Consolidated Financial Statements

31 December 2013

AGRO Generation

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Consolidated statement of financial position

(in thousands of Euros)

Assets	Note	December 31, 2013	December 31, 2012	January 01, 2012
Non-current assets		**94 275**	**27 486**	**18 095**
Intangible assets and leasehold rights	8	48 623	4 689	858
Property, plant and equipment	9 & 10	44 953	21 692	17 237
Financial assets	11	394		-
Biological assets	14	305	1 105	-
Deferred tax assets	12			
Current Assets		**51 275**	**36 148**	**38 687**
Inventories	13	21 435	16 323	12 341
Biological assets	14	10 398	9 194	5 442
Trade and other receivables	15	6 448	5 385	5 009
Cash and cash equivalents	17.1	8 902	5 246	2 671
Total assets of disposal group classified as held for sale	16	4 092		13 224
Total assets		**145 550**	**63 634**	**56 782**

Equity and Liabilities	Note	December 31, 2013	December 31, 2012	January 01, 2012
Equity		**51 055**	**55 308**	**46 782**
Share capital	18	4 618	4	4
Share premium		166 468	89 997	84 997
Other reserves		(101 169)	(39157)	(37 913)
Retained earnings		4 283	(573)	(573)
Currency translation differences		(587)	(60)	-
Net Income		(22 558)	4 856	-
Non-controlling interests		0	241	267
Non-current liabilities		**50 951**	**2 482**	**3 729**
Provisions	19	4	-	
Non-current borrowings	17.2	50 947	2 482	3 729
Deferred tax liabilities		0	-	
Current liabilities		**43 544**	**5 844**	**6 271**
Provisions	19	659	-	-
Current borrowings	17.2	27 833	1 766	1 109
Trade and other payables	21	9 019	3 420	2 409
Current income tax liability		817	658	398
Bank overdraft	17.1	1 677	-	-
Total liabilities of disposal group classified as held for sale	16	3 539	-	2 355
Total equity and liabilities		**145 550**	**63 634**	**56 782**

Consolidated income statement

(in thousands of Euros)	Note	2013	2012
Revenue	22	**53 702**	**32 798**
Change in fair value of biological assets and finished goods	13 & 14	698	1 137
Cost of sales	23	(54 430)	(27 920)
Gross profit / (loss)		**(30)**	**6 015**
Selling, general and administrative expenses	23	(15 955)	(8 390)
Other income and expenses		(840)	7 275
Profit before interest and tax		**(16 825)**	**4 900**
Financial net expenses	24	(3 470)	(443)
Income tax expense	12	(228)	(346)
Profit / (loss) from continued operations		**(20 523)**	**4 111**
Profit after tax from discontinued operations (attributable to the Group)	25	(2 035)	744
Profit / (loss) for the period		**(22 558)**	**4 856**
Non-controlling interests			
Profit / (loss) from continued and discontinued operations attributable to the Group		**(22 558)**	**4 856**
Profit / (Loss) attributable to equity holders of the company (€, 000)		(22 558)	4 856
Weighted average number of ordinary shares		64 889 666	57 264 394
Basic earnings / (loss) per share (in Euros per share)	26	**(0,35)**	**0,08**
Weighted average number of ordinary and potential shares		64 889 666	57 264 394
Diluted earnings / (loss) per share (in Euros per share)	26	**(0,35)**	**0,08**

Consolidated statement of comprehensive income

(in thousands of Euros)	2013	2012
Profit / (loss) for the period	**(22 558)**	**4 856**
Items recyclable in income, net of tax	**(527)**	**(60)**
Currency translation differences	(527)	(60)
Total comprehensive income of the period	**(23 085)**	**4 796**

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 01, 2012	**4**	**84 997**	**(37 913)***	**(573)**	**-**	**46 515**	**267**	**46 782**
Issue of new shares	-	5 000	-	-	-	5 000	-	5 000
Change in scope	-	-	(1 439)	-	-	(1 439)	-	(1 439)
Currency translation differences	-	-	-	-	(60)	(60)	(5)	(65)
Other movements	-	-	195	-	-	195	-	195
Net Income / (loss) for the year	-	-	-	4 856	-	4 856	(21)	4 835
Balance as of December 31, 2012**	**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)	-	0	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**

(*) Harmelia Group adopted IFRS for the first time on January 1, 2011. For business combinations acquired before that 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 balance as of December 31, 2012 includes an impact of €7,7m relating to waiving auditors' qualifications (€4,8m with effect on the Income statement and €2,9m on Retained earnings).

(***) The reverse acquisition finalised on October 11, 2013 (cf. Note 2.1.) 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.

(****) During 2013 there were some other changes in the scope of consolidation:

- In May 2013 APK Donets LLC acquired the minority share (8,89%) of Zachepilovskoje LLC from a physical person for €59k. This acquisition increased the share of the Group in Zachepilovskoje LLC to 100%.
- In January 2013, the Board of Directors decided to merge Markas PC with AF Ukraine Nova LLC. In December 2013 the merger was completed.

Consolidated cash flow statement

(in thousands of Euros)	Note	December 31, 2013**	December 31, 2012*
Profit / (loss) for the period		**(22 558)**	**4 856**
Depreciation on fixed assets		6 307	3 717
Provisions		2 850	-
Capital (gains) / losses from disposals		398	(5 892)
Net financial (income) / loss		3 488	454
Deferred taxes (income) / expense		249	-
Impairment of finished goods inventory		359	(218)
Other (income) / expense with no cash impact		(82)	676
Cash flow from operating activities		**(8 989)**	**3 593**
Trade and other payables (decrease) / increase		(1 070)	2 861
Inventories decrease / (increase)		1 711	(6 620)
Biological assets and finished goods fair value decrease / (increase)		(2 507)	(1 828)
Biological assets cost decrease / (increase)		13 146	635
Trade and other receivables decrease / (increase)		2 240	500
Other movements		-	-
Income tax paid		(16)	(67)
Working capital variation		**13 504**	**(4 519)**
Net operating cash flow		**4 515**	**(926)**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		(232)	3 847
Purchase of property, plant and equipment		(3 808)	(4 166)
Purchase of intangible assets		(253)	(44)
Purchase of financial assets		-	-
Disposal of property, plant and equipment		21	-
Disposal of intangible assets		-	-
Disposal of financial assets		-	-
Net investing cash flow		**(4 272)**	**(363)**
Cash flow from financing activities			
Amounts received from shareholders following a capital increase		-	5 000
Purchase/sale of treasury shares		88	-
Issue of bonds		-	-
Proceeds from borrowings		12 785	2 127
Repayment of borrowings		(13 594)	(2 599)
Financial instruments gain / (losses)		198	242
Paid interests		(1 788)	(684)
Costs of capital increase		-	-
Net cash generated from financing activities		**(2 311)**	**4 086**
Effects of exchange rate changes on cash and cash equivalents		(187)	(222)
Net movement in cash and cash equivalents		**(2 255)**	**2 575**
Cash and cash equivalents at beginning of period	17.1	5 246	2 671
Change in scope		4 276	3
Cash and cash equivalents at end of period	17.1	7 267	5 246
Cash and cash equivalents at the end of the period from discontinued operations	16	42	
Cash and cash equivalents at the end of period from continued operations		**7 225**	**5 246**

** In 2013, the Group has changed the presentation of Consolidated Cash Flow statement from 'direct' to 'indirect' method. 2012 Consolidated Cash Flow statement of Harmelia has been restated accordingly.*

*** The figures include cash flows from discontinued operations in Argentina.*

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, 2013 were authorized for issue by the Board of Directors on May 28, 2014. 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 2013 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 (refer to Note 2.1 for details of the acquisition). 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 2012 are consolidated financial figures of 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).

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 29.1.

2. Major events of the period

2.1. Merger agreement with Harmelia

2.1.1. Description of the merger operation with Harmelia

AgroGeneration announced on May 3, 2013 the signing of a merger agreement with Harmelia, which controlled and operated c.a. 70 000 hectares across 9 farms in the Kharkiv region in Eastern Ukraine, with a storage capacity 126 000 tonnes.

Harmelia was owned by an international investment fund SigmaBleyzer Southeast European Fund IV (SBF IV), managed by the European affiliates of American company SigmaBleyzer Investment Group LLC. SigmaBleyzer has been investing in Ukraine since 1994 and manages approximately one billion dollars in six funds mainly in Ukraine, Romania, Kazakhstan and Texas.

Under the terms of the agreement, in consideration for the transfer of 100% of the Harmelia shares, Konkur Investments Limited (holding company majority owned by SBF IV) has received 57 264 394 new AgroGeneration shares, i.e. 62% of the capital of the new Group after the completion of the merger. In addition, AgroGeneration has issued bonds totalling $40,000k to the benefit of Konkur and bearing 8% annual interest, refundable all at once, no later than July 1, 2019

This operation was approved by the Board of Harmelia on May 29, 2013.

Under the terms of a contribution agreement signed on July 12, 2013, Konkur has transferred to AgroGeneration all the shares it holds in Harmelia, i.e. 3 656 shares, representing 100% of the voting rights and capital of Harmelia. The signing of the contribution agreement by AgroGeneration was authorized by the Management of AgroGeneration, and by the Supervisory Board of AgroGeneration.

The AgroGeneration General Meeting on October 11th, 2013, approved the consideration for the contribution and authorized the issue for the benefit of Konkur of:

- 57 264 394 new shares with a nominal value of €0,05, to each of which is attached a share purchase warrant the exercise of which could give the right to a maximum of 2 496 268 new shares. The 57 264 394 new shares are fungible with the existing shares and have been traded on Alternext Paris since October 17, 2013.
- 40 000 bonds with a nominal value of $1 000, at the gross annual rate of 8%, with repayment at the latest on July 1, 2019. Interest is payable semi-annually, on February 28 and August 31.

2.1.2. Impact of the merger with Harmelia on the consolidated financial statements of the new Group as of December 31, 2013

In legal terms, the operation is carried out by way of a transfer by Konkur of Harmelia securities to AgroGeneration. In terms of the IFRS consolidated financial statements, the transfer is analyzed as a "reverse acquisition" of AgroGeneration by Harmelia. Indeed, after this merger Konkur becomes the majority shareholder of the newly combined Group formed by Harmelia and AgroGeneration.

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). If the merger took place at the beginning of the reporting period, the revenue for 2013 would amount to €75 550K.

2.1.3. Restatement of historical financial statements 2012 of Harmelia

2012 comparative information is based on Harmelia 2012 Consolidated Financial Statements as issued on June 30,2013 with presentation currency in UAH, and subsequently restated (i) to change presentation currency to EURO and (ii) to waive auditor's qualifications on:

- purchase price allocation in respect of business combinations acquired in 2012 (Nyva PLAE, Agro Firm Vybir LLC and Agro Firm Barvinkivska ALLC);
- carrying value of some property, plant and equipment and related depreciation expense due to the lack of supporting documents;
- carrying amounts of assets and liabilities classified as held for sale, as well as net profit from discontinued operations relating to the disposal of subsidiaries Farmco LLC and Selesthchinsky Elevator.

Please refer to the Consolidated state of changes in equity for details.

2.1.4. Purchase price allocation

In the case of a reverse acquisition, the acquisition price is deemed to have been paid by the acquired entity from a legal point of view (that is to say Harmelia, the purchaser from an accounting point of view) in the form of equity instruments issued to the purchaser's shareholders from a legal point of view (that is to say ex-AgroGeneration, the entity acquired from an accounting point of view).

It follows that from the accounting reversal of the transaction, one should determine the number of shares that Harmelia should have issued if the merger had been completed through the issuance of new Harmelia shares to give the AgroGeneration shareholders the same percentage of ownership in the combined Group as that actually obtained as a result of the legal transaction, i.e. 38%. Hence it is 2,241 Harmelia shares that would have been issued to give AgroGeneration shareholders a stake of about 38% in the combined Group.

Within the framework of a business combination achieved solely through the exchange of equity instruments, the IFRS 3 Business Combinations standard recommends calculating the fair value of the financial instruments traded in comparison with the fair value of the equity instruments for which the estimate is the most reliable. In case of a business combination between listed companies and unlisted companies, it is therefore the price of the listed equity instruments which serves as the basis for the valuation. Hence, the purchase price is valued on the basis of the closing price of the AgroGeneration shares on October 11, 2013.

Number of Harmelia shares outstanding as of October 11, 2013	3 656
Theoretical interest in the combined entity owned by AgroGeneration shareholders after the merger	38%
Number of Harmelia shares expected to be issued	**2 241**
Valuation of Harmelia shares based on the quoted market price of AgroGeneration shares on October 11, 2013 and the exchange ratio (in thousands of Euros), assuming a parity of 1 Harmelia share for 15,661 AgroGeneration shares	22,24
Purchase price (in thousands of Euros)	**49 838**

The allocation of the purchase price on the basis of the fair value of the acquired assets and liabilities must be completed within a maximum period of 12 months following the effective date of the business combination. The preliminary allocation of the purchase price has been performed by the Group and is presented in the following table :

(in thousands of Euros)	**AgroGeneration ex Perimeter**
Price allocation	
Purchased Price	**49 838**
Intangible assets and lease rights	11 514
Tangible assets	26 549
Financial assets	350
Inventories	16 615
Biological assets	7 046
Trade and other receivables	5 441
Cash and cash equivalents	5 980
Total assets purchased	**73 493**
Provisions	(330)
Borrowings	(46 043)
Deferred tax liabilities	(13)
Trade and other payables	(9 249)
Bank overdraft	(1 702)
Total liabilities purchased	**(57 337)**
Fair Value of Assets and liabilities	**16 156**
Preliminary goodwill	**33 682**

The Group performed a Price Purchase Allocation study with external third party in order to assess the fair value of the assets and liabilities. The methodology used for Land lease valuation is the following.

Land lease rights have been estimated based on observable market selling price of such rights for analogous agricultural land (land plots), taking into account application of the relevant adjustments according to each element of comparison.

Two other elements of the transaction must also be analyzed in terms of the IFRS in this particular reverse acquisition situation in accordance with the IFRS 3 Business Combinations standard:

- The issue of 40 000 bonds with a nominal value of $1 000 each done from a legal point of view by AgroGeneration in consideration for the Harmelia securities.

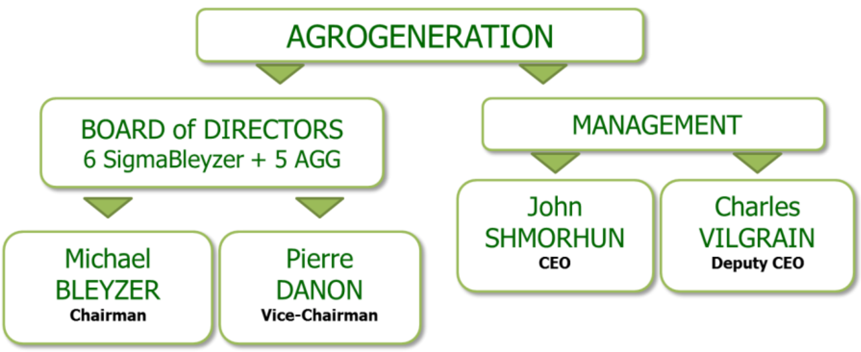
  This bond debt is translated in IFRS 3 terms into an additional debt for the combined Group to the former Harmelia shareholders. As this debt is not reflected in any cash payment, its counterpart is a decrease in the combined Group's equity.

- Warrants issued in favour of the former shareholders of Harmelia, giving right to subscribe for a variable number and up to a maximum of 2 496 268 new AgroGeneration shares, on the basis of the relative EBITDA performances of the two former entities in 2013.

  Given that the number of shares resulting from the exercise of the warrants is not fixed, they cannot be analyzed as an equity instrument in terms of the IFRS texts. The issuance of these warrants translates into the recording of an additional debt for the combined Group to the former Harmelia shareholders, the counterpart of which is a decrease in the new combined Group's equity. This debt should have been recorded at its fair value on initial recognition. However at the date of issuance of 2013 financial statements, it is impossible to assess the fair value. Therefore the Group did not integrate any debt in its accounts related to the warrants.

2.2. Amendment to the company's governance

The AgroGeneration general meeting on October 11, 2013 decided to amend the company's governance and to establish a Board of Directors in place of the Management and Supervisory Board.



2.3. 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's income statement included impairment of assets and liabilities to reflect its fair value and is presented only in one line "Profit / (Loss) after tax from discontinued operations". In the consolidated statement of financial position, all assets and all liabilities are presented in two lines: "Assets of disposal group classified as held for sale and "Liabilities of disposal group classified as held for sale". The net cash flow from discontinued activity is not presented separately but is included in the Consolidated Statement of Cash Flow.

2.4. Voluntary changes in accounting policies

In 2012 Harmelia applied the direct method for the presentation of Consolidated Cash Flow. However, AgroGeneration is using tools and procedures based on the indirect method. Therefore, the Consolidated Cash Flow Statements for 2013 are presented in this Consolidated Financial Statements using indirect method which is a change in presentation for Harmelia Group. 2012 Cash Flow statement of Harmelia has been restated accordingly.

3. Financial risk management

3.1. Political risks 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 and the existence of currency controls which cause the national currency to be illiquid outside of Ukraine. The stability of the Ukrainian economy will be significantly impacted by the Government’s policies and actions with regard to administrative, fiscal, legal, and economic reforms. As a result, operations in Ukraine involve risks that are not typical for developed markets. The Ukrainian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world.

In November 2013, the Ukrainian Government declined to sign the association agreement with the European Union, which resulted in protests and signs of political unrest. In January-March 2014, the political unrest escalated. In February 2014, the President and majority of Government officials were dismissed by the Parliament. The Parliament has initiated certain political reforms, has appointed a transitional Government and is forming a set of anti-crisis measures. On 21 March 2014, Ukraine signed a political association with the European Union.

As the company owns operating subsidiaries in the Kharkiv oblast, there is a certain risk in the escalation of protests and possible military conflicts. Although current protests are isolated in nature, further escalation as seen in the neighbouring Donetsk Oblast, although less probable, cannot be completely excluded.

The Group has a number of farming subsidiaries in the Kharkiv oblast of Ukraine, which contributed 56% to the Group’s revenues in 2013. As at 31 December 2013, the carrying value of the Group’s assets located in the Kharkiv oblast is EUR 127 398 thousand. Actual sowing plan for 2014 in Kharkiv oblast 62 049 ha.

Furthermore, from 1 January 2014 to 30 April 2014, the Ukrainian Hryvnia devaluated against major foreign currencies by approximately 50%, and the National Bank of Ukraine imposed certain restrictions on purchase of foreign currencies at the inter-bank market. The international rating agencies have downgraded sovereign debt ratings for Ukraine. The combination of the above events has resulted in a deterioration of liquidity and much tighter credit conditions where credit is available.

Note that devaluation tends to have a favourable impact on agricultural production as crops prices are pegged to international market prices.

Management is monitoring these developments in the current environment and taking actions where appropriate as significant part of Group's farmland is located in Kharkiv's oblast. Further negative developments in the political, macroeconomic or international trade conditions may adversely affect the Group's operating results and financial position 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 U.S. dollar, the Argentine peso and the hryvnia.

Ukraine

The exchange rate of the hryvnia against the U.S. dollar during 2013 remained stable. However, the slight increase of the euro against the U.S. dollar between the start and end of financial year 2013 has in fact led to a slight devaluation of the hryvnia against the euro.

In the scope of its operations in Ukraine, some of Group's costs are U.S. dollar-indexed (seeds, chemicals, pesticides, etc.) and revenues are definitively indexed to the U.S. dollar (grain sales related to the worldwide commodities market, itself denominated in U.S. dollars). These costs and revenues are actually denominated in the hryvnia and the Group is thereby naturally hedged against a risk of change in exchange rate of the hryvnia against the U.S. dollar.

Moreover, to mitigate the risk of hryvnia devaluation, the Group has implemented the following hedging mechanisms:

- It is possible that grain prices in Ukraine will be readjusted, but only several days after the devaluation. Therefore the Group has sufficient storage capacity to postpone its sales until the local price adjusts to the international market,
- The Group has also anticipated this devaluation risk by making export sales from Ukraine denominated in U.S. dollars. Several forward export sales contracts (OTC sales agreement with forward delivery) concerning corn, rapeseed and wheat were also entered into during the last financial year,
- Finally, in terms of cash management, the Group retains the bare minimum of its treasury denominated in hryvnia to meet its immediate needs.

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.

Interest rate risk sensitivity analysis

At 31 December 2013, if interest rates at that date had been 10 basis points higher/lower with all other variables held constant, interest expense for the year would have been €776K (2012 — €43K) higher/lower.

Foreign currency exchange rate sensitivity analysis

The Group's foreign currency denominated monetary assets and liabilities as of 31 December 2013 consist of USD and EURO denominated loans and other debts. Other monetary assets and liabilities are not significant.

At 31 December 2013, if the UAH had weakened/increased by 10 per cent against the US dollar with all other variables held constant, pre-tax profit for the year would have been €5 265K lower/higher.

At 31 December 2013, if the UAH had weakened/increased by 10 per cent against the EURO with all other variables held constant, pre-tax profit for the year would have been €2 154 K lower/higher.

The currency risk is mitigated by the existence of USD linked proceeds from sales, which are sufficient for servicing the Group's foreign currency denominated liabilities (revenue in 2013 USD 57,9 million; if the UAH had weakened 10 per cent against the US dollar in 2013, the revenue would have been €5 791K K higher).

Argentina :

The Argentine peso against the euro has devalued by 39% during the financial year 2013. Moreover, from 1 January 2014 to 31 March 2014, the Argentine peso devaluated against major foreign currencies by approximately 30-35%.

According to the INDEC (the National Statistics Institute) the annual inflation during the last 3 years was about 10% (2013 - 10,62%; 2012 - 10,04%; 2011 - 9,78%), resulting in 33% in the last three years. Based on the new inflation index elaborated by the National Statistics Institute (INDEC) in 2014, consumer prices increased by 3,7% in January 2014 and by 3.4% in February 2014, the highest monthly rate recorded by the government since 2002. The overall increase reflects the continued impact of a weaker peso, as many businesses are marking up prices on import goods. INDEC did not publish figures for annual inflation. The new inflation index measures prices in the whole country, whereas the previous readings were based solely on Buenos Aires and the surrounding metropolitan area. The new index was developed in the hope of restoring confidence in official inflation data and in response to the timeline the International Monetary Fund (IMF) set in December 2013 that required Argentina to release new GDP and inflation figures by March 2014.

The Group also has implemented hedging solutions against the risk of devaluation of the Argentine peso:

- All sales are settled in USD, although ultimately paid in pesos
- Several forward export sales contracts (OTC sales agreement with forward delivery) concerning corn, soybean and wheat were entered into during the last financial year,
- The Group retains the bare minimum of its treasury denominated in Argentine peso to meet its immediate needs.

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 a subject to fluctuations in agricultural commodities prices on international markets. It is also a subject to conditions of Ukraine's local demand and export capacity, especially when export quotas 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 and Argentina (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.

3.4. Liquidity risks

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.

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, its supplier credit and customer credit, which includes delinquencies and commitments towards third parties. Credit risks are not concentrated in a particular counterpart. There is no line of credit secured in advance by 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 the Group makes:

- 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, possibly 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.
- In its Argentine subsidiary: AgroGeneration financed most of its investments in Argentina via capital increases. Possible changes in the political environment in Argentina 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 followings.

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, 2013, would have been different by 10% better/lower, then the fair value of the biological assets and gross margin would increase/decrease by around € 2 000 K.

The agricultural produce harvested by the Group is first fair valued at the harvest date when accounted for in inventory in the "Finished Products". 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 27 "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

Geopolitical events between Russia and Ukraine at the beginning of 2014 did not affect our agricultural operations. They nevertheless had an impact on the duration of our discussions with our banking partners in the financing of the next campaign.

The Group finalized its funding for the Ukrainian campaign in March 2014 firstly by renewing its partnership with its historical European partners (local subsidiaries of Crédit Agricole, Raiffeisen and BNP) and secondly by starting a collaboration with Ukrainian private bank, AlfaBank, which granted a short-term " revolver" credit line of $35m until 2019, releasable in several instalments.

Part of the funding granted to the Group for the 2014 crop year, initially expected in early March, was finally released Monday, March 31, 2014. In order not to jeopardize its production in 2014 and meet the best windows for his spring sowing campaign, AgroGeneration concentrated its cash resources on financing operations of its Ukrainian farms pending the release of further instalments of bank financing. Accordingly, the Group was obliged to pay accrued interests on listed bonds on April 11th with a few days delay versus the original payment date of April 1st, 2014.

Although the past 4 months of economic and political tension in Ukraine have been challenging, the Group continues to operate the company according to plans and received the financing expected so far, although with a slight delay.

Regarding Alfa Bank, getting the first tranche is a good indication of Alfa's willingness to disburse additional financing as provided by the loan agreement. Group is preparing documents for the next tranches due in May and June and, at the same time, is finalizing the sowing of its fields on schedule and signing forward contracts with traders to prepare the company for the harvesting period.

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 our 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.

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, 2013. 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, 2013. 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, 2013 are the same as for 2012 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, 2013 and that may have an effect on the Group's Financial Statements

- Amendment to IAS 1 (Presentation of other comprehensive income),
- Revised IAS 19 (Employee benefits),
- IFRS 13 (Fair Value Measurement),
- Amendment to IFRS 7 (Disclosures – Offsetting 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, 2013.

(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, 2013):

- IFRS 10 (Consolidated Financial Statements)
- IFRS 11 (Joint Arrangements)
- IFRS 12 (Disclosure of Interests in Other Entities)
- Revised IAS 27(Separate financial statements),
- Revised IAS 28 (Investments in associates and joint ventures),
- Amendment to IAS 32 (Financial instruments: presentation –Offsetting financial assets and financial liabilities),
- Transition guidance amendments for the IFRS 10, 11 and 12 standards,
- Amendments to IAS 36 (Recoverable amount disclosures for non-financial assets).

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

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

- IFRS 9 (Financial Instruments),
- Amendment to IAS 39 and IFRS 9 (Novation of derivatives and continuation of hedge accounting),
- IFRIC 21 (Levies charge by a public authority),
- Amendments to IAS 19 (Defined benefit plans: Employee contributions).

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, 2013.

(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), the functional currency of Ukrainian subsidiaries is the hryvnia (UAH), and the functional currency of the Argentine subsidiary is the Argentine peso (ARS).

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 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, 2013) 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 and Argentina are the following:

	As of December 31, 2013		As of December 31, 2012	
Monetary unit per € 1	**Average**	**Closing**	**Average**	**Closing**
Ukrainian hryvnia (UAH)	10,6157	11,0415	10,2718	10,5372
Argentinian Peso (ARS)	7,2987	8,9825	5,8436	6,4918
American Dollar (USD)	1,3281	1,3814	1,2854	1,3183

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 8,5 years as of December 31, 2013

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

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

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 discount rate is estimated by reference to current market-determined pre-tax rates

As of 31 December 2013, 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.

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

(c) Agricultural produce (inventory of finished goods)

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

Cf. note 6.8 (c) – Agriculture.

(c) Work in progress

Cf. note 6.8 (d) – 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 December 31, 2013 are 33,33% in France, 19% in Ukraine and 35% in Argentina. Furthermore, agricultural producers in Ukraine are exempted from the ordinary corporate income tax system if, year over year, they meet the requirements to be recognised as agricultural producers (see (b) Agricultural tax schemes for agricultural concerns in Ukraine). The deferred taxes are calculated accordingly.

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 come from the sale of agricultural products.

The impact on corporate income tax and accounting for VAT are:

- 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".
- VAT, the Group presents:

- 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 included as part of other current assets or liabilities in the statement of financial position.
- The Group's entities involved in the production and sale of agricultural products that met certain quantitative thresholds are subject to the privileged VAT regime, whereby such entities 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, was 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 29 legal entities that the Group controls in Ukraine in 2013, 17 are involved in agricultural production (DON, ZACH, BAR, VYB, UNA, MAR, POD, BUR, LAN, AFT, AJU, AGZ, VKD, VKL, VZB, and VLY; cf. note 31) and are eligible for the special tax arrangements for agricultural companies in Ukraine in 2013.

From March 1, 2013 AGZ has adopted the agricultural tax scheme for VAT.

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 10) and the relative debt (cf. note 17) 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

7.1. Group's operational structure

- Ukraine

In 2013, Harmelia Group historical perimeter consisted of 15 Ukrainian agricultural conso units (16 agricultural legal entities) operating c. 70,000 hectares before the merger with AgroGeneration.

Ex-AgroGeneration historical perimeter was composed of 10 Ukrainian agricultural entities (13 agricultural legal entities) operating around 50,000 hectares before the merger with Harmelia Group.

At the beginning of 2014, the new combined group AgroGeneration is composed of 28 agricultural legal entities, as two entities were merged at the end of 2013 (Markas and AF Ukraina Nova).

The new group controls c. 120,000, hectares of farmland in Ukraine.

- Argentina

In the second half of 2010, AgroGeneration created a subsidiary in Argentina, AgerAustral, wholly owned, jointly operating 18 000 hectares as of December 31, 2013, in the scope of the partnership signed with La Suerte Agro.

The organizational chart presented in note 31 reflects the legal structure of the Group with the percentages of control of the various entities as of December 31st, 2013.

- Holdings

Holdings are represented by Cyprus and French companies.
The respective contributions of the various operating segments are presented below:

			Holdings			
Segment reporting 2013 - in thousands of euros	**Ukraine**	**Argentina**	**Holdings Cyprus**	**Holding France**	**Eliminations**	**31 December 2013***
Revenue	53 676	1 428		5 677	(5 652)	**55 129**
Change in fair value of biological assets	698	531	-	-	-	**1 229**
Cost of sales	(54 429)	(846)	-	(5 502)	5 502	**(55 275)**
Gross profit / (loss)	**(55)**	**1 113**	**-**	**175**	**(150)**	**1 083**
Sales, general and administrative expenses	(9 103)	(358)	(6 268)	(734)	150	**(16 313)**
Other income and expenses	(858)	(2 500)	-	18	-	**(3 340)**
Profit before interest and tax	**(10 016)**	**(1 745)**	**(6 268)**	**(541)**	**0**	**(18 570)**
Financial net income	(4 041)	(18)	(169)	740	-	**(3 488)**
Income tax	(6)	(272)	(222)	-	-	**(500)**
Profit / (loss) for the period	**(14 063)**	**(2 035)**	**(6 659)**	**199**	**0**	**(22 558)**
Assets	**104 128**	**4 131**	**55 491**	**82 373**	**(100 572)**	**145 551**
Liabilities (other than shareholders' equity)	**119 752**	**3 539**	**10 797**	**60 980**	**(100 572)**	**94 496**

* includes figures relating to discontinued operations in Argentina (cf. note 25).

Segment reporting 2012 - in thousands of euros	Ukraine**	Holdings	Eliminations	31 December 2012**
Revenue	36 367	-	-	**36 367**
Change in fair value of biological assets	1 137	-	-	**1 137**
Cost of sales	(30 216)	-	-	**(30 216)**
Gross profit / (loss)	**7 288**	**-**	**-**	**7 288**
Sales, general and administrative expenses	(6 387)	(2 833)	-	**(9 220)**
Other income and expenses	1 333	6 287	-	**7 620**
Profit before interest and tax	**2 234**	**3 454**		**5 688**
Financial net income	(3 631)	3 177		**(454)**
Income tax	(47)	(333)	-	**(380)**
Profit / (loss) for the period	**(1 444)**	**6 298**	**-**	**4 854**
Assets	**61 262**	**53 231**	**(50 860)**	**63 633**
Liabilities (other than shareholders' equity)	**57 120**	**2 066**	**(50 860)**	**8 326**

** includes figures of discontinued operations in Ukraine (cf. note 25).

8. Intangible fixed assets and land leases

(in thousands of Euros)	Gross value				Depreciation				Net value			
	Goodwill	Leasehold rights	Others	Total	Goodwill	Leasehold rights	Others	Total	Goodwill	Leasehold rights	Others	Total
January 01, 2012	**-**	**796**	**112**	**908**		**(38)**	**(13)**	**(51)**	**-**	**758**	**100**	**858**
Change in scope	694	3 504	-	**4 198**	-	-	-	**-**	694	3 504	-	**4 198**
Purchases of assets	-	-	44	**44**					-	-	44	**44**
Depreciation					-	(390)	(45)	**(435)**	-	(390)	(45)	**(435)**
Exchange rate differences	5	11	(4)	**12**	-	1	11	**12**	5	12	7	**24**
Disposals of assets	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Other transactions	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
December 31, 2012	**699**	**4 311**	**152**	**5 162**	**-**	**(427)**	**(47)**	**(474)**	**699**	**3 884**	**106**	**4 689**
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	51	**70**	(31)	(402)	20	**(413)**
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)**	**(258)**	**(1 616)**	**34 350**	**13 714**	**559**	**48 623**

(1) In 2012, the goodwill represents Harmelia sub group and is composed of :

- goodwill arising from BAR acquisition in amount of € 609 K
- goodwill arising from VYB acquisition in amount of € 90 K

In 2013, the change in perimeter of the goodwill of € 33 682 K corresponds to the consolidation of the ex-AgroGeneration Group on October 1, 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 seven financial years relies on the 2014 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 12%, 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 2013 the net carrying amount of land lease rights represents €13 714K which mostly arose from Purchase Price Allocation of fair value of AgroGeneration to the land lease agreements (Note 2.1). Total land bank of AgroGeneration which was revalued at the date of merger consists of c. 50 000 ha.

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

9. Property, plant and equipment

(in thousands of Euros)	Buildings	Agricultural machinery and others	Agricultural machinery and others through under finance leases	Assets under construction and payments in advance	Total
As of January 01, 2012					
Gross Value	4 028	12 088	5 646	160	**21 922**
Accumulated depreciation	(632)	(3 781)	(272)	-	**(4 685)**
Net closing value	**3 396**	**8 307**	**5 374**	**160**	**17 237**
Period closing as of December 31, 2012					
Opening balance	**3 396**	**8 307**	**5 374**	**160**	**17 237**
Purchases (gross value)	137	2 798	1 034	196	**4 165**
Disposals (gross value)	(7)	(565)	-	(8)	**(580)**
Change in scope (gross value)	42	1 984	-	2 065	**4 091**
Other movements on gross value	-	(60)	-	162	**102**
Exchange rate differences on gross value	(95)	(312)	(154)	8	**(553)**
Depreciation	(388)	(2 258)	(636)	-	**(3 282)**
Reversal of depreciation on disposal	3	193	-	-	**196**
Change of perimeter (depreciation)	(1)	(30)	-	-	**(31)**
Other movements on depreciation	(2)	169	-	-	**167**
Exchange rate differences on depreciation	24	134	22	-	**180**
Net closing value	**3 109**	**10 360**	**5 640**	**2 583**	**21 692**
As of December 31, 2012					
Gross Value	4 105	15 933	6 526	2 583	**29 147**
Accumulated depreciation	(996)	(5 573)	(886)	-	**(7 455)**
Net closing value	**3 109**	**10 360**	**5 640**	**2 583**	**21 692**
Period closing as of December 31, 2013					
Opening balance	**3 109**	**10 360**	**5 640**	**2 583**	**21 692**
Purchases (gross value)	1 040	2 150	504	114	**3 808**
Disposals (gross value)	(70)	(510)	-	(43)	**(623)**
Change in scope (gross value)	10 478	11 976	5 579	520	**28 553**
Other movements on gross value	2 255	195	-	(2 252)	**198**
Exchange rate differences on gross value	(522)	(1 037)	(429)	(44)	**(2 032)**
Depreciation	(877)	(3 293)	(1 060)	-	**(5 230)**
Reversal of depreciation on disposal	8	197	-	-	**205**
Change of perimeter (depreciation)	(287)	(1 717)	-	-	**(2 004)**
Other movements on depreciation	(3)	(190)	-	-	**(193)**
Exchange rate differences on depreciation	85	414	81	-	**580**
Transfer to assets held for sale	-	(1)	-	-	**(1)**
Net closing value	**15 216**	**18 544**	**10 315**	**878**	**44 953**
As of December 31, 2013					
Gross Value	17 286	28 706	12 180	878	59 050
Accumulated depreciation	(2 070)	(10 162)	(1 865)	-	(14 097)
Net closing value	**15 216**	**18 544**	**10 315**	**878**	**44 953**

The total net carrying amount of tangible assets pledged as of December 31, 2013 amounts to €13 801 K (€ 3 307 K pledge on buildings, and€ 10 494 K pledge on agricultural machinery and other tangible fixed assets).

10. Finance leases

(in thousands of Euros)	December 31, 2013		December 31, 2012	
	Minimum payments	Discounted value of minimum payments	Minimum payments	Discounted value of minimum payments
Less than one year	2 777	2 198	2 173	1 766
Between one and five years	2 966	2 343	3 157	2 482
After five years	-	-	-	-
Total minimum leases	**5 743**	**4 541**	**5 330**	**4 248**
Financial cost	(1 202)	-	(1 082)	-
Present value of minimum payments	**4 541**	**4 541**	**4 248**	**4 248**

11. Financial assets

(in thousands of Euros)	Non-consolidated subsidiaries	Long-term loans	Security deposit	Other financial assets	Total
January 01, 2012	-	-	-	-	-
Change in scope	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-
Purchases of assets	-	-	-	-	-
Disposals of assets	-	-	-	-	-
Other transactions	-	-	-	-	-
Exchange rate difference	-	-	-	-	-
Depreciation	-	-	-	-	-
December 31, 2012	-	-	-	-	-
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**

In 2013, the change in scope of the Financial assets of € 348 K corresponds to the Merger with AgroGeneration sub-group on October 1, 2013.

(1) In March 2013 AgroDomPlus acquired 8,96% share of Agro-Farme.

(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, 2013. Over the financial year 2013, and in the application of the liquidity contract, 583 000 securities were purchased at the average price of € 1,49 and 324 000 securities were sold at the average price of € 1,52.

As of December 31, 2013, the situation of the contract was as follows:

- 421 041 shares valued at €522k (1,24€/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 € 153k which was shown in "Other financial assets" in the above statement.

12. Corporate income tax

12.1. Reconciliation of tax revenue (expense)

(in thousands of euros)	**31 December 2013**	**31 December 2012**
Accounting profit before tax from continuing operations	(20 295)	4 458
Profit / (loss) before tax from discontinued operations	(1 763)	778
Accounting profit before tax	**(22 058)**	**5 236**
Income tax at AgroGeneration's statutory rate 33%	7 352	(524)
Profit and losses out of taxation (agricultural tax regime in Ukraine)	(4 318)	(143)
Unrecognized tax expenses and/or benefit	(541)	425
Untaxable / undeductible statements	(3 395)	(115)
Effect of different tax rates	402	(23)
Gain / (loss) out of effective taxation	**(500)**	**(380)**
Income tax expense reported in the consolidated income statement	(228)	(346)
Income tax attributable to discontinued operation	(272)	(34)

12.2. Deferred tax assets and liabilities

The companies of the Group which are subject to income tax (Note 3.16) 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 €21 537k as of December 31, 2013 and €16 626k as of December 31, 2012 (deferred tax asset €7 179k and €5 542k respectively). The deferred tax asset was not recognised at the end of financial year 2013 since it is unlikely to be recovered in the nearest future.

13. Inventories

(in thousands of Euros)

Gross Value	**December 31, 2013**	**December 31, 2012**
Raw materials and other supplies	4 012	2 425
Works in progress	10 751	6 867
Finished goods	8 200	6 071
Change in fair value of finished goods	(830)	1 027
Total	**22 133**	**16 390**

Depreciation	**December 31, 2013**	**December 31, 2012**
Raw materials and other supplies	(174)	(67)
Works in progress	-	-
Finished goods	(524)	(0)
Total	**(698)**	**(67)**
Net value	**21 435**	**16 323**
Raw materials and other supplies	3 838	2 358
Works in progress	10 751	6 867
Finished goods	6 846	7 098

(1) The inventory of Finished goods as of December 31, 2013, representing €8 200k, is made up of 52 490 tons (40 010 tons as of December 31, 2012) of grains from the 2013 harvest, the majority of which being corn in Ukraine.

€ 2 480k of finished goods as of December 31, 2013 have been pledged for the trade financing credit facility (cf. notes 17.1 and 17.2).

The inventory of Raw materials and other supplies are inputs to be used in the 2014 harvest and spare parts.

14. Biological assets

(in thousands of Euros)	
Book value as of January 01, 2012	**5 442**
Current Biological Assets	5 442
Non-current Biological Assets	-
Acquisition of subsidiaries	1 020
Reclassification of work in progress to biological assets	3 913
Costs incurred over the period	28 748
Biological assets decrease due to harvest	(29 746)
Gain/loss due to change in fair value	1137
Impairment of biological assets	-
Exchange rate differences	(215)
Other movements	-
Book value as of December 31, 2012	**10 299**
Current Biological Assets	9 194
Non-current Biological Assets	1 105
Acquisition of subsidiaries	7 046
Reclassification of work in progress to biological assets	6 816
Costs incurred over the period	41 262
Biological assets decrease due to harvest	(53 006)
Gain/loss due to change in fair value	1 230
Impairment of biological assets	37
Transfer toward assets held for sale	(2135)
Exchange rate differences	(845)
Other movements	0
Book value as of December 31, 2013	**10 703**
Current Biological Assets	10 398
Non-current Biological Assets	305

The Group's biological assets are cereals and oilseeds that are planted as of December 31, 2013 for harvest in the second half of 2014 in Ukraine and the first half of 2014 in Argentina.

(in hectares)	December 31, 2013			December 31, 2012	
	Ukraine	Argentina	Total	Ukraine	Total
Winter Rapeseed	6 486		6 486		
Winter Wheat	27 147	-	27 147	25 511	25 511
Winter Barley	3 165	-	3 165	96	96
Rye	-	-	-	187	187
Corn	-	1 996	1 996	-	-
Soybean	-	5 871	5 871	-	-
Sunflower	-	345	345	-	-
Total	**36 798**	**8 212**	**45 010**	**25 794**	**25 794**

The fair value of the biological assets is determined on the basis of the planted area, the expected yields (average yield used is 4,48 t/ha), as well as prices (average price used is € 150,3 per t), at the balance sheet date that are defined in note 3.8 (b).

15. Trade and other receivables

(in thousands of Euros)	December 31, 2013	December 31, 2012
Trade receivables	1 518	456
Prepayments to suppliers	1 184	3 134
Other receivables	473	(88)
Social and tax receivables (excl. VAT receivables)	399	97
VAT receivables	2 490	1 683
Prepaid expenses	384	103
Unissued called-up share capital	-	-
Trade and other receivables	**6 448**	**5 385**

(in thousands of Euros)	December 31, 2013	December 31, 2012
Currency:		
Denominated in EUR	546	41
Denominated in USD	435	-
Denominated in UAH	5 467	5 344
Trade and other receivables	**6 448**	**5 385**

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 2013 harvest.

(2) The VAT receivable of €2 490k includes:

€2 070k relating to the Ukrainian entities enjoying special agricultural regime (note 3.16). 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 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.

€228k 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.

€192k relating input VAT of AgroGeneration SA.

16. Assets and liabilities of disposal group classified as held for sale

(in thousands of Euros)	31 December 2013
Intangible assets and lease rights	24
Tangible assets	1
Financial assets	27
Inventories	1 166
Biological assets	2 135
Trade and other receivables	697
Cash and cash equivalents	42
Total assets of disposal group classified as held for sale	**4 092**
Provisions	2 500
Deferred tax liabilities	214
Trade and other payables	825
Bank overdraft	-
Total liabilities of disposal group classified as held for sale	**3 539**

In October 2013, the Board Director's decided to dispose AgerAustral, an Argentinean Company. As of December 2013, AgerAustral assets were classified as held for sale. The above details presents the assets and liabilities held for sale.

17. Net Debt

17.1. Cash and cash equivalents

(in thousands of euros)	December 31, 2013	December 31, 2012
Cash	8 902	5 246
Restricted cash	-	-
Investment securities	-	-
Cash and cash equivalents	**8 902**	**5 246**
Bank overdraft	(1 677)	-
Net cash & cash equivalent	**7 225**	**5 246**

The Cash and cash equivalents and the Bank overdraft are denominated in the following currencies as of December 31st, 2013:

(in thousands of euros)	Cash and equivalents	Bank overdraft
Currency :		
Denominated in EUR	2 347	(1 677)
Denominated in USD	1 854	
Denominated in UAH	4 701	
December 31, 2013	**8 902**	**(1 677)**

17.2. Borrowings

(in thousands of euros)	December 31, 2013	December 31, 2012	
Listed bonds	19 647	-	(1)
Konkur bonds	28 957	-	(2)
Lease payments	2 343	2 482	(4)
Non-current borrowings	**50 947**	**2 482**	
Bank borrowings	24 458	-	(3)
Listed bonds	411	-	(1)
Konkur bonds	514	-	(2)
Lease payments	2 198	1 766	(4)
Other financial debt	252	-	(5)
Current borrowings	**27 833**	**1 766**	
Total borrowings	**78 780**	**4 248**	

(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. The current part of €411k corresponds to accrued interests as of December 31, 2013.

(2) Konkur bonds are related to the merger (cf. note 2.1). The current part of € 514k represents accrued interests.

(3) Bank borrowings include short-term borrowing from UkrSibbank (€ 7,5 m), Credit Agricole UA (€ 7,2 m), Raiffaisen Bank (€ 4,3 m) and EBRD (€ 5,2 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 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 loan granted by the EBRD is subject to covenants. As of December 31, 2013, the Group is not compliant with some of these covenants and the related loan amount (net carrying amount €4 999k as of December 31, 2013) is consequently classified as Current borrowings. The Group expects to get the waiver any time soon.

(4) Current and non-current lease payments are disclosed in note 10.

(5) Other borrowing mostly relate to (€ 208k) payable to Vivescia.

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

(in thousands of euros)	2 014	2 015	2 016	2017 and after	Total
Bonds	925	-	-	48 604	49 529
Bank borrowings	24 458	-	-	-	24 458
Other financial debt	2 450	1 413	652	278	4 793
Total borrowings	**27 833**	**1 413**	**652**	**48 882**	**78 780**

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

(in thousands of euros)	December 31, 2013 Variable	December 31, 2013 Fixed	December 31, 2012 Variable	December 31, 2012 Fixed
Convertible bonds	-	-	-	-
Bonds	-	48 603	-	-
Bank borrowings	-		-	-
Other financial debt	992	1 351	-	2 482
Non-current borrowings	**992**	**49 955**	**-**	**2 482**
Bank borrowings	4 999	19 234	-	-
Bonds		925	-	-
Other financial debt	959	1 716	-	1 766
Current borrowings	**5 958**	**21 875**	**-**	**1 766**

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

(in thousands of euros)	December 31, 2013	December 31, 2012
Currency:		
EUR	21 923	2 370
USD	52 541	1 878
UAH	4 316	
Total borrowings	**78 780**	**4 248**

The average interest rates of the Group by currency are:

	December 31, 2013	December 31, 2012
Currency:		
EUR	8,2%	10,0%
USD	8,2%	6,7%
UAH	19,2%	

18. Share Capital

	Share capital in euros	Number of shares	Share premium in euros
January 01, 2012	**3 606**	**3 606**	**84 997 394**
Additional shares issued	50	50	5 000 000
December 31, 2012	**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**

Change in scope

As of 31 December 2012the 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 1.1), the consolidated financial statements reflect the capiral structure (i.e., share capital, share premium, treasury shares) of the legal acquirer, AgroGeneration SA, including shares issued in connection with the reverse acquisition. Starting from 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, 2013

As of December 31, 2013, 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		5 327	106 540
Stock-options		1 367 833	1 367 833
EBRD warrants		850 000	850 000
Konkur warrants		57 264 394	2 496 268
Total number of potential additional shares			**4 820 641**

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.

19. Provisions

(in thousands of euros)	Provisions for litigation	Provisions for liabilities and expenses	Provisions for restructuring	Total
January 01, 2012	-	-	-	-
Additional	-	-	-	-
Reversal (used)	-	-	-	-
Reversal (unused)	-	-	-	-
Change in perimeter	-	-	-	-
Other variations	-	-	-	-
Exchange rate differences	-	-	-	-
December 31, 2012	-	-	-	-
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**

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. The Group is not exposed to any other significant operational litigation as of December 31, 2013.

The Provisions for liabilities and charges related to Pension obligations (€ 4k) and are classified as non-current provisions.

20. Pension obligations

The total entitlements that are vested by employees in the calculation of severance pay at retirement are determined considering a percentage of probability of presence in the company at the age of retirement.

The total commitment under the allowances at retirement valued as of December 31, 2013 amounted to € 9k.

The key assumptions in calculating pension liabilities are as follows:

- Discount rate (net of inflation): 3,17%
- Mortality rate: INSEE 2009

21. Trade and other payables

(in thousands of euros)	Trade payables	Advance payments received	Social & tax payables	Other payables	Total
January 01, 2012	**524**	**782**	**128**	**975**	**2 409**
Current	1 947	13	483	976	**3 420**
Non current	-	-	-	-	**-**
December 31, 2012	**1 947**	**13**	**483**	**976**	**3 420**
Current	3 189	1 294	1 727	2 809	**9 019**
Non current	-	-	-	-	**-**
December 31, 2013	**3 189**	**1 294**	**1 727**	**2 809**	**9 019**

Other payables include 961k€ of VAT paid to special restricted account which 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 3.16).

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

(in thousands of euros)	December 31, 2013	December 31, 2012
Currency :		
EUR	2 331	1 134
UAH	6 688	2 286
Trade and other payables	**9 019**	**3 420**

22. Revenues from operating activities

(in thousands of euros)	2013	2012
Sales of agricultural produce	49 129	31 664
Services and others	4 573	1 134
Total revenue from operating activities	**53 702**	**32 798**

(1) In 2012, the Total revenue comes from Harmelia sub-group.

In 2013, AgroGeneration sold 342 059 tons of cereals and oilseeds. The Group decided to store 52 490 tons of finished goods (cf. note 13) so as to sell them in the first half of 2014.

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)	2013	2012
Ukraine	48 175	**32 798**
France	5 527	-
Total revenue excluding discontinued operations	**53 702**	**32 798**
Ukraine - discontinued operations		3567
Argentina - discontinued operations	1 428	-
Total revenue	**55 130**	**36 367**

In Ukraine segment there is one client to which the Group sold the goods for €5 622K in 2013 which represent 10,5% of the total revenue from continued operations. The revenue from other clients is individually less than 10%, therefore there is no significant reliance on major customers.

23. Functional costs / costs by nature

(in thousands of euros)	2013	2012
Cost of sales	(54 430)	(27 920)
Administrative & Selling expenses	(15 955)	(8 390)
Other expenses	(877)	(1 010)
Cots by function	**(71 262)**	**(37 320)**
Raw materials, purchases services and leasing	(35 105)	(31 064)

Personnel costs	(9 375)	(7 286)
Depreciation	(6 269)	(3 717)
Provisions in inventories	(886)	171
Change in cost of inventory	(5 480)	(2 549)
Change in cost of biological assets	(8 120)	6 818
Other	(6 027)	307
Costs by nature	**(71 262)**	**(37 320)**

(1) On average in financial year 2013 the Group had 1171 (1003 for Harmelia Group and 588 for ex-AgroGeneration scope) employees (1106 as of December 31, 2012).

(2) The change in Administrative & Selling expences between 2012 and 2013 (+€ 7,5m) is mainly driven by:

- Integration of exAGG perimiter for 3 months 2013: € 2,6m;
- Merger costs on Harmelia perimeter: €2,2m.

24. Net financial income / (expenses)

(in thousands of euros)	2013	2012
Interests income	-	-
Exchange rate gains	2 701	1 623
Gains from financial instruments	-	-
Other financial income	61	193
Financial income	**2 762**	**1 816**
Interests expenses	(2 807)	(680)
Exchange rate losses	(3 279)	(1 614)
Losses from financial instruments	-	-
Other financial expenses	(146)	35
Financial expenses	**(6 232)**	**(2 259)**
Financial net income / (loss)	**(3 470)**	**(443)**

25. Discontinued operations

In November 2013, the Board of Director's decided to discontinue AgerAustral activity in Argentina. As of 31 December 2013, the total income statement result of AgerAustral is presented only in one line "Profit / (Loss) from discontinued operations". The results from discontinued operations between October and December 2013 (3 months), are presented in the below detail.

In December 2011, the Board of Directors' of Harmelia Group decided to dispose 100% participation interests in companies Farmco LLC and Selesthchinsky Elevator LLC. The disposal was completed on 16 March 2012. As at 31 December 2011, these companies were classified as a disposal group held for sale and as a discontinued operation. The results of Company Farmco LLC and Selesthchinsky Elevator LLC for the period from 1 January 2012 till 16 March 2012 are presented below.

AgroGeneration took the decision to dispose of AgerAustral (note 2.3). The potential selling price of AgerAustral is €2,5 million lower than its net assets due to risks related to exchange rates (note 4.2) and capital repatriation risks (note 4.6) attributed to Argentina.

(in thousands of Euros)	**AgerAustral**	**Farmko & Selesthchinsky Elevator**
	2013 (3 months)	2012 (3 months)
Revenue	**1 428**	**3 569**
Other operating income	-	
Total revenues	**1 428**	**3 569**
Change in fair value of biological assets and finished goods	531	-
Cost of sales	(846)	(2 295)
Gross profit / (loss)	**1 113**	**1 274**
Sales, general and administrative expenses	(358)	(829)
Other income and expenses	(2 500)	344
Financial net income	(18)	(11)
Profit / (loss) before income tax	**(1 763)**	**778**
Income tax from discontinued operations	(272)	(34)
Profit / (loss) from discontinued operations	**(2 035)**	**744**

26. 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.

Related to the reverse acquisition of AgroGeneration by Harmelia, in accordance with IFRS 3 review "Business Combinations", the calculation of weighted average number of shares issued used, was established before and after merger.

For the previous period (2012) (before 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)	December 31, 2013	December 31, 2012
Net consolidated income / (loss) - group from continued activity (K€)	(20 523)	4 111
Net consolidated income / (loss) - group from discontinued activity (K€)	(2 035)	744
Net consolidated income / (loss) - group share (K€)	**(22 558)**	**4 855**
Dilution impact (K€)	-	-
Net consolidated income / (loss) after dilution impact	**(22 558)**	**4 856**
Weighted average number of ordinary shares	64 889 666	57 264 394
Potential dilution	-	-
Weighted average number of shares after dilution impact	64 889 666	**57 264 394**
Net income / (loss) per share (Euros) - group share	**(0,35)**	**0,08**
Net income / (loss) per share (Euros) after dilution - group share	**(0,35)**	**0,08**
Net income / (loss) per share (Euro) - from continued operations	(0,32)	0,07
Net income / (loss) per share (Euro) after dilution - from continued operations	(0,32)	0,07
Net income / (loss) per share (Euros) - from discontinued operations	(0,03)	0,01
Net income / (loss) per share (Euros) after dilution - from discontinued operations	(0,03)	0,01

Over the 2012 and 2013 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.

27. Share-based compensation

27.1. 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, 2013.

(b) Summary of the BSPCE warrant subscription plan

	2013
Number of share-warrants that can be issued at the beginning of the period	-
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**

(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%

27.2. 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, 2013 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, 2013 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, 2013 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, 2013 is 512 500.

(e) Summary of the stock-options subscription plan

	2013
Number of stock options at the beginning of the period	-
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)
Number of stock options converted during the period	-
Number of stock options at the end of the period	**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.

28. Commitments

The Group’s off-balance-sheet commitments broken down by category present as follows:

(in thousands of euros)	December 31, 2013	December 31, 2012
Less than 12 months	7 431	4 356
Between 1 and 5 years	23 148	11 760
Over 5 years	22 832	6 890
Total	**53 411**	**23 006**

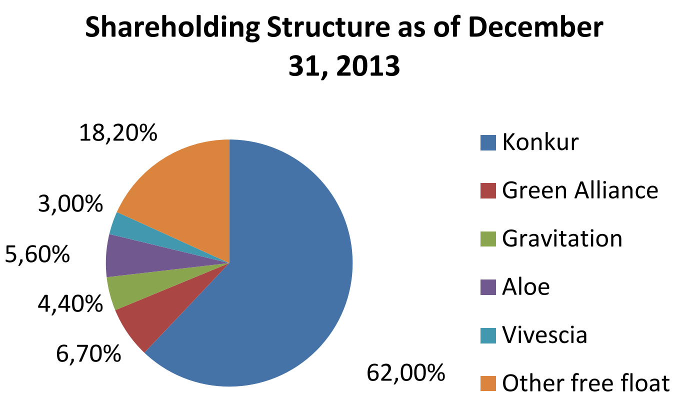
The Group's commitments correspond mainly to rents on leased farmland (111 951 ha for an average residual term of 7,87 years).

29. Related parties

29.1. Ownership and governance

(a) Ownership

As of December 31, 2013, the shareholding is divided as follows:



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

GreenAlliance: holding company of Charles Beigbeder and Alain Mallart

Gravitation: holding company of Charles Beigbeder

Aloe Private Equity: 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.

(a) Governance

On October 11th, 2013, the company changed its corporate governance from Executive Board and Supervisory Board to Board of Directors with a CEO (John Shmorhun) and a deputy CEO/CFO (Charles Vilgrain). 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.

Board of Directors

- Chairman: Michael Bleyzer
- Deputy Chairman: Pierre Danon

Other members:

- Lev Bleyzer (SigmaBleyzer) * / **
- Valeriy Ivanovich Dema (SigmaBleyzer) **
- Neal Warren Sigda (SigmaBleyzer) *
- Charles Beigbeder (GreenAlliance/Gravitation)
- Constantin Pellissier (Gravitation) * / **
- Alain Mallart (GreenAlliance)
- Jean-Pascal Tranié (Aloe Private Equity)
- Franck Coste (Vivescia)
- John Shmorhun (CEO AgroGeneration)

** 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 29.2 *Transactions with related parties*.

29.2. Transactions with related parties

Material transactions entered into over the period and remaining balances as at 31 December 2013 with parties that have significant influence over the Group are as follows:

kEURO		ASSETS	LIABILITIES	INCOME	EXPENSE
SigmaBleyzer group	*various entities under common control*				
	Management Fees				(180)
	Bonds issued to Konkur		(28 956)		
	Interest on bonds				(514)
	Consulting services				(374)
	Loans	290	(106)		
Register LLC	*under influence of Group*				
	Consulting services	28			(292)
Gravitation SAS	*shareholder*				
	Re-invoicing of rent			18	
Group Vivescia	*shareholder*				
	Interest on debt				(50)
	Other debt payable		(209)		
Safari Arms	*controlled by a member of the Board of Directors*				
	Consulting services				(1 594)
John Smorhun	*Key management*				
	Consulting services				(318)
Cordial Consulting	*controlled by a member of the Board of Directors*				
	Consulting services		(217)		(743)
TOTAL		**318**	**(29 488)**	**18**	**(4 065)**

30. Fees paid to the auditors

(in thousands of euros)	December 31, 2013	December 31, 2012
Audit		
EY	280	150
Finexsi Audit	35	-
Other services		
EY	60	100
Finexsi Audit	20	
	395	**250**

31. List of consolidated companies

All companies are fully consolidated.

	Name	Conso name	Registered office	Harmelia Group	AgroGeneration Group
				December 31, 2012	December 31, 2013
				% of interest	% of interest
1	AgroGeneration	AgroGeneration	Paris - France		Consolidating entity
2	Marrimore Holdings Ltd	Marrimore	Nicosie -Chypre		100%
3	Haberly Properties Ltd	Haberly	Nicosie -Chypre		100%
4	UCD Ukraine	UCD UA	Kiev - Ukraine		100%
5	Agroziom	AGZ	Kiev - Ukraine		100%
6	Agrofuel Ukraine	Agrofuel	Kiev - Ukraine		100%
7	Agro Fund Terestchenko	AFT	Kiev - Ukraine		100%
8	AFT-Agro	AFT	Kiev - Ukraine		100%
9	Agrodruzstvo Jevisovice Ukraine	AJU	Kiev - Ukraine		100%
10	Vinal Agro	VKD	Lviv - Ukraine		100%
11	Knyazhi Lany (VKL)	VZL	Lviv - Ukraine		100%
12	Zborivski Lany (VZB)	VZL	Lviv - Ukraine		100%
13	Lishchynske	VLY	Lviv - Ukraine		100%
14	TOV CF Leschin	VLY	Lviv - Ukraine		100%
15	Vidrodzhennya	VZH	Lviv - Ukraine		100%
16	Agro-Vilshanka	Agro Vylshyanka	Kiev - Ukraine		100%
17	AgerAustral	AgerAustral	Buenos Aires - Argentine		100%
18	Harmelia Investments Limited	Harmelia	Nicosie - Chypre	Consolidating entity	100%
19	Zeanovi Limited	Zeanovi	Nicosie - Chypre	100%	100%
20	Wellaxo Investments Limited	Wellaxo	Nicosie - Chypre	100%	100%
21	Azent Limited Company	Azent	Nicosie - Chypre	100%	100%
22	Zito Investments Limited	Zito	Nicosie -Chypre	100%	100%
23	LLC Agro NovaNyva	ANN	Kharkiv - Ukraine	100%	100%
24	APK Novy Stil LLC	NST	Kharkiv - Ukraine	100%	100%
25	APK Donets LLC	DON	Kharkiv - Ukraine	100%	100%
26	Oril LLC**	ORY	Kharkiv - Ukraine	100%	-
27	Burlukskoje PC	BUR	Kharkiv - Ukraine	100%	100%
28	Zachepilovskoje LLC	ZACH	Kharkiv - Ukraine	91%	100%
29	AF Barvenkovskaya LLC	BAR	Kharkiv - Ukraine	100%	100%
30	APK Ukraina Nova LLC	APK	Kharkiv - Ukraine	100%	100%
31	AF Podoljevskaja LLC	POD	Kharkiv - Ukraine	100%	100%
32	FG Podoljevskaja	POD	Kharkiv - Ukraine	100%	100%
33	AF Ukraina Nova LLC*	UNA	Kharkiv - Ukraine	100%	100%
34	Markas PC*	MAR	Kharkiv - Ukraine	100%	-
35	Lan LLC	LAN	Kharkiv - Ukraine	100%	100%
36	Vybor LLC	VYB	Kharkiv - Ukraine	100%	100%
37	Harmelia Trading LLC	HAR	Kharkiv - Ukraine	100%	100%
38	Agro Dom Plus	AgroDom	Kharkiv - Ukraine	100%	100%

* these entities were merged with other subsidiaries of the Group in 2013 and ceased to exist as separate legal entities.

** this company was liquidated and ceased to exist in 2013.