

QUARTERLY REPORT Q1 2014

QUARTER IN BRIEF

- Preparations for seeding campaign
- Sowing plan up to 47 000 ha 2014
- 100 000+ tons of corn sold
- 23 000 tons of sold sunflower
- 1 300 tons of soy sold
- Mild weather during preparations
- Heavy currency decline

FINANCIAL INDICATORS

	1q 2014	1q 2013
Revenue and gains	172 232	31 097
Gross profit	54 374	4 049
EBITDA	57 182	11 925
EBITDA margin	33 %	38 %
Net profit/loss	24 839	-7 224
Net margin	14 %	n.a
Total assets	320 962	379 580
Total equity	142 598	263 741
Total liabilities	178 364	115 839
Profit/loss per share	3,2	-0,9
Equity ratio	44 %	69 %



OPERATIONS

SEEDING CAMPAIGN PREPARATIONS

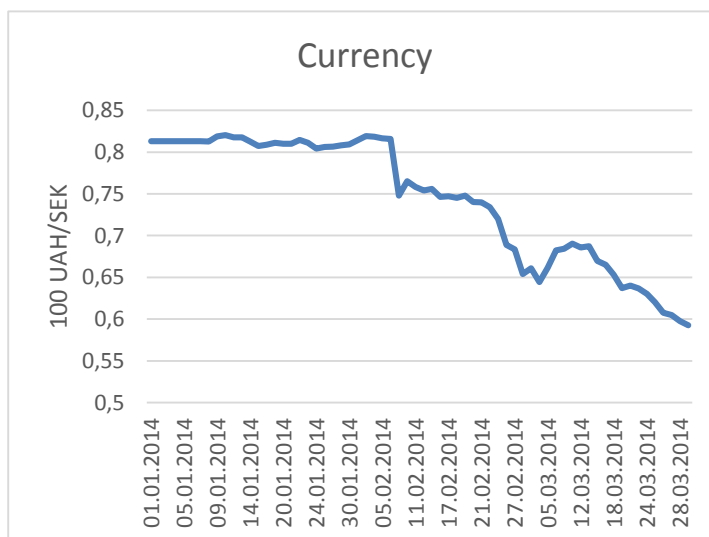
The weather during Q1 has been relatively mild and has therefore benefited the preparations, the moisture covering was in time in all regions. All sunflower and corn seeds were treated with micro-fertilizers and growth stimulant for development of root assemblage before seeded. The sowing plan of 2014 in total are 47 459 hectares, whereof 32 000 hectares are corn and sunflower. The sowing plan of 2014 is an increase of almost 18 % of the actual seeding of 2013.

CRIMEA AFFECTS

Due to the crisis in Crimea, Grain Alliance has been affected in different ways. Some examples are spare parts supply, fuel supply and effects on the currency exchange rate. In case of further deterioration of situation in Crimea, the company took some precautions and did not for example postpone buying all fuel. Overall the situation is controllable. The hryvnia decreased in value by almost 30 percent the first quarter, this had however a great impact on the translation difference.

STOCK

Since the prices of crops fell dramatically during fall 2013 as a result of very positive global harvest, Grain Alliance decided to store as much as possible and postponed the sale. During the first quarter of 2014 the company sold almost all its stock, meaning 100 827 tons of corn, 23 000 tons of sunflower and 1 348 tons of soy. As a result the revenue of the first quarter increased significantly compared to the first quarter of 2013.





CONSOLIDATED AND PARENT COMPANY'S STATEMENTS OF COMPREHENSIVE INCOME
In thousands of SEK

	The Group			The Parent Company		
	2014-03-31	2013-03-31	2013-12-31	2014-03-31	2013-03-31	2013-12-31
Revenue from sales	172 232	25 730	86 289	-	-	-
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	-427	5 367	-3 972	-	-	-
Cost of sales	-117 431	-27 048	-111 228	-	-	-
Gross profit	54 374	4 049	-28 911	-	-	-
Other operating income	14 059	2 113	6 016	-	-	-
Selling expenses	-4 997	-11 824	-34 686	-853	-3 139	-7 992
General and administrative expenses	-357	-844	-4 082	-	-	-
Other operating expenses	-697	-422	-7 090	-	-	-
Operating profit / (loss)	62 382	-6 928	-68 753	-853	-3 139	-7 992
Finance costs	-7 124	-1 552	-11 760	-1 861	-926	-4 080
Finance income	935	332	520	745	282	2 552
Foreign exchange gain/loss	-31 353	924	2 641	-	923	-132
Profit / (loss) before tax	24 840	-7 224	-77 352	-1 969	-2 860	-9 652
Income tax expense	-	-	-	-	-	-
Profit / (loss) for the year	24 840	-7 224	-77 352	-1 969	-2 860	-9 652
Whereof attributed to equity holders of the company	24 840	-7 224	-77 352			
Other comprehensive income:						
Foreign exchange differences	-75 399	1 029	559	-	-	-
Tax effect	-	-	-	-	-	-
Total comprehensive income for the year	-50 559	-6 195	-76 793	-1 969	-2 860	-9 652
Whereof attributed to equity holders of the company	-50 559	-6 195	-76 793			





CONSOLIDATED AND PARENT COMPANY'S STATEMENTS OF FINANCIAL POSITION

In thousands of SEK

	The Group			The Parent Company		
	2014-03-31	2013-03-31	2013-12-31	2014-03-31	2013-03-31	2013-12-31
Non-current assets						
Intangible assets	-	19 201	-	-	-	-
Property, plant and equipment	156 695	190 481	218 154	-	-	-
Shares in subsidiaries	-	-	-	256 714	256 616	256 714
Biological assets		3 469	2 682		-	-
	2 102			-		
Other non-current assets	1 436	792	1 970	-	-	-
	160 233	213 943	222 806	256 714	256 616	256 714
Current assets						
Inventories	84 322	91 249	187 791	-	-	-
Biological assets	7 086	15 679	7 886	-	-	-
Trade and other receivables	2 689	1 464	1 663	-	-	-
Receivable subsidiary	-	-	-	55 392	52 130	55 830
Other current assets	16 814	31 063	29 939	1 137	1 693	1 208
Cash and cash equivalents	49 803	26 182	2 673	1 744	5 349	1 818
	160 714	165 637	229 952	58 273	59 172	58 856
Total assets	320 947	379 580	452 758	314 987	315 788	315 570
Equity						
Issued capital	11 556	11 556	11 556	11 556	11 556	11 556
Other contributed capital	278 295	278 295	278 295	-	-	-
Retained earnings	-39 948	5 341	-64 787	229 140	237 901	231 109
Foreign currency translation reserve	-107 320	-31 451	-31 921	-	-	-
	142 583	263 741	193 143	240 696	249 457	242 665
Non-current liabilities						
Liability to non-controlling interests	2 287	3 668	3 250	-	-	-
Loans and borrowings	72 226	53 138	53 264	57 236	56 612	56 379
	74 513	56 806	56 514	57 236	56 612	56 379
Current liabilities						
Loans and borrowings bank	77 258	34 933	172 506	-	-	-
Loans and borrowings relative parties	16 438	-	16 231	16 438	9 362	15 723
Trade and other liabilities	9 414	23 147	13 466	617	323	771
Other current liabilities	741	953	898	-	34	32
	103 851	59 033	203 101	17 055	9 719	16 526
Total liabilities	178 364	115 839	259 615	74 291	66 331	72 905
Total equity and liabilities	320 947	379 580	452 758	314 987	315 788	315 570





CONSOLIDATED AND PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY
In thousands of SEK

The Group	Issued capital	Other contributed capital	Retained earnings	Foreign exchange differences	Total equity
Balance at 31 December 2012	11 556	278 295	12 565	-32 480	269 936
Profit for the year			-77 352		-77 352
Loss for the year					
Other comprehensive income				559	559
<i>Total comprehensive income</i>			-77 352	559	-76 793
<i>Transactions with owners</i>					
Balance at 31 December 2013	11 556	278 295	-64 787	-31 921	193 143
Profit for the year			24 839		24 839
Other comprehensive income				-75 399	-75 399
<i>Total comprehensive income</i>			24 839	-75 399	-50 560
<i>Transactions with owners</i>					
Balance at 30 March 2014	11 556	278 295	-39 948	-107 320	142 583

The Parent Company	Issued capital	Other contributed capital	Retained earnings	Total equity
Balance at 31 December 2012	11 556	278 295	-37 534	252 317
Loss for the year			-9 652	-9 652
<i>Total comprehensive income</i>			-9 652	-9 652
<i>Transactions with owners</i>				
Balance at 31 December 2013	11 556	278 295	-47 186	242 665
Loss for the year			-1 969	-1 969
<i>Total comprehensive income</i>			-1 969	-1 969
<i>Transactions with owners</i>				
Balance at 30 March 2014	11 556	278 295	-49 155	240 696





CONSOLIDATED AND PARENT COMPANY'S STATEMENTS OF CASH FLOW
In thousands of SEK

	The Group			The Parent Company		
	2014-03-31	2013-03-31	2013-12-31	2014-03-31	2013-03-31	2013-12-31
Operating activities	24 839	-7 224	-77 352	-1 969	-2 860	-9 652
Profit / (loss) before tax						
Non-cash adjustments:						
Depreciation and amortisation	4 235	7 876	43 225	-	-	-
Gain on sales of fixed assets	-	-	-525	-	-	-
Finance income	-	-51	-519	-976	-1 205	-3 156
Foreign exchange gain/loss	31 353	-924	-2 641	-	-	-
Finance costs	3 392	329	6 102	1 487	926	4 816
Non-controlling interests	-963	225	-194	-	-	-
Write down of property, plant and equipment	83	1 220	-	-	-	-
Working capital adjustments:						
Change in biological assets	1 379	-7 551	1 543	-	-	-
Change in trade receivables and other current assets	12 099	-14 126	-13 200	259	-39 447	-43 207
Change in agricultural produce and other inventories	72 916	-30 826	-127 377	-	-	-
Change in trade and other payables and other current liabilities	-4 209	12 348	2 612	531	1 492	8 066
	145 124	-38 704	-168 326	-668	-41 094	-43 133
Interest received	-	51	519	664	282	2 042
Income tax paid	-	-	-	-	-	-
Net cash flows from operating activities	145 124	-38 653	-167 807	-4	-40 812	-41 091
Investing activities						
Purchase of property, plant and equipment	-2 691	-18 857	-65 045	-	-	-
Prepayments for land lease rights	-	-	2 090	-	-	-
Proceeds from (payments for) other non-current assets, net	535	-3	454	-	-	-
Proceeds from sale of assets classified as held for sale	-	-	-	-	-	-
Purchase of financial assets	-	-	-	-	-	-98
Net cash flows used in investing activities	-2 156	-18 860	-62 501	0	0	-98
Financing activity						
Proceeds from loans and borrowings	19 677	38 692	248 403	-	-	-
Repayment of loans and borrowings	-111 879	-10 348	-64 769	-	-	-
Issue of capital	-	-	-	-	-	-
Interest paid	-3 407	-86	-6 102	-925	-926	-4 080
Net cash flows from financing activities	-95 609	28 258	177 532	-925	-926	-4 080
Net change in cash and cash equivalents	47 359	-29 255	-52 776	-929	-41 738	-45 269
Foreign exchange difference cash	-229	25	36	-	-	-
Cash and cash equivalents at 1 January	2 673	55 412	55 412	2 673	47 087	47 087
Cash and cash equivalents at end of period	49 803	26 182	2 672	1 744	5 349	1 818

