harvest conditions and price development.

As of 31 December 2014, the Group had identified for each type of plant growing biological asset their respective principle market, and measures their fair value based on the following:

(i) in determining prices

- Management assessment of future prices at the date of harvest reconciled to the Ukrainian FOB prices or Western markets offset prices on the balance sheet date. These prices have been reduced by fobbing and transport costs.

(ii) in determining yields

- Management assessment of future yields for crop based on the most relevant recent data from the crop surveys carried out in the fields.

Given the nature of these input parameters, the fair value of the biological assets is categorised as Level 3 as defined by IFRS 13. Change in any estimates could lead to recognition of significant fair values changes in income statement.

Biological assets are recorded as current or non-current assets based on the operational cycle of the Group's biological assets.

(c) Agricultural produce

Agricultural produce harvested by the Group is initially measured at the time of harvest at its fair value less estimated point-of-sale costs. It is subsequently recorded as inventory in "Finished Goods" and stated at the lower of fair value at the time of harvest and net realizable value. This valuation at net realizable value is presented in the form of inventory depreciation ("Change in fair value of finished goods", cf. note 13).

The value of agricultural produce used for the assessment of fair value at the time of harvest and subsequent net realizable value is determined based on the actual prices on the principle market and contract prices on the presold crops.

(d) Work in progress (inventory of work in progress)

Work in progress is represented by the costs of preparing the land which has not been sown at balance sheet date (case of spring plants in Ukraine – corn, soybean, sunflower, etc. – when valued as of December 31). The soil preparation costs are appraised on the basis of the historical costs incurred by the Group.

6.9. Government grants

An unconditional government grant is recognised as income when the government grant becomes receivable.

If a government grant is conditional, the Group recognises the government grant as income when the conditions attaching to the government grant are met (area-aid environmental subsidies) and until then aid received is recognised as a liability.

6.10. Inventories

(a) Raw material and other supplies

Inventories are valued at cost or net realizable value, whichever is lower. The cost is determined using the “weighted average cost” method. Net realizable value is the selling price in normal market conditions less costs to sell.

(b) Finished goods (agricultural produce)

Cf. note 6.8 (b) – Agriculture.

(c) Work in progress

Cf. note 6.8 (c) – Agriculture.

6.11. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The delinquency of payment is estimated separately on each market where the Group operates.

6.12. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are defined as above, less bank overdrafts.

6.13. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or to the exercise of new options are recorded directly in equity as a deduction from the issue premium, net of tax effects.

6.14. Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortized cost using the method of determining the effective interest rate.

6.15. Financial liabilities

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently measured at amortized cost, the differences between the amounts received (net of transaction costs) and refunds are recognised in the income statement over the term of the borrowings using the effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the date of closing of accounts.

6.16. Current and deferred income tax

(a) General tax treatment

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax rates applicable on 31 December, 2014 are 33,33% in France, 18% in Ukraine (see (b) Agricultural tax schemes for agricultural concerns in Ukraine) and 12,5% in Cyprus.

The deferred tax is determined using the tax rate and the tax regulations in effect or in effect in essence at the balance sheet date and which are likely to be applied when the deferred tax assets will be used or when the deferred tax liability will be paid.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

However, the deferred tax is not accounted for if, at initial recognition of an asset or a liability at the time of a transaction other than a combination of companies, the transaction has no implications for the accounting income or the taxable income.

(b) Agricultural tax scheme for agricultural concerns in Ukraine

In Ukraine, a company is considered to be a farming company if at least 75% of its revenues from the previous fiscal year arise from the sale of agricultural products. In this case, a farming company enjoys special regime on corporate income tax and privileged VAT regime as described below.

- Corporate income tax: agricultural companies are not subject to corporate income tax but to the tax on land which is calculated on the basis of a percentage of the value of the land used for agricultural production. The related corresponding costs are classified in “Cost of sales”.
- Privileged VAT regime:
    - Revenues expenses and assets are recognized net of VAT, except where the VAT incurred on purchase of assets or services is not recoverable from tax authorities, in which case the VAT is recognized as part of the acquisition cost of the assets or as part of the expense item as applicable. Receivables, payables, prepayments made and advances received are stated with the VAT amounts included.
    - The net amount of VAT recoverable from or payable to the tax authorities is recorded in a specific account as part of other current assets or liabilities in the statement of financial position.
    - The entities eligible to the privileged VAT regime transfer net VAT payable to special restricted accounts and are allowed to use the funds accumulated on these accounts for the purchase of goods and services related to their agricultural activities, rather than remitting such amounts to the state budget, as other taxpayers are required to do. At the same time, such entities are not allowed to claim net VAT credit for refund from the state budget. The net amount of VAT payable, established at the entity level, is recorded as deferred income on government grants in the statement of financial position until the moment the respective entity incurred qualifying expenses, upon which the related amount was recognized in profit and loss as income from government grants.

Among the 26 legal entities that the Group controls in Ukraine in as of 31 December, 2014, 15 are involved in agricultural production and are eligible for the special tax arrangements for agricultural companies in Ukraine in 2014.

6.17. Employees benefits

(a) Pension obligations

The Group does not operate any pension schemes. The Group has legal obligation to pay contributions to the state pension funds according to the local regulations of each country of location. The contributions to the local pension funds are treated as defined contribution benefits.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

6.18. Provisions

Provisions must be recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.19. Turnover

Turnover represents the proceeds from ordinary business activities. These proceeds are measured at fair value of the counterparty received or to be received for the sale of goods or services in the scope of the Group's typical operations.

The proceeds from typical operations presented for the Group's Ukrainian activities exclude the VAT collection on sales (other operating income) made by entities benefiting from the special tax scheme in that country for agricultural concerns (Note 6.16 (b)).

These same proceeds from agricultural operations are presented net of discounts and rebates, and after elimination of intra-Group sales.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue from typical operations is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group's main revenue arises from the sales of agricultural produce. The agricultural produce is subject to quality control at the point of sale. Revenue from sales of agricultural produce is recognised after the results of quality control are available.

Dividend income is recognised when the right to receive payment is established.

6.20. Leases – The Group as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases in which the risks and rewards incidental to the ownership of an asset are transferred substantially to the lessee are classified as finance leases. At the commencement of the lease, the Group recognises the asset purchased on finance lease term (cf. note 9) and the relative debt (cf. note 27.1) on its balance sheet at the amount equal to the fair value of the leased asset or, if it is lower, at the present value of the minimum rent payments of the deal.

Each lease payment is allocated between the liability and finance charges and amortization of the balance of the debt so as to achieve a constant periodic rate on the finance balance outstanding.

The assets acquired under finance leases are depreciated over the shorter of their useful life or lease term if it is lower and if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

6.21. Payment of dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the Group's shareholders.

6.22. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Business segments are presented in note 7, consistently with the internal reporting presented to the Board of Directors.

6.23. Share-based payment

The fair value of services assumed to have been received in exchange for the equity instruments (warrants) issued is recognised as an expense in the income statement and in other reserves in equity during the vesting period (from the grant date of warrants until the vesting date). The fair value of the services received is determined by reference to the fair value (market value) of equity instruments granted at the grant date.

6.24. Presentations of Consolidated Cash Flow Statement

The Group presents its cash-flow statement using the indirect method.

7. Segment reporting

In 2014 the Group, after the disposal of its operations in Argentina (cf. Note 2.1), has one operating segment in Ukraine, which is composed of 26 agricultural legal entities operating around 120,000 hectares of farmland.

8. Intangible fixed assets and land leases

(in thousands of Euros)	Gross value				Depreciation				Net value			
	Goodwill (1)	Leasehold rights (2)	Others (3)	Total	Goodwill (1)	Leasehold rights (2)	Others (3)	Total	Goodwill (1)	Leasehold rights (2)	Others (3)	Total
January 1, 2013	**699**	**4 311**	**152**	**5 162**	**-**	**(427)**	**(47)**	**(474)**	**699**	**3 884**	**105**	**4 688**
Change in scope	33 682	11 182	512	**45 376**	-	-	(181)	**(181)**	33 682	11 182	331	**45 195**
Purchases of assets	-	-	253	**253**					-	-	253	**253**
Depreciation					-	(950)	(127)	**(1 077)**	-	(950)	(127)	**(1 077)**
Exchange rate differences	(31)	(421)	(31)	**(483)**	-	19	52	**71**	(31)	(402)	21	**(412)**
Disposals of assets	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Other transactions	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Transfer toward assets held for sale	-	-	(70)	**(70)**	-	-	46	**46**	-	-	(24)	**(24)**
December 31, 2013	**34 350**	**15 072**	**816**	**50 238**	**-**	**(1 358)**	**(257)**	**(1 615)**	**34 350**	**13 714**	**559**	**48 623**
Change in scope	-	-	4	**4**	-	-	-	**-**	-	-	4	**4**
Purchases of assets	-	-	64	**64**	-	-	-	**-**	-	-	64	**64**
Depreciation	-	-	-	**-**	-	(1 694)	(99)	**(1 793)**	-	(1 694)	(99)	**(1 793)**
Exchange rate differences	(285)	(6 472)	(246)	**(7 003)**	-	892	90	**982**	(285)	(5 580)	(156)	**(6 021)**
Disposals of assets	-	-	(19)	**(19)**	-	-	18	**18**	-	-	(1)	**(1)**
Other transactions	-	124	(149)	**(25)**	-	-	25	**25**	-	124	(124)	**-**
Transfer toward assets held for sale	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
December 31, 2014	**34 065**	**8 724**	**470**	**43 259**	**-**	**(2 160)**	**(223)**	**(2 383)**	**34 065**	**6 564**	**247**	**40 876**

(1) The goodwill is composed of:

- € 334 K the goodwill arising from acquisition of Barvenkovskaya
- € 49K the goodwill arising from acquisition of Vybor
- € 33 682K the goodwill arising from the consolidation of the ex-AgroGeneration Group on October 11, 2013 (cf. Note 2.1).

Impairment test of Goodwill

The group tests annually whether goodwill has suffered any impairment. Cash-generating unit (CGU) for the goodwill impairment test was determined to be equal to the operating segment "Ukraine" (Note 7).

The *recoverable amounts* of cash-generating units have been determined based on value-in-use calculations. Value in use was determined using the method of discounted cash flows (DCF) based on operational forecasts.

The main assumptions and the total amount recoverable obtained were compared with Market Capitalization for the reasonableness check.

The estimate was based on the specific *key assumptions* below, which represent the current best estimate by management at the date of these consolidated financial statements:

- The cash flow forecasts for the next five financial years relies on the 2015 budget,
- In the absence of long-term financial reference, the expected cash flows generated beyond the planning horizons are planned using the last year of the planning horizon,
- Cash flows were discounted at the rate of 19%, representing the WACC of the Group,
- A terminal growth of 2.0% has been used for the calculation of terminal values as of December 31, 2020.

Sensitivity analysis has been performed, especially on WACC and terminal growth. No reasonable change in the assumptions would generate a risk of impairment.

(2) Leasehold rights and other intangible assets

As of 31 December 2014 the net carrying amount of land lease rights represents €6 564K which mostly arose from Purchase Price Allocation of fair value of AgroGeneration to the land lease agreements.

Total land bank of AgroGeneration included in the leasehold rights consists of c. 63 000 ha.

(3) Other intangible assets include administrative and operating software.

9. Property, plant and equipment

(in thousands of Euros)	Gross value				Depreciation			Net Book Value			
	Buildings	Agricultural machinery and others	Construction in progress and prepayments	Total	Buildings	Agricultural machinery and others	Total	Buildings	Agricultural machinery and others	Construction in progress and prepayments	Total
January 1, 2013	4 105	22 459	2 583	29 147	(996)	(6 459)	(7 455)	3 109	16 000	2 583	21 692
Change in scope	10 478	17 555	520	**28 553**	(287)	(1 717)	**(2 004)**	10 191	15 838	520	**26 549**
Purchases of assets	1 040	2 654	114	**3 808**				1 040	2 654	114	**3 808**
Depreciation				-	(877)	(4 353)	**(5 230)**	(877)	(4 353)	-	**(5 230)**
Exchange rate differences	(522)	(1 466)	(44)	**(2 032)**	85	495	**580**	(437)	(971)	(44)	**(1 452)**
Disposals of assets	(70)	(510)	(43)	**(623)**	8	197	**205**	(62)	(313)	(43)	**(418)**
Other movements	2 255	195	(2 252)	**198**	(3)	(190)	**(193)**	2 252	5	(2 252)	**5**
Transfer toward assets held for sale		(1)		**(1)**			-	-	(1)	-	**(1)**
December 31, 2013	17 286	40 886	878	59 050	(2 070)	(12 027)	(14 097)	15 216	28 859	878	44 953
Change in scope	-	37	(10)	**27**	-	(21)	**(21)**	-	16	(10)	**6**
Purchases of assets	248	1 884	131	**2 263**	-	-	-	248	1 884	131	**2 263**
Depreciation	-	-	-	-	(1 135)	(5 047)	**(6 182)**	(1 135)	(5 047)	-	**(6 182)**
Exchange rate differences	(7 546)	(18 587)	(285)	**(26 418)**	1 239	6 920	**8 159**	(6 307)	(11 667)	(285)	**(18 259)**
Disposals of assets	(176)	(456)	(12)	**(644)**	21	197	**218**	(155)	(259)	(12)	**(426)**
Other movements	51	59	(319)	**(209)**	21	14	**35**	72	73	(319)	**(174)**
December 31, 2014	9 863	23 823	383	34 069	(1 924)	(9 964)	(11 888)	7 939	13 859	383	22 181

At December 31, 2014, total net value of property, plant and equipment acquired under finance leases amounted to €4,3 million (December 31, 2013: €10,3 million).

The total net carrying amount of tangible assets pledged as of December 31, 2014 amounts to €6 883 K (€ 3 694 K pledge on buildings, and € 3 189 K pledge on agricultural machinery and other tangible fixed assets).

In 2015 the Group performed revaluation of the tangible assets by independent appraiser. The estimated net value of revaluation amounts to € 26,8M.

10. Financial assets

(in thousands of Euros)	Non-consolidated subsidiaries (1)	Long-term loans	Security deposit	Other financial assets (2)	Total
January 1, 2013	**-**	**-**	**-**	**-**	**-**
Change in scope	28	5	43	272	348
Acquisition of subsidiaries	170	-	-	-	170
Purchases of assets	-	1	-	-	1
Disposals of assets	-	-	-	(88)	(88)
Other transactions	-	-	-		-
Exchange rate difference	(6)	-	-	(4)	(10)
Depreciation	-	-	-	-	-
Transfer toward assets held for sale	-	-	-	(27)	(27)
December 31, 2013	**192**	**6**	**43**	**153**	**394**
Change in scope	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-
Purchases of assets	-	-	2	27	29
Disposals of assets	-	-	(8)	(65)	(73)
Other transactions	-	(5)	-	-	(5)
Exchange rate difference	(70)	-	-	-	(70)
Depreciation	-	-	-	-	-
Transfer toward assets held for sale	-	-	-	-	-
December 31, 2014	**122**	**1**	**37**	**115**	**275**

(1) Non-consolidated subsidiaries include 8,96% shares of Agro-Farme, acquired in March 2013, and 10% shares of Agropervomaisk, acquired in 2008.

(2) The "Other financial assets" are mainly a deposit made with a specialized financial intermediary in the scope of liquidity contract concerning transactions on the AgroGeneration share on the NYSE Euronext Alternext market. This contract has been in place since March 1, 2010, the date that the AgroGeneration security was admitted to Alternext. It is in line with the code of ethics of the AFEI approved by the AMF by decision of September 11, 2006.

The amount allocated to this liquidity contract is € 800 K as of December 31, 2014. Over the financial year 2014, and in the application of the liquidity contract, 345 000 securities were purchased at the average price of € 0,89 and 269 000 securities were sold at the average price of € 1,00.

As of December 31, 2014, the situation of the contract was as follows:

- 496 816 shares valued at €227k (0,46€ / share) were owned by the Group under its liquidity contract (cf. Statement of change in consolidated shareholders' equity on page 6),
- The cash position available under this contract came to € 115k which was shown in "Other financial assets" in the above statement.

11. Corporate income tax

11.1. Analysis of Income tax expense – Tax proof

Breakdown of income tax expense is presented below:

(in thousands of euros)	31 December 2014	31 December 2013
Current taxes	15	228
Deferred taxes	-	-
Income taxes from continued operations	**15**	**228**
Current taxes	87	23
Deferred taxes	157	249
Income taxes from discontinued operations	**244**	**272**
TOTAL income tax from continued and discontinued operations	**259**	**500**

The analysis of the income tax expense reveals the following factors:

(in thousands of euros)	31 December 2014	31 December 2013
Accounting profit before tax from continuing operations	(23 079)	(20 295)
Profit / (loss) before tax from discontinued operations	1 673	(1 763)
Accounting profit before tax	**(21 406)**	**(22 058)**
French corporate tax rate	33,33%	33,33%
Theoretical income tax (expense) / gain	**7 135**	**7 352**
Impact from:		
profit/(losses) of agricultural producers exempt from taxation in Ukraine (cf. Note 6.16)	(1 724)	(4 318)
unrecognised deferred tax assets and unused tax losses	(8 334)	(1 929)
permanent differences between accounting profit and taxable profit	7 530	(1 759)
difference between French and foreign tax rates	(4 866)	154
Gain / (loss) out of effective taxation	**(259)**	**(500)**
Income tax expense reported in the consolidated income statement	(15)	(228)
Income tax attributable to discontinued operation	(244)	(272)

11.2. Deferred tax assets and liabilities

The companies of the Group which are subject to income tax (Note 6.16) are in net deferred tax asset position due to accumulated tax losses. For reference, the total tax loss carry forward for AgroGeneration SA amounts to €27 096k as of December 31, 2014 and €21 537k as of December 31, 2013 (deferred tax asset €9 032k and €7 179k respectively). The deferred tax asset was not recognised at the end of financial year 2014 since it is unlikely to be recovered in the nearest future.

12. Inventories

(in thousands of Euros)	31 December 2014 Gross Value	Depreciation	Net value	31 December 2013 Gross Value	Depreciation	Net value
Raw materials and other supplies	2 469	(100)	**2 369**	4 012	(174)	**3 838**
Works in progress	6 069	-	**6 069**	10 751		**10 751**
Agricultural produce	2 478	-	**2 478**	5 996	(147)	**5 849**
Other goods	-	-	-	1 374	(377)	**997**
Total	**11 016**	**(100)**	**10 916**	**22 133**	**(698)**	**21 435**

Raw materials and other supplies are inputs to be used in the agricultural campaign 2014/2015, including purchased seeds, fertilizers, fuel, spare parts and other suppliers. ***Work in progress*** includes costs accumulated before crop sowing.

As of December 31, 2014, ***agricultural produce*** representing €2 478k, is made up of 25 448 tons of grains from the 2013/2014 harvest, the majority of which being corn in Ukraine (52 490 tons as of December 31, 2013).

Depreciation represents write-down provisions of inventory to the net realizable value at the reporting date.

As of December 31, 2014 € 59.4k (829 tons) of finished goods has been pledged for the trade financing credit facility (cf. notes 15.2).

13. Biological assets

(in thousands of Euros)	31 December 2014 Biological assets at cost	Adjustment to fair value	Fair value	31 December 2013 Biological assets at cost	Adjustment to fair value	Fair value
Non-current						
Crops in fields	12	-	12	21	-	21
Livestock	220	(4)	216	284	-	284
Total non-current biological assets	**232**	**(4)**	**228**	**305**	**-**	**305**
Current						
Crops in fields	11 346	585	11 931	10 323	(250)	10 073
Livestock	433	(271)	162	898	(573)	325
Total current biological assets	**11 779**	**314**	**12 093**	**11 221**	**(823)**	**10 398**
TOTAL BIOLOGICAL ASSETS	**12 011**	**310**	**12 321**	**11 526**	**(823)**	**10 703**

The Group's biological assets are cereals and oilseeds that are planted as of December 31, 2014 for harvest in the second half of 2015 in Ukraine. It also includes livestock consisting of milk and meat cows and other cattle.

The biological assets of the Group are measured at fair value less estimated point of sale costs and are within level 3 of the fair value hierarchy (for more details refer to 6.8).

At the balance sheet date, the fair value of ***the current crops in fields*** is determined on the basis of the planted area and the following significant unobservable inputs:

- Crops price
- Crops yields (tonnes per hectare)
- Expected production costs discounted to the date of reporting

	31 December, 2014				31 December 2013			
	Cultivated area (in hectares)	*Average yields (ton / ha)*	*Average price (EURO/ton)*	*Fair value (in kEURO)*	*Cultivated area (in hectares)*	*Average yields (ton / ha)*	*Average price (EURO/ton)*	*Fair value (in kEURO)*
Winter Wheat	45 750	4,6	120	8 001	27 147	4,9	134	7 277
Winter Barley	4 218	4,8	114	670	3 165	4,7	121	565
Winter Rapeseed	9 034	2,9	312	3 260	6 486	2,6	308	2 231
TOTAL	**59 002**	**4,4**		**11 931**	**36 798**	**4,5**		**10 073**

If the management team's assumptions as of December 31, 2014, would have been different by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 2 921K.

The significant unobservable inputs used in the fair value measurement of the ***livestock*** are as follows:

- Average number of heads and its weight
- Expected future inflows from livestock

The following table represents movements in biological assets for the year ended 31 December 2013 and 31 December 2014:

(in thousands of Euros)	Crops	Livestock	Discontinued operations (Argentine)	TOTAL
Book value as of December 31, 2012	**9 065**	**1 234**		**10 299**
Current Biological Assets	9 030	165	-	9 195
Non-current Biological Assets	35	1 069	-	1 104
Acquisition of subsidiaries	6 705	-	341	7 046
Reclassification of work in progress to biological assets	6 816	-		6 816
Costs incurred over the period	38 499	415	2 348	41 262
Biological assets decrease due to harvest	(52 202)	(150)	(654)	(53 006)
Gain/loss due to change in fair value	***1 555***	***(857)***	***532***	***1 230***
Impairment of biological assets	-	-	37	37
Transfer toward assets held for sale	-	-	(2 136)	(2 136)
Exchange rate differences	(344)	(33)	(468)	(845)
Book value as of December 31, 2013	**10 094**	**609**	**0**	**10 703**
Current Biological Assets	10 073	325	-	10 398
Non-current Biological Assets	21	284	-	305
Acquisition of subsidiaries				
Reclassification of work in progress to biological assets	7 667			7 667
Costs incurred over the period	41 633	826	-	42 459
Biological assets decrease due to harvest	(54 643)	(642)	-	(55 285)
Gain/loss due to change in fair value	**12 881**	**(149)**	**-**	**12 732**
Impairment of biological assets			-	
Exchange rate differences	(5 689)	(266)	-	(5 955)
Book value as of December 31, 2014	**11 943**	**378**	**-**	**12 321**
Current Biological Assets	*11 931*	*162*	-	12 093
Non-current Biological Assets	*12*	*216*	-	228

As of December 31, 2014 € 7 331k (38 409 ha) of biological assets have been pledged for the trade financing credit facility (cf. notes 15.2).

14. Trade and other receivables

(in thousands of Euros)	December 31, 2014	December 31, 2013
Trade receivables	993	1 518
Prepayments to suppliers (1)	287	1 184
Other receivables	1 325	473
Social and tax receivables (excl. VAT receivables)	169	399
VAT receivables (2)	1417	2 490
Prepaid expenses	910	384
Trade and other receivables	**5 101**	**6 448**

(in thousands of Euros)	December 31, 2014	December 31, 2013
Currency:		
Denominated in EUR	236	546
Denominated in USD	1 227	435
Denominated in UAH	3 638	5 467
Trade and other receivables	**5 101**	**6 448**

The maximum exposure to credit risk as at the balance sheet date amounts to the fair value of each class of receivables mentioned above. The Group has no collateral for hedging.

(1) The advances paid correspond to prepayments to suppliers of inputs for the 2015 harvest.

(2) The VAT receivable of €1 417k includes:

€439 k relating to the Ukrainian entities enjoying special agricultural regime (note 6.16 (b)). It mainly consists of "unconfirmed" VAT asset that corresponds to input VAT generated by purchases not being confirmed with respective VAT special document, which is obligatory to provide by the supplier in Ukraine in order for the buyer to be able to reimburse such input VAT. Such special document can be collected and declared by the Company within 365 days after purchase, therefore this "unconfirmed" VAT asset indicates VAT that is recoverable in future periods once respective supporting documents are collected. The above figure also includes VAT asset declared that is to decrease future obligations both in usual activity and the one that is subject to special regime.

€781 k relating to the Ukrainian entities that did not opt for the special tax scheme for agricultural producers. It represents input VAT received at purchases that has been declared and is to decrease future VAT obligations.

€197k relating input VAT of AgroGeneration SA.

15. Net Debt

15.1. Cash and cash equivalents

(in thousands of euros)	December 31, 2014	December 31, 2013
Cash at bank and in hand	5 415	8 902
Cash and cash equivalents	**5 415**	**8 902**
Bank overdraft		(1 677)
Net cash & cash equivalent	**5 415**	**7 225**

All term deposits of the Ukrainian subsidiaries are pledged as security for liabilities under the loan contracts with Alfa-Bank (cf. 15.2). The total carrying value of pledged term deposits is EURO 1 798k (UAH 34,582 thousand). These deposits may be withdrawn after the repayment of the loan tranches to Alfa-Bank and are classified as "Other current financial assets" (cf. Note 19).

The Cash and cash equivalents and the Bank overdraft are denominated in the following currencies as of December 31st, 2014:

	December 31, 2014		December 31, 2013	
(in thousands of euros)	**Cash and cash equivalents**	**Bank overdraft**	**Cash and cash equivalents**	**Bank overdraft**
Currency :				
Denominated in EUR	48	-	2 347	(1 677)
Denominated in USD	2 602	-	1 854	-
Denominated in UAH	2 765	-	4 701	-
TOTAL	**5 415**	**-**	**8 902**	**(1 677)**

15.2. Borrowings and Net Debt

(in thousands of euros)		December 31, 2014 Non-current					December 31, 2013 Non-current				
		Non-current	Current			TOTAL	Non-current	Current			TOTAL
		Borrowings	*Borrowings*	*Interest*	***Total***		*Borrowings*	*Borrowings*	*Interest*	*Total*	
Listed bonds	(1)	19 784		411	**411**	**20 195**	19 647		411	411	**20 058**
Konkur bonds	(2)	32 795		2 564	**2 564**	**35 359**	28 957		514	514	**29 471**
Financial lease	(3)	1 191	1 824	56	**1 880**	**3 071**	2 343	2 198		2 198	**4 541**
Bank borrowings	(4)	4 592	18 831	377	**19 208**	**23 800**		24 233	225	24 458	**24 458**
Other financial debt	(5)		159	19	**178**	**178**		235	17	252	**252**
Total borrowings		58 362	20 814	3 427	24 241	82 603	50 947	26 666	1 167	27 833	78 780
Net cash and cash equivalents						5 415					7 225
NET DEBT						77 188					71 555

(1) The bonds issues of July 2012 and April 2013 were initially recognized at its fair value based on a gross amount of € 20 379k net of transaction costs incurred of € 885k. As of 31 December 2014, the amortised cost amounts to € 19 784k and accrued interest to €411k.

(2) Konkur bonds of USD 40 m are related to the merger (cf. note 2.1). The current part of € 2 564k represents accrued interests.

In 2015 the Group realised debt restructuring plan which resulted in the significant decrease of bonds related debt (cf. note 5.3).

(3) Current and non-current lease payments are presented at the present value of the future minimum lease payments (cf. note 27.1).

(4) Bank borrowings include borrowing from Alfa Bank (€ 17,0 m), Credit Agricole UA (€ 0,7 m), and EBRD (€ 5,7 m).

In the scope of these borrowings, the Group has pledged part of its current and non-current assets including:

- Some of the Fixed assets (Buildings and Agricultural machinery; cf. note 9),
- Some of the Finished goods (cf. note 12),
- Short-term deposits (cf. note 15.1).
- Some of the biological assets (cf. notes 13).

The shares in the subsidiaries Marrimore, AJU, AFU and UCD are pledged to the benefit of the European Bank of Reconstruction and Development (EBRD) in the scope of the financing agreement signed in 2011.
In accordance with the agreement signed on September 29, 2011, EBRD obtained 850 000 warrants which entitle EBRD for additional 850 000 shares with exercise price of €2,05, these warrants have been classified as equity instruments.

The loans granted by the Alfa Bank and the EBRD are subject to covenants. The Group is not compliant with some of these covenants. The EBRD has provided the waiver relating to the breach of these covenants on 31 December 2014. In 2015 the Alfa Bank has provided the waiver to some of the covenants and the Group is currently in the process of signing an addendum to the Loan agreement which would accept the breach of these covenants on 1 January 2015.

In 2015, as part of the restructuring plan (cf. note 5.3), EBRD loan repayment schedule was modified.

(5) Other borrowings mostly relate to (€ 159k) payable to Vivescia and to the related party Elandia.

The maturity of the current and non-current borrowings is as follows:

(in thousands of euros)	2 015	2 016	2 017	2018 and after	Total
Listed bonds	411	-	-	19 784	20 195
Konkur bonds	2 564			32 795	35 359
Bank borrowings	19 208	1148	1148	2 296	23 800
Other financial debt	2 058	720	285	186	3 249
Total borrowings	**24 241**	**1 868**	**1 433**	**55 061**	**82 603**

Details of the variable-rate and fixed-rate borrowings:

(in thousands of euros)	December 31, 2014		December 31, 2013	
	Variable	Fixed	Variable	Fixed
Bonds	-	55 554	-	49 529
Bank borrowings	5 849	17 951	5 145	19 313
Financial lease debt	1 343	1 728	1 958	2 583
Other financial debt	-	178	-	252
Total borrowings	**7 192**	**75 411**	**7 103**	**71 677**

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in thousands of euros)	December 31, 2014	December 31, 2013
Currency:		
EUR	21 117	21 923
USD	61 484	52 541
UAH	2	4 316
Total borrowings	**82 603**	**78 780**

The average interest rates of the Group by currency are:

Currency	December 31, 2014	December 31, 2013
EUR	8,4%	8,2%
USD	10,6%	8,2%
UAH	-	19,2%

16. Share Capital

	Share capital in euros	Number of shares	Share premium in euros
January 1, 2013	**3 656**	**3 656**	**89 997 394**
Change in scope	1 751 220	35 093 878	(38 058 513)
October 11, 2013	**1 754 876**	**35 097 534**	**51 938 881**
Additional shares issued	2 863 220	57 264 394	114 528 788
December 31, 2013	**4 618 096**	**92 361 928**	**166 467 669**
Additional shares issued	-	-	-
December 31, 2014	**4 618 096**	**92 361 928**	**166 467 669**

Change in scope

As of 31 December 2012 the share capital and share premium are equal to those of Harmelia Investments Limited (€ 4k and € 89 997 k respectively).

Following the reverse acquisition in October 2013 (note 2.1), the consolidated financial statements reflect the capital structure (i.e., share capital, share premium, treasury shares) of the legal acquirer, AgroGeneration SA, including shares issued in connection with the reverse acquisition. As of October 11, 2013 the share capital and share premium are equal to € 1 755k and € 51 939k respectively.

Issuance of shares in October 2013

On October 11, 2013, the Company issued 57 264 394 new shares to Konkur related to merger with Harmelia (cf. note 2.1).

Instruments in circulation as of December 31, 2014

As of December 31, 2014, the financial instruments in circulation and the respective numbers of shares that could be issued by exercise of these instruments are presented below:

	Note	Number of instruments	Potential additional shares
BSPCE	26	5 327	106 540
Stock-options	26	1 317 833	1 317 833
EBRD warrants	15.2	850 000	850 000
Konkur warrants		57 264 394	2 496 268
Total number of potential additional shares			**4 770 641**

Konkur warrants

The warrants issued for Konkur's shares may be exercised until the third anniversary of their issuance. Warrants will be exercisable and will give right to subscribe to a number of AgroGeneration new ordinary shares if Harmelia Group EBITDA ratio is more than twice that of AgroGeneration in 2013. If the ratio is between 1,5 - 2,0 the number of warrants exercised will be in pro rata to the ratio; if ratio is below 1.5 the warrants will not be exercisable.

EBITDA ratio for ex-AgroGeneration Group and Harmelia should be calculated based on the audited financial statements for 12 months 2013 applying accounting policies of AgroGeneration existing as of December 31, 2012. The parties have not started this process as at the date of issuing these consolidated financial statements, therefore it is not possible to assess the fair value of these warrants and the Group has not integrated any debt in its accounts related to these warrants.

17. Provisions

(in thousands of euros)	Provisions for litigation	Provisions for liabilities and expenses	Provisions for restructuring	Total
January 1, 2013	**-**	**-**	**-**	**-**
Additional	500	-	-	**500**
Reversal (used)	-	-	(150)	**(150)**
Reversal (unused)	-	-	-	**-**
Change in perimeter	75	4	250	**329**
Other variations	-	-	-	**-**
Exchange rate differences	(16)	-	-	**(16)**
December 31, 2013	**559**	**4**	**100**	**663**
Additional	-	-	-	-
Reversal (used)	(163)	-	(100)	(263)
Reversal (unused)	(279)	(4)	-	(283)
Change in perimeter	-	-	-	-
Other variations	-	-	-	-
Exchange rate differences	(117)	-	-	(117)
December 31, 2014	**-**	**-**	**-**	**-**

In 2013 the Group accrued the provision for litigation relating to the usage of land rights. The appeal court was lost by AgroGeneration in April 2014. The amount provided (€ 412k) includes missed profit of third party and court expenses. In May 2014 Supreme Court of Appeal cancelled the decision of appeal court in favour of AgroGeneration, therefore, the provision was reversed in 2014.

The management closely monitors legal and tax litigations and assesses the relating risks. As of 30 June, 2014, the Group is not exposed to any other significant legal or tax litigation.

18. Trade and other payables

(in thousands of Euros)	December 31, 2014	December 31, 2013
Trade payables	5 029	3 189
Advance payments received	1 049	1 294
Social & tax payables	1 302	1 727
VAT payables (1)	468	961
Deferred income	281	492
Other payables	765	1 356
Trade and other payables	**8 894**	**9 019**

VAT payables represents the amount paid to the special restricted account and can be used to fund the purchase of goods and services for agricultural activities. Once it is used, it will be reclassified to government grant in P&L (Note 6.16 (b)).

The Trade and other payables are denominated in the following currencies :

(in thousands of Euros)	December 31, 2014	December 31, 2013
Currency:		
Denominated in EUR	1 290	2 331
Denominated in USD	2 421	-
Denominated in UAH	5 183	6 688
Trade and other payables	**8 894**	**9 019**

19. Financial assets and liabilities

Financial assets and liabilities are classified as follows in accordance with IFRS 7:

Financial assets and liabilities by category and fair value as of 31 December 2014

(in thousands of Euros)	Note	Measured at amortised cost	Measured at fair value		Total carrying amount 31 December 2014	Valued at cost	Financial instrument at fair value hierarchy under IFRS 7		
			through profit or loss	*through shareholders ' equity*			*Level 1: quoted prices and cash*	*Level 2: valuation based on observable market data*	*Level 3: valuation based on unobservable market data*
Assets									
Financial assets (non-current)	10								
Shares in non-consolidated subsidiaries				122	122	122			
Long-term loans		1			1	1			
Security deposits			37		37		37		
Other financial assets			115		115		115		
Financial assets (current)	15.1								
Term deposits			1 798		1 798		1 798		
Trade and other receivables	14	5 101			5 101	5 101			
Cash and cash equivalents	15.1		5 415		5 415		5 415		
Liabilities									
Bonds	15.2	(55 554)			(55 554)	(55 554)			
Non-current and current bank borrowings	15.2	(23 800)			(23 800)	(23 800)			
Non-current and current financial lease	27.1	(3 071)			(3 071)	(3 071)			
Other financial debt	15.2	(178)			(178)	(178)			
Trade and other payables	18	(8 894)			(8 894)	(8 894)			
Bank overdraft	15.1								

Financial assets and liabilities by category and fair value as of 31 December 2013

(in thousands of Euros)	Note	Measured at amortised cost	Measured at fair value		Total carrying amount 31 December 2013	Valued at cost	Financial instrument at fair value hierarchy under IFRS 7		
			through profit or loss	*through shareholders ' equity*			*Level 1: quoted prices and cash*	*Level 2: valuation based on observable market data*	*Level 3: valuation based on unobservable market data*
Assets									
Financial assets (non-current)	10								
Shares in non-consolidated subsidiaries				192	192	192			
Long-term loans		6			6	6			
Security deposits			43		43		43		
Other financial assets			153		153		153		
Financial assets (current)	15.1				-				
Term deposits			-		-		-		
Trade and other receivables	14	6 448			6 448	6 448			
Cash and cash equivalents	15.1		8 902		8 902		8 902		
					-				
Liabilities					-				
Bonds	15.2	(49 529)			(49 529)	(49 529)			
Non-current and current bank borrowings	15.2	(24 458)			(24 458)	(24 458)			

Non-current and current financial lease	27.1	(4 540)		(4 540)	(4 540)	
Other financial debt	15.2	(253)		(253)	(253)	
Trade and other payables	18	(9 019)		(9 019)	(9 019)	
Bank overdraft	15.1		(1 677)	(1 677)		(1 677)

20. Revenues from operating activities

(in thousands of euros)	2014	2013
Sales of agricultural produce	63 318	49 129
Services and others	1 302	4 573
Total revenue from operating activities	**64 620**	**53 702**

(1) In 2014, AgroGeneration sold 404 500 tons of cereals and oilseeds (28 024 tons in the first-half of 2014 harvested in 2013 and 376 476 tons in the second-half of 2014 harvested in 2014).

(2) The services are mainly composed of activities of drying, storage or loading grain for third parties.

Detail of revenue by geographical region:

(in thousands of euros)	2014	2013
Ukraine	52 151	48 175
France	12 469	5 527
Total revenue excluding discontinued operations	**64 620**	**53 702**
Argentine - discontinued operations	2 726	1 428
Total revenue	**67 346**	**55 130**

There are two significant clients to which the Group sold the goods for €23,7 m in 2014 (€5,6 m in 2013) which represent 36,7% (10,5% in 2013) of the total revenue from continued operations. The revenue from other clients is individually less than 10%.

21. Functional costs / costs by nature

(in thousands of euros)	**2014**	**2013**
Cost of sales	(55 679)	(54 430)
Administrative & Selling expenses	(14 647)	(15 955)
Costs by function	**(70 326)**	**(70 385)**
Raw materials, purchases services and leasing	(42 915)	(49 422)
Personnel costs	(8 300)	(10 245)
Depreciation	(7 294)	(6 987)
Fair value adjustment at the harvest date (for goods sold)	(10 562)	1 420
Other expenses	(1 255)	(5 151)
Costs by nature	**(70 326)**	**(70 385)**

(1) On average, in 2014 the Group had 1 477 employees.

22. Other income and expense

(in thousands of euros)	**2014**	**2013**
Proceeds from fixed assets sold	84	21
Revers of litigation provision	279	-
Government grants (1)	6 295	-
Other income	1 290	9
Other operating Income	**7 948**	**30**
Net book value of fixed assets sold	(426)	(418)
Net book value of investment sold	-	-
Litigation provision	-	(412)
Other expenses	(1 437)	(40)
Other operating expenses	**(1 863)**	**(870)**
Other operating income and expenses	**6 085**	**(840)**

(1) Government grants (cf Note 6.9 and 6.16 (b)) were recognised in 2013 as part of other revenue (Note 20) and amounted to € 2 683k.

23. Net financial income / (expenses)

(in thousands of euros)		2014	2013
Cost of debt	(1)	(8 795)	(2 765)
Unwinding of capitalised interest	(2)	(137)	(30)
Foreign exchange gains and losses		(27 176)	(590)
realised foreign exchange gains/losses	*(3)*	(12 316)	133
unrealised foreign exchange gains/losses	*(4)*	(14 860)	(723)
Other		(82)	(85)
Net financial expense		**(36 190)**	**(3 470)**

Interest expense

(1) Cost of debt is mostly composed of:

€ 4 146 K interest on listed and Konkur bonds (€1 631 K and € 2 515 K respectively);
€ 4 237 K interest on bank loans (€ 458K on EBRD loan, € 2 051K on Alfa loan, € 567K on Credit Agricole, € 585K UkrSibBank, € 263K on Raiffeisen Bank, € 171k on other banks and € 554k financial leasing).

(2) Unwinding of capitalised interest represents the difference between nominal interest rate (actual cash out) and effective interest rate for the liabilities recognised at amortised costs.

Foreign exchange gains and losses

The Group's foreign currency denominated monetary assets and liabilities as of 31 December 2014 consist of USD and EURO denominated loans and other debts. Other monetary assets and liabilities are not significant.

Due to the impact of the current political situation on the volatility of Ukrainian hryvnia (cf. Note 3.2), the exchange rate Ukrainian hryvnia/USD fluctuated significantly during the year and as of reporting date decrease from 7,99 UAH/USD on 31 December 2013 to 15,77 UAH/USD on 31 December 2014.

(3) Realised Foreign exchange gains and losses (net amount € 12 316k loss) generated by the Group in 2014 due to the change in foreign exchange rate between the dates when the invoice was received / issued and when the liability/asset was settled. These amounts were mostly related the repayment of bank loans by Ukrainian entities.

(4) Unrealised Foreign exchange gains and losses generated by the Group on 31 December 2014 due to the translation of all monetary items of Ukrainian entities (mostly bank loans and intercompany loans) from foreign currency (mostly USD) into functional currency (UAH). Unrealised foreign exchange loss generated included:

- € **9 086** K unrealised foreign exchange loss relating to the bonds, bank loans and other debt;
- € **5 774** K unrealised foreign exchange loss relating to the inter-company loans, interest on loans and other ICO debt between Ukrainian, Cyprus and French entities.

Note that certain intercompany loans are classified as net investments (cf Note 6.3), therefore, corresponding unrealised foreign exchange loss (€ **40 737** K) is recognised directly in equity.

24. Discontinued operations

In November 2013, the Board of Directors decided to discontinue AgerAustral activity in Argentina and this company was sold on 5 June 2014 (cf Note 2.1).

(in thousands of Euros)	**AgerAustral**
	First-half 2014 (5 months)
Revenue	**2 726**
Other operating income	-
Total revenues	**2 726**
Change in fair value of biological assets and finished goods	1 179
Cost of sales	(2 747)
Gross profit / (loss)	**1 158**
Sales, general and administrative expenses	(499)
Other income and expenses	-
Financial net income	(4)
Gain from disposal of the discontinued operations	1 018
Profit / (loss) before income tax	**1 673**
Income tax from discontinued operations	(244)
Profit / (loss) from discontinued operations	**1 429**

(1) *Disposal of operations in Argentina, AgerAustral*

In 2013, the management assessed that the potential selling price of AgerAustral was €2,5 million lower than its net assets due to risks related to exchange rates and capital repatriation risks attributed to Argentina. As a result, the Group recognised a provision for €2,5 million in "Profit/(loss) from discontinued operations".

In June 2014 AgerAustral was sold the deal resulted in the recognition of € 1 018 K gain (including € 2 500 K gain from reversal of 2013 provision and € 1 482 K of actual loss from the deal). The current 5 months 2014 result of Argentinian subsidiary amounted to € 411 K gain resulting in Profit / (loss) from discontinued operations of € 1 429 K.

25. Earnings per share

The basic earnings per share are calculated by dividing:

- The net earnings (group share)
- By the weighted average number of ordinary shares in circulation during the financial year.

The diluted earnings per share are calculated by dividing:

- The net earnings (group share) taking into account the instruments that cause dilution,
- By the weighted average number of ordinary shares in circulation during the financial year plus the weighted average number of ordinary shares that would have been issued following the conversion of all the potential ordinary shares that cause dilution into ordinary shares.

The calculation of weighted average number of shares for 2013 took into account the situation before and after the reverse acquisition of AgroGeneration by Harmelia (following the rules of IFRS 3 "Business Combinations"):

for the period before the merger the weighted average number of shares issued reflect Harmelia outstanding number of shares before the merger multiplied by the exchange ratio established by the acquisition agreement;

for the period post-merger, the weighted average number of shares is AgroGeneration-Harmelia weighted average number of shares issued during this period.

(in thousands of euros)	**2014**	**2013**
Net consolidated income / (loss) - group from continued activity (K€)	(23 094)	(20 523)
Net consolidated income / (loss) - group from discontinued activity (K€)	1 429	(2 035)
Net consolidated income / (loss) - group share (K€)	**(21 665)**	**(22 558)**
Dilution impact (K€)	-	-
Net consolidated income / (loss) after dilution impact	**(21 665)**	**(22 558)**
Weighted average number of ordinary shares	91 927 864	64 889 666
Potential dilution	-	-
Weighted average number of shares after dilution impact	**91 927 864**	**64 889 666**
Net income / (loss) per share (Euros) - group share	**(0,24)**	**(0,35)**
Net income / (loss) per share (Euros) after dilution - group share	**(0,24)**	**(0,35)**
Net income / (loss) per share (Euro) - from continued operations	(0,25)	(0,32)
Net income / (loss) per share (Euro) after dilution - from continued operations	(0,25)	(0,32)
Net income / (loss) per share (Euros) - from discontinued operations	0,02	(0,03)
Net income / (loss) per share (Euros) after dilution - from discontinued operations	0,02	(0,03)

Over the 2013 and 2014 financial years, the potential ordinary shares that would have been issued after the conversion of the stock-options and warrants are not included in the measurement, since they have an anti-dilutive effect.

26. Share-based compensation

26.1. Allocation of BSPCE warrants

(a) Plan of 50,000 enterprise founder share warrants (BSPCE warrants) (December 6, 2007).

There is a warrants plan for employees (BSPCE) of the Ex-AgroGeneration Group. The plan was implemented in December 2007 with a vesting period of three years. The exercise of a BSPCE provided entitlement to 20 shares with a nominal value of € 0.05. The exercise price of each BSPCE is € 2.50. The exercising conditions of the plan were changed in January 2010 according to the status of the beneficiaries (present and former employees):

- The beneficiaries, providing evidence of the status of employee or officer of the company as of January 26, 2010, can exercise half the BSPCE warrants that may be exercised on July 1, 2010, subject to providing evidence of the status of employee or officer of the company without interruption until July 1, 2010, and the other half on July 1, 2011 if they can provide evidence of the status of employee or officer of the company without interruption until that date. The maximum number of BSPCE warrants that may be exercised for this category of beneficiaries as of December 31, 2013 is 500.
- The former employees up to January 26, 2010 may exercise their warrants as of January 1, 2011, for twelve years as of the date of their issuance, and are subject to conditions of net minimum internal rate of return achieved by GreenAlliance on its investment within the Company. As of December 31, 2013, the maximum number of BSPCE warrants able to be exercised was 4 827.

This makes a total of 5 327 BSPCE warrants able to be exercised as of December 31, 2014.

(b) Summary of the BSPCE warrant subscription plan

	2014	2013
Number of share-warrants that can be issued at the beginning of the period	5 327	
Number of share-warrants due to change in scope		5 327
Number of share-warrants issued during the period		
Number of share-warrants converted during the period		
Number of share-warrants lost during the period		
Number of BSPCE that can be issued at the end of the period	**5 327**	**5 327**

(c) Valuation Model

These warrants were valued at their issuance using the Monte Carlo method. The main assumptions are:

- Risk free rate: 3.79%
- Turnover Rate: 0.00%
- Volatility: 50.00%

26.2. Allocation of stock-options

(a) Plan to issue 533 000 options (January 26, 2009)

On January 26, 2009, pursuant to the delegation given by the Special General Meeting held on June 26, 2008, after the consent of the Supervisory Board given on January 30, 2009, the Executive Board of Ex-AgroGeneration Group distributed 533 000 stock options. Each stock option provides entitlement to a share at the strike price of € 2,02. These stock options are approved in thirds over three years and can be exercised after the fourth year (on January 26, 2013) in blocks of 25% minimum until 2019.

This plan was replaced subsequently, for all the options but 50 000, by the plan dated January 26, 2010.

The number of remaining options as of December 31, 2014 is 50 000.

(b) Plan to issue 483 000 options (January 26, 2010)

On January 26, 2010, pursuant to the delegation given by the Special General Meeting held on December 7, 2009, after the consent of the Supervisory Board given on January 14, 2010, the Executive Board of Ex-AgroGeneration Group issued 483 000 stock options, each one providing entitlement to one share at the strike price of € 1,79. The beneficiary must provide evidence of his status as an employee or officer of the Group as of January 1, 2013, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

- 1/6 of his / her options if he / she separates from the company after July 1, 2012 and before January 1, 2013,
- 2/6 of his / her options if he / she separates from the company after January 1, 2012 and before July 1, 2012,
- 3/6 of his / her options if he / she separates from the company after July 1, 2011 and before January 1, 2012,
- 4/6 of his / her options if he / she separates from the company after January 1, 2011 and before July 1, 2011,
- 5/6 of his / her options if he / she separates from the company after July 1, 2010 and before January 1, 2011,
- all of his / her options if he / she separates from the company after January 1, 2010 and before July 1, 2010.

The options can be exercised for ten years with a latency period of 4 years from the date of grant (January 26, 2014).

The number of remaining options as of December 31, 2014 is 405 333.

(c) Plan to issue 400,000 options (February 24, 2010)

On February 24, 2010, pursuant to the delegation given by the Special General Meeting held on December 7, 2009, and after the consent of the Supervisory Board given on February 23, 2010, the Executive Board of Ex-AgroGeneration Group decided to issue 400,000 stock options, the strike procedures of which are identical to the Plan to issue 483 000 options on January 26, 2010 (strike price of € 1,79, condition of presence, strike period of ten years including a four-year latency period).

The number of remaining options as of December 31, 2014 is 400 000.

(d) Plan to issue 850,000 options (December 9, 2011)

On December 9, 2011, pursuant to the delegation given by the Special General Meeting held on June 7, 2011, and after the consent of the Supervisory Board given on July 12, 2011, the Executive Board of Ex-AgroGeneration

Group decided to issue 850 000 stock options, each one providing entitlement to one share pursuant to the following strike procedures:

- Strike price of € 1,95,
- Conditions of presence:

  If the beneficiary has more than three years of seniority as of December 9, 2011, he / she must provide evidence of his / her status as an employee or officer of the Group as of July 1, 2014, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

  - 1/6 of his / her options if he / she separates from the company after January 1, 2014 and before July 1, 2014,
  - 2/6 of his / her options if he / she separates from the company after July 1, 2013 and before January 1, 2014,
  - 3/6 of his / her options if he / she separates from the company after January 1, 2013 and before July 1, 2013,
  - 4/6 of his / her options if he / she separates from the company after July 1, 2012 and before January 1, 2013,
  - 5/6 of his / her options if he / she separates from the company after January 1, 2012 and before July 1, 2012,
  - all of his / her options if he / she separates from the company before January 1, 2012.

  If the beneficiary has between one and three years of seniority as of December 9, 2011, he / she must provide evidence of his / her status as an employee or officer of the Group as of July 1, 2015, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

  - 1/8 of his / her options if he / she separates from the company after January 1, 2015 and before July 1, 2015,
  - 2/8 of his / her options if he / she separates from the company after July 1, 2014 and before January 1, 2015,
  - 3/8 of his / her options if he / she separates from the company after January 1, 2014 and before July 1, 2014,
  - 4/8 of his / her options if he / she separates from the company after July 1, 2013 and before January 1, 2014,
  - 5/8 of his / her options if he / she separates from the company after January 1, 2013 and before July 1, 2013,
  - 6/8 of his / her options if he / she separates from the company after July 1, 2012 and before January 1, 2013,
  - 7/8 of his / her options if he / she separates from the company after January 1, 2012 and before July 1, 2012,
  - all of his / her options if he / she separates from the company before January 1, 2012.

  If the beneficiary has less than one year of seniority on December 9, 2011, he / she must provide evidence of his / her status as an employee or officer of the Group as of July 1, 2015, and if he / she separates from the company prior to that date, he / she will lose, unless authorized otherwise by the Executive Board:

  - Half of his / her options if he / she separates from the company after July 1, 2013 and before July 1, 2015,
  - All of his / her options if he / she separates from the company before July 1, 2013.
  - Strike period of ten years including a 4-year latency period.

The number of remaining options as of December 31, 2014 is 462 500.

(e) Summary of the stock-options subscription plan

	2014	2013
Number of stock options at the beginning of the period	1 367 833	-
Number of stock options due to change in scope		1 417 833
Number of stock options attributed during the period		-
Number of stock options replaced during the period		-
Number of stock options lost during the period	(50 000)	(50 000)
Number of stock options converted during the period		-
Number of stock options at the end of the period	**1 317 833**	**1 367 833**

(f) Valuation model

The major computation assumptions used in the issuance of each stock option plan are as follows:

Plans	Risk-free rate	Turnover	Volatility	Valuation model
2009 and 2010	2.80%	0%	50%	Binomiale
December 9, 2011	2.85%	7.50%	31%	Black & Scholes

Expected volatility for the 2009 and 2010 plans was determined from the historical volatility of a group of comparable companies over a period comparable to the period of vesting.

The expected volatility of the 2011 plan was estimated on the basis of the historical volatility of AgroGeneration.

27. Commitments

27.1. Financing-related commitments

The Group’s commitments related to debt and financial instruments are discussed in Notes 15.2.

27.2. Commitments related to operating activities

- *Obligations under finance leases*

Non-current assets acquired under finance leases are recognized as an asset and a liability in the consolidated balance sheet.

At December 31, 2014, €3 015 thousands of future minimum lease payments due under finance leases concerned agricultural machinery and vehicles. Total assets under finance leases recognized in consolidated assets amounted to €4,3 million at December 31, 2014 (December 31, 2013: €10,3 million).

(in thousands of Euros)	31 December 2014	31 December 2013
Future minimum lease payments		
Due within 1 year	2 307	2 777
Due in 1 to 5 years	1 506	2 966
Due beyond 5 years		-
Total minimum lease payments	**3 813**	**5 743**
Less finance cost	(798)	(1 202)
Present value of future minimum lease payments	**3 015**	**4 541**

- *Obligations under operating leases*

The Group leases land, offices, manufacturing and warehouse equipment, vehicles and other equipment under various operating leases.

The amounts presented in the table below correspond to the future minimum payments that will need to be made in accordance with these contracts:

(in thousands of euros)	**December 31, 2014**	**December 31, 2013**
Due within 1 year	4 788	7 431
Due in 1 to 5 years	13 621	23 148
Due beyond 5 years	13 486	22 832
Total	**31 895**	**53 411**

The Group's commitments correspond mainly to rents on leased farmland (2014: 116 691 ha for an average residual term of 6,90 years, 2013: 111 951 ha for an average residual term of 7,87 years).

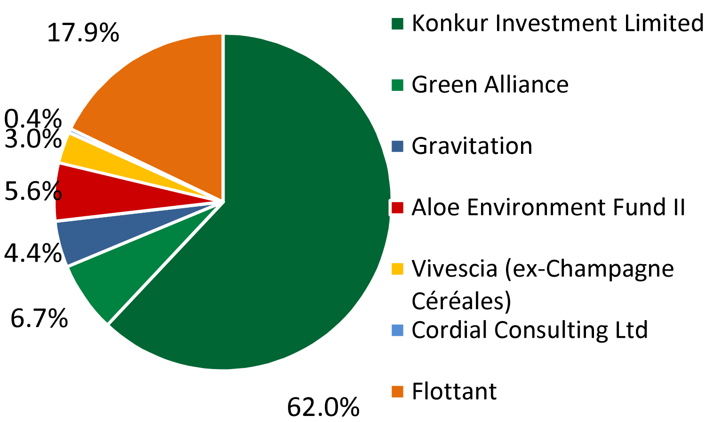
28. Related parties

28.1. Ownership and governance

(a) Ownership

As of December 31, 2014, the shareholding is divided as follows:

Shareholding Structure, 31 December 2014



Konkur: investment holding company controlling by SigmaBleyzer fund, the ultimate parent for the Group.

Green Alliance: holding company of Charles Beigbeder and Alain Mallart

Gravitation: holding company of Charles Beigbeder

Aloe Environment Fund II: investment fund

Vivescia (formerly Champagne Céréales): major grain cooperative in France.

Neither the ultimate parent nor the next senior parents produce consolidated financial statements available for public use.

(b) Governance

On October 11th, 2013, the company changed its corporate governance from Executive Board and Supervisory Board to Board of Directors. The Board of Directors is composed of eleven members.

The company also has an Audit Committee and a Remuneration Committee which meet regularly and which are composed of some members of the Board of Directors, as explained below.

Following the debt restructuring, and in view of the new shareholders' structure after the conversion of OSRANE, the Group has changed its governance in April 2015: 4 out of 5 directors representing the historical shareholders left the Board. The Board of Directors is now composed of 7 members, governed by Michael Bleyzer, the Chairman, and, Pierre Danon, the Deputy Chairman.

Board of Directors

- Chairman: Michael Bleyzer
- Deputy Chairman: Pierre Danon

Other members:

- Lev Bleyzer (SigmaBleyzer) * / **
- Valeriy Ivanovich Dema (SigmaBleyzer) **
- Neal Warren Sigda (SigmaBleyzer) * / **
- John Shmorhun (CEO AgroGeneration)
- Guillaume James (Gravitation)

** member of the Remuneration Committee*
***member of the Audit Committee*

Compensation of the members of the Board of Directors

The general shareholders' meeting of AgroGeneration did not allocate any directors' fees or any other compensation for the members of the Board of Directors over this period. As a consequence, benefits to be disclosed only concern the CEO of the Group. The remuneration of John Shmorhun, CEO AgroGeneration, is mentioned in Note *28.2 Transactions with related parties.*

28.2. Transactions with related parties

Material transactions entered into over the period and remaining balances as at 31 December 2014 with parties that have significant influence over the Group are as follows:

	31 December 2014		2014		31 December 2013		2013	
kEURO	**ASSETS**	**LIABILITIES**	**INCOME**	**EXPENSE**	**ASSETS**	**LIABILITIES**	**INCOME**	**EXPENSE**
SigmaBleyzer group: various entities under common control								
Management Fees		-		(318)				(180)
Bonds issued to Konkur		(32 795)				(28 956)		
Interest on bonds		(2 564)		(2 408)		(514)		(514)
Consulting services		(5)		(273)				(374)
Rent of premises				(6)				
Loans	315	(83)		(1)	290	(106)		
Register LLC: under influence of Group in 2013, consolidated into the Group in 2014								
Consulting services					28			(292)
***Gravitation SAS:** shareholder*								
Re-invoicing of rent and office expenses	28		88	(3)			18	
Consulting services				(151)				
Group Vivescia: shareholder								
Interest on debt				(15)				(50)
Other debt payable		(69)				(209)		
Safari Arms: controlled by a member of the Board of Directors								
Security services		(166)		(1 643)				(1 594)
John Shmorhun: key management								
Management services		(82)		(412)				(318)
Cordial Consulting: controlled by a member of the Board of Directors								
Strategic services		(77)		(193)		(217)		(743)
TOTAL	**343**	**(35 841)**	**88**	**(5 424)**	**318**	**(30 002)**	**18**	**(4 065)**

30. Fees paid to the auditors

(in thousands of euros)	December 31, 2014	December 31, 2013
Certificatiion		
EY network	355	280
Finexsi Audit	55	35
Other audit related services		
EY network	107	60
Finexsi Audit		20
Total audit fees	**517**	**395**

31. List of consolidated companies

All companies are fully consolidated.

	Name	Conso name	Registered office	Activity	31 December 2014	31 December 2013
					% of interest	% of interest
1	AgroGeneration	AgroGeneration	Paris - France	Group Holding	Consolidating entity	Consolidating entity
2	Marrimore Holdings Ltd	Marrimore	Nicosia - Cyprus	Holding company	100%	100%
3	Haberly Properties Ltd	Haberly	Nicosia - Cyprus	Holding company	100%	100%
4	Harmelia Investments Limited	Harmelia	Nicosia - Cyprus	Holding company	100%	100%
5	Zeanovi Limited	Zeanovi	Nicosia - Cyprus	Holding company	100%	100%
6	Wellaxo Investments Limited	Wellaxo	Nicosia - Cyprus	Holding company	100%	100%
7	Azent Limited Company	Azent	Nicosia - Cyprus	Holding company	100%	100%
8	Zito Investments Limited	Zito	Nicosia - Cyprus	Holding company	100%	100%
9	AgerAustral*	AgerAustral	Buenos Aires - Argentine	Agricultural producer	-	100%
10	UCD Ukraine	UCD UA	Kiev - Ukraine	Service operating company	100%	100%
11	LLC Agro NovaNyva	ANN	Kiev - Ukraine	Service operating company	100%	100%
12	Agrofuel Ukraine	Agrofuel	Kiev - Ukraine	Trading company	100%	100%
13	AFT-Agro	AFT	Kiev - Ukraine	Agricultural producer	100%	-
14	Agroziom	AGZ	Sumy - Ukraine	Agricultural producer	100%	100%
15	Vinal Agro	VKD	Lviv - Ukraine	Agricultural producer	100%	100%
16	Knyazhi Lany (VKL)	VZL	Lviv - Ukraine	Agricultural producer	100%	100%
17	Zborivski Lany (VZB)	VZL	Ternopol - Ukraine	Agricultural producer	100%	100%
18	Agrodruzstvo Jevisovice Ukraine	AJU	Ternopol - Ukraine	Agricultural producer	100%	100%
19	Lishchynske**	VLY	Zhitomir - Ukraine	Agricultural producer	100%	100%
20	TOV CF Leschin**	VLY	Zhitomir - Ukraine	Agricultural producer	-	100%
21	Vidrodzhennya	VZH	Zhitomir - Ukraine	Service operating company	100%	100%
22	Agro-Vilshanka***	AgroVylshyanka	Zhitomir - Ukraine	Transport company	-	100%
23	Agro Fund Terestchenko	AFT	Zhitomir - Ukraine	Agricultural producer	100%	100%
24	APK Novy Stil LLC	NST	Kharkiv - Ukraine	Service operating company	100%	100%
25	APK Donets LLC	DON	Kharkiv - Ukraine	Agricultural producer	100%	100%
26	Burlukskoje PC	BUR	Kharkiv - Ukraine	Agricultural producer	100%	100%
27	Zachepilovskoje LLC	ZACH	Kharkiv - Ukraine	Agricultural producer	100%	100%
28	AF Barvenkovskaya LLC	BAR	Kharkiv - Ukraine	Agricultural producer	100%	100%
29	APK Ukraina Nova LLC	APK	Kharkiv - Ukraine	Service operating company	100%	100%
30	AF Podoljevskaja LLC	POD	Kharkiv - Ukraine	Agricultural producer	100%	100%
31	FG Podoljevskaja	POD	Kharkiv - Ukraine	Service operating company	100%	100%
32	AF Ukraina Nova LLC	UNA	Kharkiv - Ukraine	Agricultural producer	100%	100%
33	Lan LLC	LAN	Kharkiv - Ukraine	Agricultural producer	100%	100%
34	Vybor LLC	VYB	Kharkiv - Ukraine	Agricultural producer	100%	100%
35	Harmelia Trading LLC	HAR	Kharkiv - Ukraine	Trading company	100%	100%
36	Agro Dom Plus	AgroDom	Kharkiv - Ukraine	Service operating company	100%	100%
37	Register LLC****	Register	Kharkiv - Ukraine	Service operating company	100%	-

* AgerAustal was disposed of in June 2014 (cf Note 2.1).

** TOV CF Leschin was merged with another subsidiary of the Group, Lishchynske, on 01 September 2014 and ceased to exist as a separate legal entity.

*** Agro-Vilshanka was liquidated on 31 December 2014.

**** Register LLC was a related party in 2013 and was acquired by the Group in 2014.