Ekotechnika GmbH
Walldorf

Independent auditor's report
Consolidated financial statements and
group management report
as of 30 September 2013

Ernst & Young GmbH
Auditing and Tax

TABLE OF CONTENTS

Commentary

We issued the following auditor’s report in compliance with legal and professional regulations and in accordance with conditions described in the “Conditions of contract, liability and conditions of use”.

If this document in electronic form will be published in the electronic Bundesanzeiger (Federal Register), only the reporting and if required the auditor’s report are determined for the purpose of it.

Independent auditors' report

Auditors' report

We have audited the consolidated financial statements prepared by the Ekotechnika GmbH, Walldorf, Germany, comprising the balance sheet, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the notes to the consolidated financial statements, together with the Group management report for the fiscal year from 1. October 2012 to 30 September 2013. The preparation of the consolidated financial statements and the Group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a Par. 1 of the German Commercial Code (HGB) are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and generally accepted standards for the audit of financial statements determined by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statement in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal audit system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis during the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any objections.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS guidelines as adopted by the EU, the additional requirements of German commercial law pursuant to 315a Par. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion, we draw the attention to the going-concern risks (section 4) in the management report and to the statements made there, that the going concern of the Ekotechnika Group depends largely on the group's ability to generate sufficient cash to settle liabilities. On the date the consolidated financial statements were prepared, the management expects that mainly short-term borrowings from Russian banks are regularly prolonged. In order to continue its operation, the Group essentially must succeed in fulfilling the underlying assumptions.

Eschborn/ Frankfurt am Main, 19 March 2014

Ernst & Young GmbH
Auditing and Tax

Kausch-Blecken von Schmeling Certified Public Auditor	Titov Certified Public Auditor

Ekotechnika GmbH, Walldort
Consolidated statement of comprehensive income for the year ended 30 September 2013

	Notes	2013	2012
		EUR'000	*EUR'000*
			Restated*
Revenues	**[9]**	209 317	168 074
Revenue from rendering of services		3 074	3 295
Cost of goods and services sold	**[11]**	(166 197)	(133 900)
Gross profit		**46 194**	**37 469**
Other operating income	**[10]**	4 273	4 505
Payroll expenses	**[12]**	(14 476)	(12 832)
Depreciation	**[17]**	(2 511)	(1 948)
Other operating expenses	**[13]**	(16 572)	(11 676)
Operating profit		**16 908**	**15 518**
Financial income	**[14]**	700	3 534
Financial expenses	**[14]**	(18 299)	(12 783)
(Loss)/profit berfore tax		**(691)**	**6 269**
Income tax expense	**[15]**	**(42)**	**(1 097)**
(Loss)/profit for the year		**(733)**	**5 172**
Attributable to:			
Parent company's shareholders		(733)	5 172
Non-controlling interests		-	-
Other conprehensive (loss)/profit for the year			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(5 004)	263
		(5 004)	263
Attributable to:			
Parent company's shareholders		(5 004)	263
Non-controlling interests		-	-
Comprehensive (loss)/profit for the year		(5 737)	5 435
Attributable to:			
Parent company's shareholders		(5 737)	5 435
Non-controlling interests		-	-

* Certain numbers shown here do not correspond to those in the 30 September 2012 financial statements and reflect adjustments as detailed in Note 6.

Ekotechnika GmbH, Walldort
Consolidated statement of financial position for the year ended 30 September 2013

ASSETS	Notes	30 September 2013 EUR'000	30 September 2012 EUR'000 Restated*	01 October 2011 EUR'000 Restated*
Non-current assets :				
Intangible assets	[16]	11 427	12 636	11 505
Property, plant and equipment	[17]	32 989	23 664	13 492
Long-term financial assets	[18]	1 135	116	7 029
Deferred tax asset	[15]	2 832	2 010	1 581
Total non-current assets		**48 383**	**38 426**	**33 607**
Current assets				
Inventories	[19]	65 775	78 136	33 981
Short-term financial assets	[18]	24 932	5 095	1 539
Trade receivables	[20]	47 423	28 275	15 137
Taxes receivable		134	158	232
Prepayments	[21]	3 765	4 850	6 552
Other short-term assets	[22]	7 538	10 651	5 009
Cash and cash equivalents	[23]	4 712	2 613	4 110
Total current assets		**154 279**	**129 778**	**66 560**
Total asstets		**202 662**	**168 204**	**100 167**
LIABILITIES AND EQUITY				
Equity attributable to shareholders of parent company				
Share capital	[24]	2 025	25	25
Contributions to implement the capital increase resolved		0	2 000	0
Foreign currency translation reserve		(4 907)	97	(166)
Retained Earnings		4 094	(1 078)	0
Current year profit		(733)	5 172	(1 078)
Total equity		**479**	**6 216**	**(1 219)**
Non-current Liabilities				
Long-term borrowings	[25]	57 911	60 676	39 290
Other long-term liabilities		652	634	400
Deferred tax liability	[15]	119	180	34
Total non-current liabilities		**58 682**	**61 490**	**39 724**
Current liabilities				
Provisions		2 203	1 594	983
Short-term borrowings	[25]	102 614	69 053	36 878
Trade accounts payable	[26]	20 891	17 197	13 708
Income tax payable		552	603	97
Advances received	[27]	4 605	4 171	6 398
Other short-term liabilities	[28]	12 636	7 880	3 598
Total current liabilities		**143 501**	**100 498**	**61 662**
Total equity and liabilities		**202 662**	**168 204**	**100 167**

* Certain numbers shown here do not correspond to those in the 30 September 2012 financial statements and reflect adjustments as detailed in Note 6.

Ekotechnika GmbH, Walldorf
Consolidated statement of changes in shareholders' equity for the year ended 30 September 2013

	Share capital	Contributions to implement the capital increase resolved	Foreign currency translation reserve	Retained earnings	Consolidated net profit/ loss	Total equity
As of 01 October 2011 (restated*)	**25**	**0**	**(166)**	**(1 078)**	**0**	**(1 219)**
Profit for the year (restated*)	0	0	0	0	5 172	**5 172**
Other comprehensive income (restated*)	0	0	263	0	0	**263**
Total comprehensive profit (restated*)	**0**	**0**	**263**	**0**	**5 172**	**5 435**
Capital increase	0	2 000	0	0	0	**2 000**
As of 30 September 2012 (restated*)	**25**	**2 000**	**97**	**1 078**	**5 172**	**6 216**
Capital increase	2 000	(2 000)	0	0	0	**0**
Reclassifications	0	0	0	5 172	(5 172)	**0**
Loss for the year	0	0	0	0	(733)	**(733)**
Other comprehensive loss	0	0	(5 004)	0	0	**(5 004)**
Total comprehensive loss	2 000	(2 000)	(5 004)	5 172	(5 905)	**(5 737)**
As of 30 September 2013	**2 025**	**0**	**(4 907)**	**4 094**	**(733)**	**479**

* Certain numbers shown here do not correspond to those in the 30 September 2012 financial statements and reflect adjustments as detailed in Note 6.

Ekotechnika GmbH, Walldorf
Consolidated cash flow statement for the year ended 30 September 2013

	Notes	2013	2012
		EUR'000	*EUR'000*
OPERATING ACTIVITIES			*Restated**
(Loss)/profit for the year		(733)	5 172
Amortisation, depreciation and impairment of non-current assets	[16,17]	2 567	1 983
Loss/(gain) on disposal of property, plant and equipment		2	234
Net foreign exchange gains / (losses), net		2 691	1 452
Interest expense	[14]	13 664	10 096
Interest income	[14]	(700)	(705)
Income taxes recognized in profit or loss	[15]	41	1 097
Operating profit/(loss) before changes in working capital and provisions		**17 532**	**19 329**
Change in inventories		6 118	(40 814)
Change in trade receivables and prepayments		(22 027)	(9 480)
Change in other receivables and assets		2 343	(5 159)
Change in trade payables and advances issued		6 260	(452)
Change in other liabilities		6 255	3 999
Cash flows from operations before income taxes and interest paid		**16 481**	**(32 577)**
Income taxes paid		(898)	(841)
Interest paid		(12 339)	(7 097)
Interest received		66	929
Cash flows from operating activities		**3 310**	**(39 586)**
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	[17]	845	1 551
Acquisition of property, plant and equipment	[17]	(14 125)	(11 904)
Acquisition of intangible assets	[16]	(65)	(277)
Cash used in issuance of other financial assets	[18]	(26 714)	(5 568)
Proceeds from settlement of other financial assets	[18]	4 851	9 391
Cash flows from investing activities		**(35 208)**	**(6 807)**
FINANCING ACTIVITIES			
Proceeds from the issue of share capital		-	2 000
Proceeds from borrowings	[25]	303 133	217 796

Repayment of borrowing	**[25]**	(266 834)	(175 696)
Payment of finance lease liabilties		(936)	-
Cash flows from financing activities		**35 363**	**44 100**
Net increase/(decrease) in cash and cash equivalents		3 465	(2 293)
Cash and cash equivalents at beginning of year		**2 613**	**4 110**
Effect of exchange rate fluctuations on cash and cash equivalents		(1 366)	796
Cash and cach equivalents at end of year		**4 712**	**2 613**

* Certain numbers shown here do not correspond to those in the 30 September 2012 financial statements and reflect adjustments as detailed in Note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 1 OCTOBER 2012 TO 30 SEPTEMBER 2013

1. GENERAL INFORMATION

Ekotechnika GmbH (also referred to below as “the corporation” or “parent company”) voluntarily issues consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) based on Section 315a of the German Commercial Code (HGB). The parent company and its subsidiaries are referred to below as the “Group”.

The corporation is domiciled in the Federal Republic of Germany and its subsidiaries are domiciled in the Russian Federation. The parent company has its main business offices at Johann-Jakob-Astor-Str. 49, 69190 Walldorf, Germany.

The Group has leading positions in the area of farm machinery supplies and servicing; it is one of the largest dealers of John Deere in the Russian Federation and overall in Europe. It is also the official representative of such manufacturers of agricultural machines as Vaderstad, JCB, Lemken, Poettinger, Kverneland, GEA and AGI.

These consolidated financial statements have been prepared on a going concern basis. For risks threatening the company's existence will be referred to the Note 7.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (Euro 000, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. For details please refer to the Note 6.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2013.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

For legal reasons, the financial year of all Russian subsidiaries corresponds to the calendar year; for the purposes of issuing the consolidated financial statements, these subsidiaries compile financial statements as at and for the year ended 30 September. For the German companies included, the financial year begins on 1 October of a given year and ends on 30 September of the following year.

2.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.4 Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation.

2.4.1 Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using
the exchange rates at the dates of the initial transactions.

2.4.2 Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statement of comprehensive incomes are translated at exchange rates prevailing at average rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of the accumulated other comprehensive income relating to that particular foreign operation is “recycled”, i.e. recognised in profit or loss.

2.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty, and must be reduced by the value of pending customer remittances, discounts, and other similar deductions. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

2.5.1 Sale of goods

Revenue from the sale of goods is recognized when the following criteria have been satisfied:

- the Group has transferred the significant risks and rewards of ownership of the goods to the buyer, usually on delivery of the goods.;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be established reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5.2 Rendering of services

Revenue from sale of services is recognised by reference to the stage of completion. Stage of completion is measured by reference to costs incurred to date as a percentage of total estimated costs for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

2.5.3 Interest income

For all financial instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of comprehensive income.

2.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.6.1 Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Operating lease payments are recognised within other operating expenses in the statement of comprehensive income on a straight-line basis over the lease term.

2.6.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.7 Taxation

2.7.1 Current taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.7.2 Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

2.7.3 Uncertain tax positions

Uncertain tax position is an item, the tax treatment of which is either unclear or is a matter of unresolved dispute between the Group and the relevant tax authority. The Group adopted a ‘two-step’ approach to the measurement of uncertain tax positions, under which it applies ‘more likely than not’ (more than 50%) recognition threshold for a liability.

2.7.4 Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

All the Group intangible assets (except Goodwill) have finite useful lives. The Group intangible assets primarily represent software having useful life from one to five years.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	4 - 30 years
Transport	3 - 10 years
Equipment	3 - 15 years
Office equipment and furniture	2 – 7 years
Other fixed assets	2 - 7 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Impairments of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets (including goodwill) are allocated. These budgets and forecast calculations generally cover a period of five years. For later periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

Assets excluding goodwill.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset. Such reversal is recognised in the statement of comprehensive income.

Goodwill.

Goodwill is tested for impairment annually as at 30 September and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 Financial assets

2.12.1 Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

All financial assets of the Group are recognized initially at fair value plus transaction costs.

The Group's financial assets include cash and cash equivalents, loans issued, trade and other receivables.

2.12.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs for loans and in other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.13 Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

2.14 Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Agricultural machinery: Purchase cost on a cost of individual item
- Spare parts and other inventories: Purchase cost on a weighted average basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.15 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.16 Financial liabilities

2.16.1 Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, loans and borrowings.

2.16.2 Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

2.16.2.1 Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of comprehensive income.

2.16.2.2 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2.17 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, 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. When the Group expects some or all of a provision to be reimbursed, for example, under an dealership agreement regarding warranty obligations, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income separately from the reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those used in prior year, except that the Group has adopted the amendment to *IAS 1 Financial Statement Presentation − Presentation of Items of Other Comprehensive Income (OCI).*

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time (for example, upon de-recognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and had no impact on the Group’s financial position or performance.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Applicable to the Group’s financial statements standards issued but not yet effective up to the date of issuance of the Group’s financial statements are listed below. The Group intends to adopt these standards when they become effective.

- *IAS 19 Employee Benefits (Amendment)*

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. The Group expects that the application of the new standard will not impact the financial position, results of operations and cash-flows of the Group, as well as the disclosures in its consolidated financial statements.

- *IAS 32 Offsetting Financial Assets and Financial liabilities − Amendments to IAS 32*

These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. IAS 32 paragraph 42(a) requires that “a financial asset and a financial liability shall be offset when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts”. The amendments clarify that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The amendments also clarify that rights of set-off must not be contingent on a future event. The IAS 32 offsetting criteria require the reporting entity to intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The amendments clarify that only gross settlement mechanisms with features that eliminate or result in insignificant credit and liquidity risk and that process receivables and payables in a single settlement process or cycle would be, in effect, equivalent to net settlement and, therefore, meet the net settlement criterion. The amendment becomes effective for annual periods beginning on or after 1 January 2014. The Group expects that the application of the new standard will not impact the financial position, results of operations and cash-flows of the Group, as well as the disclosures in its consolidated financial statements.

- *IFRS 7 Disclosures − Offsetting Financial Assets and Financial Liabilities − Amendments to IFRS 7*

These amendments require an entity to disclose information about rights of set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation.* The disclosures also apply to financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set off in accordance with IAS 32. The amendment becomes effective for annual periods beginning on or after 1 January 2013. The Group expects that the application of the new standard will not impact the financial position, results of operations and cash flows of the Group, as well as the disclosures in its consolidated financial statements.

- *IFRS 9 Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the IASB's work on the replacement of IAS 39 and applies so far to classification and measurement of financial assets and financial liabilities as well address hedge accounting and impairment of financial assets. . New regulatory requirements on impaitment of financial assets are bnot yet published. The standard will be adopted as soon it is complete. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

- *IFRS 10 Consolidated Financial Statements*

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 *Consolidation − Special Purpose Entities*. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group expects that the application of the new standard will not impact the financial position, results of operations and cash flows of the Group, as well as the disclosures in its consolidated financial statements. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- *IFRS 11 Joint Arrangements*

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities − Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group expects that the application of this new standard will not impact the financial position, results of operations and its cash flows. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- *IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures may be required in the Group's financial statements. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- *IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. As the Group currently has no assets or liabilities measured at fair value, it does not expect any impact that this standard will have on its financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- *Amendments to IAS 36 Impairment of Assets − Recoverable Amount Disclosures for Non-Financial Assets*

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014, once endorsed by the EU, with earlier application permitted, provided IFRS 13 is also applied. The amendment affects presentation only and will therefore have no impact on the Group's financial position or performance.

Improvements to International Financial Reporting Standards − 2009-2011 Cycle

In May 2012, the IASB issued its fourth omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. These amendments become effective for annual periods beginning on or after 1 January 2013.

- *IAS 1* Presentation *of Financial Statements − Clarification of requirements for comparative information*

The amendment clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. The opening statement of financial position must be presented when an entity changes its accounting policies (making retrospective restatements or reclassifications) and those changes have a material effect on the statement of financial position. The opening statement would be at the beginning of the preceding period. Unlike the voluntary comparative information, the related notes are not required to include comparatives as of the date of the third balance sheet. This amendment is applied retrospectively, with effect from 1 January 2013. The amendment affects presentation only and will therefore have no impact on the Group's financial position or performance.

- *IAS 16 Property, Plant and* Equipment *− Classification of servicing equipment*

The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment (PP&E) are not inventory. In practice under IAS 16 (before amendment) major spare parts, for example, qualify as PP&E, while smaller spares would be carried as inventory, and as a practical matter many companies have a minimum value for capitalising assets. However if a set of spares can only be used in connection with an item of PP&E, then they have to be accounted for as PP&E. Amendment has deleted the requirement that spare parts and equipment should be used 'in connection with an item of PP&E' before they can be classified as PP&E; items such as spare parts, stand-by equipment and servicing equipment are inventory unless they meets the definition of PP&E in IAS 16. The Group is currently assessing the impact that this amendment will have on the financial position and performance. This amendment is applied retrospectively, with effect from 1 January 2013.

- *IAS 32 Financial* Instruments*: Presentation − Tax effects of distributions to holders of equity instruments*

The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. This means that all tax effects of equity transactions are allocated in accordance with the general principles of IAS 12. This does not change the current accounting treatment of tax deductions for equity transactions, other than to permit an entity to show such tax effects within equity gross rather than netted off the related pre-tax item, as previously required by IAS 32. This amendment is applied retrospectively, with effect from 1 January 2013.The amendment affects presentation only and will therefore have no impact on the Group's financial position or performance.

- *IFRIC Interpretation 21 Levies*

The interpretation is applicable to all levies other than outflows that are within the scope of other standards (e.g., IAS 12 *Income Taxes*) and fines or other penalties for breaches of legislation. Levies are defined in the interpretation as outflows of resources embodying economic benefits imposed by government on entities in accordance with legislation. The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Group expects that the application of this new standard will not impact the financial position, results of operations and its cash flows. The interpretation is effective for annual periods beginning on or after 1 January 2014, once endorsed by the EU, with early application permitted. Retrospective application of this interpretation is required.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Indicators of impairment of non-financial assets and related cash-generating units

Property, plant and equipment are tested for impairment when circumstances indicate there may be a potential impairment. Factors the Group considers important which could trigger an impairment review include the following: significant fall in market values; significant underperformance relative to historical or projected future operating results; significant changes in the use of the assets or the strategy for the overall business, including assets that are decided to be phased out or replaced and assets that are damaged or taken out of use, significant negative industry or economic trends and other factors. As of 30 September 2013, management of the Group consider there were no indicators of impairment of its assets and cash-generating units.

If an impairment test is required, the Group estimates the asset's recoverable amount.Management divided the Group into three cash-generating units based on analisys of individually identifiable cash flows. The group of assets that is considered together is as small as is reasonable practicable. However, the division should not go beyond the level at which each income stream is capable of being separately monitored and not beyond the point at which it would become necessary to start allocating direct costs between cash-generating units.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of inventories

An assessment of obsolete and slow-moving inventories except for agricultural machinery is based on their ageing as follows:

- less than 1 year – 0% of carrying amount
- 1-2 years – 20% of carrying amount
- 2-3 years – 50% of carrying amount
- more than 3 years – 100% of carrying amount

An assessment of net realizable value for agricultural machinery is based on analisys of future selling prices.

Changes in write down of inventories are recognized within cost of materials in profit and loss. Details are disclosed in Note 19.

Impairment of trade and other receivables

The Group determines an allowance for impairment of accounts receivable at the end of the reporting period. The Group assesses whether objective evidence of impairment exists individually for accounts receivable that are individually significant, or collectively for accounts receivable that are not individually significant. The Group recognises an impairment loss on an individual receivable or a group of receivable if the loss expectation at initial recognition of the receivables has not changed, but it could be estimated reliably, based on past history, that loss events have occurred after initial recognition, but before the reporting date. In certain cases it may not be possible for the Group to identify a single, discrete event that caused the impairment; rather, the combined effect of several events may have caused the impairment. However, losses expected as a result of future events, no matter how likely, are not recognised. Details are disclosed in Note 20.

Taxes

A number of provisions of the current Russian tax, currency and customs legislation are vaguely formulated and are subject to varying interpretations (which may apply to past relations), selective and inconsistent application, and frequent and often unpredictable changes. Thus, management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional or federal authorities at any time in future. Recent events within Russia suggest that in practice the tax authorities may take a more assertive position in interpreting and applying various norms and regulations, performing tax audits and imposing additional tax requirements. As a result, it is possible that the Group's transactions and activities that have not been challenged in past may be challenged in future. As such, significant additional taxes, penalties and interest may be assessed by the respective authorities.

On-site tax audits of the accuracy of tax calculation and payments conducted by the Russian tax authorities may cover three calendar years preceding the year in which the decision concerning conducting tax audit was made. Under certain circumstances the reviews might cover longer periods.

At 1 January 2012, a new transfer pricing legislation came into effect in Russia. This legislation introduces additional significant requirements for the level of intra-group prices and documentation of transactions between companies that are considered interrelated according to the provisions of the Russian Tax Code. The Group was not subject to the transfer pricing rules in 2012 due to the fact that it did not meet criteria. However, in 2013 and in the following years, the international and domestic intra-group turnovers of the Russian Group companies may be subject to the limitation and requirements established by the Tax Code. The Group is developing its transfer pricing policy and relevant documentation which are required by legislation to substantiate intra-group pricing for 2013 and in the following years.

Tax exposure items, which were identified by management at the end of the reporting period as those, that can be subject to different interpretations of the tax laws and other regulations approximated EUR 1,917 thousand (2012: EUR 668 thousand, 2011: EUR 60 thousand). Those are possible obligations that arised from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; these obligations are not recorded as the Group’s liabilities.

Warranty provision

As required by the dealership agreements with the manufacturers of agricultural machinery, the Group provides its customers with warranty, which is normally for one year. According the dealership agreement quality failures which fall under the warranty must be fixed by the Group without additional payment from its clients. The manufactures of machinery shall reimburse the Group’s expenses on removal of defects within the warranty period in size and at rates agreed by the parties. Based on this the Group concluded that it is a primarily obligor regarding the warranty, therefore, it recognizes warranty provision relating to agricultural machinery sold, for which warranty has not expired, as well as reimbursement asset relating to receivable toward the manufacturer of agricultural machinery only to the extent when it is virtually certain to be received when the Group incurs warranty expenses. The warranty provision is recognized based on historical experience, including seasonality of sales, seasonality of warranty claims and warranty costs in the last several years. The warranty reimbursement assets is recognized based on the manufacturer’s obligations as stated in the dealership agreement and historic experience with acceptance or rejection of reimbursement.

The Group has elected to present the expenses and related reimbursements on a gross basis; as a result, it presents warranty-related expenses, which are primarily spare parts and payroll, in other operating expenses and payroll costs, as appropriate. Reimbursement of guarantee expenses is included into other operating income (in Note 10).

As of 30 September 2013, warranty provision amounted to EUR 1,437 thousand (2012: EUR 959 thousand, 2011: EUR 888 thousand). As of 30 September 2013, contingent asset relating to reimbursement of warranty expenses, included into other short-term assets, amounted to EUR 1,340 thousand (2012: EUR 822 thousand, 2011: EUR 690 thousand).

Impairment of goodwill

The Group's impairment tests for goodwill are based on value in use calculations that use a discounted cash flow model of a level of cash-generating units. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash generating unit being tested. Impairment tests assumptions are presented in Note 16.

6. CORRECTION OF ERRORS

The Group identified the following reclassification misstatements and errors in previously reported financial statements:

a) As of 30 September 2012 the Group erroneously presented certain other short-term assets and other short-term liabilities on a gross basis. As a result of correction of this error short-term assets and liabilities decreased by EUR 505 thousand (as of 1 October 2011:nill).

b) As of 30 September 2012 and 1 October 2011 the Group erroneously classified advances for construction and acquisition of property, plant and equipment within prepayments in current assets. As a result of correction of this classification misstatements as of 30 September 2012 property, plant and equipment increased and prepayments decreased by EUR 500 thousand (as of 1 October 2011: EUR 66 thousand).

c) As of 30 September 2012 and 1 October 2011, the Group inappropriately presentated deferred tax assets and liabilities on a gross basis on a subsidiary level. As a result of correction of this error as of 30 September 2012 deferred tax assets and deferred tax liabilities decreased by EUR 363 thousand (as of 1 October 2011: decreased by EUR 217 thousand).

d) In the consolidated statement of financial position as of 30 September 2012 and 1 October 2011 interest payables were included in other short-term liabilities instead of short-term borrowings. As a result of correction of this classification misstatement as of 30 September 2012 other short-term borrowings increased and other short-term liabilities decreased by EUR 520 thousand (as of 1 October 2011: EUR 151 thousand), respectively.

e) As of 30 September 2012 the Group made an error in classification of prepayments and short-term financial assets. As a result of correction of this classification error as of 30 September 2012 prepayments increased and short-term financial assets decreased by EUR 702 thousand .

f) As of 30 September 2012 and 1 October 2011 the Group underestimated bad debt allowance and inventory write off. As a result of correction of these errors as of 30 September 2012 trade receivables decreased by EUR 400 thousand (as of 1 October 2011: by EUR 205 thousand) and inventories decreased by EUR 169 thousand (as of 1 October 2011: nil). Further, other operating expenses for the year ended 30 September 2012 increased by EUR 177 thousand and cost of goods and services sold increased by EUR 167 thousand. The remaining impact was recorded in foreign currency translation reserve.

g) As of 30 September 2012 the Group underestimated uncertain tax position. As a result of correction of this error provisions as of 30 September 2012 increased by EUR 410 thousand; and other operating expenses for the year than ended increased by EUR 406 thousand. The remaining impact was recorded in foreign currency translation reserve.

h) As of 30 September 2012 and 2011 the Group made mistakes in computations of depreciation of its property, plant and equipement. As a result of correction of these errors property plant and equipment as of 30 September 2012 increased by EUR 271 thousand (as of 1 October 2011: EUR 112 thousand). Further, depreciation expense for the year ended 30 September 2012 decreased by EUR 148 thousand. The remaining impact was recorded in foreign currency translation reserve.

i) In the year ended 30 September 2012 the Group understated capitalized borrowing costs. As a result of correction of this error property, plant and equipment as of 30 September 2012 increased by EUR 204 thousand. Further, finance expense for the year than ended decreased by EUR 201 thousand. The remaining impact was recorded in foreign currency translation reserve.

j) As of 30 September 2012 and 1 October 2011 the Group erroneously did not capitalize transportation expenses related to purchases of inventories. As a result of correction of this error as of 30 September 2012 inventories increased by EUR 1,040 thousand (as of 1 October 2011: EUR 194 thousand). Further, other operating expenses decreased by EUR 776 thousand for the year ended 30 September 2012. The remaining impact was recorded in foreign currency translation reserve.

k) As of 30 September 2012 the Group made errors in timing of revenue recognition. As a result of correcton of this error as of 30 September 2012 inventories increased by EUR 351 thousand, trade receivables and other short-term liabilities decreased by EUR 416 thousand and EUR 66 thousand, respectively.

l) As of 30 September 2012 and 1 October 2011 the Group did not account for derecognition of non-controlling interest as a result of capital transaction in the past. As a result of correction of this error non-controlling interest decreased and retained earnings increased by EUR 123 thousand.

m) As of 30 September 2012 and 1 October 2011 there were other errors in deferred tax computations. As a result of their correction as of 30 September 2012 deferred tax assets increased by EUR 592 thousand (as of 1 October 2011: EUR 76 thousand); further, income tax expense for the year ended 30 September 2012 decreased by EUR 681 thousand. The remaining impact was recorded in foreign currency translation reserve.

n) In the year ended 30 September 2012 the Group inappropritately presented volume bonuses from suppliers within other income. As a result of correction of this classification misstatement cost of goods and services sold and other operating income decreased by EUR 4,165 thousand.

o) In the year ended 30 September 2012 the Group inappropritately presentated volume bonuses to customers within other operating expenses. As a result of correction of this classification misstatement sales and other operating expenses decreased by EUR 199 thousand.

p) In the year ended 30 September 2012 the Group inappropriately presentated income and expenses from translation of foreing currency on a gross basis. As a result of correction of this classification misstatement other operating income and other operating expenses decreased by EUR 4,995 thousand and finance income and finance expenses decreased by EUR 4,628 thousand.

q) In the year ended 30 September 2012 the Group inappropritately presented certain revenue in other operating income. As a result of correction of this classification misstatement revenue increased and other operating income was decreased by EUR 1,892 thousands .

r) In the year ended 30 September 2012, the Group inappropriately presented marketing expenses and related reimbursement from suppliers on a net basis. As a result of correction of this presentation errors other operating income and other operating expenses increased by EUR 276 thousand.

s) The Group retrospectively made correction of certain classification errors in presentation of costs of rendering services in the year ended 30 September 2012. As a result , cost of goods and services sold increased by and other operating expenses decreased by EUR 3,341 thousand.

t) In the year ended 30 September 2012 the Group inappropriately presented certain revenue in other operating income. As a result of correction of this classification misstatement revenue increased by and other operating income decreased by EUR 397 thousand .

u) Additionally, other minor errors and reclassification misstatements were identified and corrected. Finally, the Group recorded tax effect on the correction of errors, which had tax effects.

As a result of correction of errors and reclassifications, the following adjustments were made to the consolidated statements of financial position at 30 September 2012 and 1 October 2011 and to the consolidated statement of comprehensive income for the year ended 30 September 2012:

Consolidated statement of financial position for the year ended 30 September 2011

	30 September 2011 - as originally reported	Reclassifications, correction of errors	30 September 2011 – as restated
	EUR'000		*EUR'000*
ASSETS			
Non-current assets :			
Intangible assets	11 505	-	11 505
Property, plant and equipment	13 314	178	13 492
Long-term other financial assets	7 029	-	7 029
Deferred tax asset	1 188	393	1 581
	33 036	**571**	**33 607**
Current assets:			
Inventories	33 787	194	33 981
Short-term other financial assets	1 535	4	1 539
Trade receivables	15 342	(205)	15 137
Taxes receivable	937	(705)	232
Prepayments	6 618	(66)	6 552
Other short-term assets	5 013	(4)	5 009
Cash and cash equivalents	4 110	-	4 110
	67 342	**(782)**	**66 560**
	100 378	**(211)**	**100 167**
EQUITY AND LIABILITIES			
Equity attributable to shareholders of parent company:			
Share capital	25	-	25
Foreign currency translation reserve	(162)	(4)	(166)
Retained earnings	0	-	0
Current year profit	(963)	(115)	(1 078)
	(1 100)	**(119)**	**(1 219)**
Non-controlling interests	(125)	125	0
	(1 225)	**6**	**(1 219)**
Non-current liabilities			
Long-term borrowings	39 290	-	39 290
Other long-term liabilities	400	-	400
Deferred tax liability	251	(217)	34
	39 941	**(217)**	**39 724**
Current liabilities			
Provisions	983	-	983
Short-term borrowings	36 727	151	36 878
Trade accounts payable	13 708	-	13 708
Income tax payable	97	-	97
Advances received	6 398	-	6 398
Other short-term liabilities	3 749	(151)	3 598
	61 662	**0**	**61 662**
	100 378	**(211)**	**100 167**

Consolidated statement of financial position for the year ended 30 September 2012

	30 September 2012 - as originally reported	Reclassifications, correction of errors	30 September 2012 – as restated
	EUR'000		*EUR'000*
ASSETS			
Non-current assets :			
Intangible assets	12 636	-	12 636
Property, plant and equipment	22 767	897	23 664
Long-term other financial assets	116	-	116
Deferred tax asset	1 941	69	2 010
	37 460	**966**	**38 426**
Current assets:			
Inventories	76 914	1 222	78 136
Short-term other financial assets	5 781	(686)	5 095
Trade receivables	29 091	(816)	28 275
Taxes receivable	179	(21)	158
Prepayments	4 648	202	4 850
Other short-term assets	11 172	(521)	10 651
Cash and cash equivalents	2 613	-	2 613
	130 398	**(620)**	**129 778**
	167 858	**346**	**168 204**
EQUITY AND LIABILITIES			
Equity attributable to shareholders of parent company:			
Share capital	2 025	-	2 025
Foreign currency translation reserve	86	11	97
Retained earnings	(963)	(115)	(1 078)
Current year profit	4 334	838	5 172
	5 482	**734**	**6 216**
Non-controlling interests	(123)	123	0
	5 359	**857**	**6 216**
Non-current liabilities			
Long-term borrowings	60 676	-	60 676
Other long-term liabilities	634	-	634
Deferred tax liability	530	(350)	180
	61 840	**(350)**	**61 490**
Current liabilities			
Provisions	1 184	410	1 594
Short-term borrowings	68 533	520	69 053
Trade accounts payable	17 197	-	17 197
Income tax payable	603	-	603
Advances received	4 171	-	4 171
Other short-term liabilities	8 971	(1 091)	7 880
	100 659	**(161)**	**100 498**
	167 858	**346**	**168 204**

Consolidated statement of comprehensive income for the year ended 30 September 2012

	Year ended 30 September 2012 - as originally reported *EUR'000*	Reclassifications, corrections of errors	Year ended 30 September 2012 - as restated *EUR'000*
Revenues	166 333	1 741	168 074
Revenue from rendering of services	3 295	-	3 295
Cost of goods and services sold	(138 007)	4 107	(133 900)
Gross profit	**31 621**	**5 848**	**37 469**
Other operating income	15 722	(11 217)	4 505
Payroll expenses	(12 960)	128	(12 832)
Depreciation	(1 819)	(129)	(1 948)
Other operating expenses	(17 174)	5 498	(11 676)
	(16 231)	**(5 720)**	**(21 951)**
Profit/(loss) before tax	**15 390**	**128**	**15 518**
Financial income	8 162	(4 628)	3 534
Financial expenses	(17 581)	4 798	(12 783)
	(9 419)	**170**	**(9 249)**
(Loss)/profit before tax	**5 971**	**298**	**6 269**
Income taxes	**(1 637)**	**540**	**(1 097)**
(Loss)/profit for the period	**4 334**	**838**	**5 172**

These adjustments resulted in corresponding changes in the consolidated cash flow statement and in the consolidated statement of changes in equity, as well as in the notes.

7. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis, which envisages the realization of assets and satisfaction of liabilities and commitments in the normal course of business. However, for the year ended 30 September 2013 the Group reported net loss of EUR 733 thousand (2012: net income of EUR 5,172 thousand). The Group's loss in the reporting year was primarily caused by depreciation of the Russian ruble against euro by nearly 10% during reporting period, which resulted in operating foreign currency translation net loss of EUR 2,480 thousand and financing foreign currency translation loss of EUR 2,691 thousand.

As of 30 September 2013 the Group had undraw credit lines in the amount of EUR 6,017 thousand availiable in several banks. As of the date of approval of these financial statements, the Group has serviced its debt obligations in a timely manner without breaches of covenants, successfully rolled over its loans, which had come due, and attracted certain new loans.

After consideration of the related uncertainty, management believes that the Group will be able to secure sufficient resources to continue its operations in the foreseeable future.

8. SUBSIDIARIES

These consolidated financial statements includes assets, liabilities and operating results of the parent company and its subsidiaries, ownership interest and voting rights of which are presented below:

Designation	Domicile	Type of Company	As of 30 September 2013	As of 30 September 2012	As of 1 October 2011
OOO "EkoNiva-Technika Holding"	Moscow, Russia	Holding	99,99%	99,98%	99,95%
OOO "EkoNiva-Chernozemie"	Voronezh, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Sibir"	Novo-Sibirsk, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Vyatka"	Kirov, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Ryazan"	Ryazan, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Vladimir"	Vladimir, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Farm"	Tula, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Kaluga"	Kaluga, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Technika"	Moscow, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "EkoNiva-Kostroma"	Kostroma, Russia	Machinery sales	99,99%	99,98%	99,95%
OOO "Abris"	Voronezh, Russia	Advertising	99,99%	99,98%	99,95%
OOO "AgroElement"	Barnaul, Russia	Machinery sales	99,99%	-	-
OOO "NivaStroy"	Kaluga, Russia	Construction services	99,99%	99,98%	99,95%

The equity interests above represent interests of the parent company in each respective subsidiary.

9. REVENUES

Revenue comprises the following:

	2013	2012
	EUR'000	EUR'000
Agricultural machinery	(169 285)	(140 686)
Spareparts	(34 257)	(25 465)
Fuel	(3 095)	(1 892)
Construction services	(2 680)	(31)
	(209 317)	**(168 074)**

10.OTHER OPERATING INCOME

Other operating income is comprised as follows:

	2013 EUR'000	2012 EUR'000
Reimbursement of guarantee costs	1 927	1 293
Contractual fines and penalies	783	463
Reimbursement of marketing expenses	691	324
Currency remeasurement gain	54	1 573
Other income	818	852
	4 273	**4 505**

11.COSTS OF GOODS AND SERVICES SOLD

Costs of goods comprise the following:

	2013 EUR'000	2012 EUR'000
Agricultural machinery	138 174	114 314
Spare parts	23 654	18 091
Fuel	2 095	1 476
Cost of rendering construction services	2 274	19
	166 197	**133 900**

12.PAYROLL EXPENSES

Personnel costs break down as follows:

	2013 EUR'000	2012 EUR'000
Wages and salaries	11 830	10 791
Social and pension costs	2 646	2 041
	14 476	**12 832**

The total salaries and social and pension costs of management personnel in the Group company in the financial year 2013 comprised EUR 547 thousand (2012: EUR 880 thousand) and EUR 74 thousand (2012:EUR 88 thousand) correspondently.

The average number of staff in the Group during the financial year 2013 was 692 employees (2012: 583). Of these 272 (2012: 252) work in administration, 218 (2012: 181) in customer service, and 202 (2012: 150) in sales department.

13.OTHER OPERATING EXPENSES

Other operating expenses comprise the following:

	2013 EUR'000	2012 EUR'000
Currency remeasurement loss	2 534	470
Transportation expenses	1 704	1 314
Travel and representation expenses	1 160	666
Repairment and maintenance	1 118	697
Marketing and advertising expenses	1 536	1 128
Materials for warrantee	849	752
Rent expenses	818	755
Fuel expenses	789	495
Other taxes	677	866
Audit, consulting and legal fees	657	579
Cost of workshop	591	280
Change in warranty provision	590	(5)
Bad debt expenses/recovery	542	587
Communication expenses	416	365
Bank charges	347	245
Warehouse services	287	231
Insurance	286	290
Utilities	225	129
Other expenses	1 446	1 832
	16 572	**11 676**

14.FINANCIAL INCOME / FINANCIAL EXPENSES

Financial income comprises the following:

	2013 EUR'000	2012 EUR'000
Currency translation gain	-	2 672
Interest income	700	705
Other	-	157
Financial income	**700**	**3 534**

Financial expenses comprise the following:

	2013 EUR'000	2012 EUR'000
Interest expenses	13 664	10 096
Currency translation loss	2 691	1 220
Bank charges	1 656	1 417
Other	288	50
Financial expenses	**18 299**	**12 783**

15.INCOME TAX EXPENSE

15.1 Income taxes recognized in the statement of comprehensive income

Income tax expense is constituted as follows:

	2013 EUR'000	2012 EUR'000
Current tax expense		
Current year income tax expense	1 075	1 258
Deferred taxes		
Recognition and reversal of temporary differences	(1 033)	(161)
Income tax expense	**42**	**1 097**

The tax rate of 20% applies for the Group's Russian subsidiaries in accordance with Russian tax legislation. The tax rate is applied in calculating the deferred tax assets and liabilities. The tax rate of 25% is applied for the Group's German company in accordance with German tax legislation.

15.2 Tax reconciliation

	2013 EUR'000	2012 EUR'000
(Loss)/profit before tax	**(691)**	**6 269**
Income tax credit/ (expense) at a tax rate of 25 %	173	(1 567)
Influence of differences in tax rates of different countries	(108)	307
Recognition of deferred tax on tax loss carry forward incurred in previous periods	348	342
Effect of expenses that are not deductible in determining taxable profit	(455)	(179)
Income tax expense	**(42)**	**(1 097)**

15.3 Composition of deferred tax assets and liabilities

	01 October 2012 EUR'000	Charged to profit and loss EUR'000	Foreign currency translation EUR'000	30 September 2013 EUR'000
Intangible assets	(20)	20	1	1
Property, plant and equipment	(334)	142	38	(154)
Inventories	3 655	880	(312)	4 223
Short-term financial assets	-	925	(50)	875
Trade receivables	(3 382)	(1 608)	371	(4 619)
Other short-term assets	(82)	752	(33)	637
Other long-term liabilities	33	(22)	(2)	9
Short-term loans and credits	(32)	(411)	25	(418)
Trade accounts payable	576	213	(60)	729
Advances received	235	(91)	(15)	129
Other short-term liabilities	685	(115)	(53)	517
Loss carry forward	496	348	(60)	784
Total	**1 830**	**1 033**	**(150)**	**2 713**

Deferred tax assets	2 832
Deferred tax liabilities	119
Net deferred tax assets	**2 713**

	01 October 2011 EUR'000	Business acquisition EUR'000	Charged to profit and loss EUR'000	Foreign currency translation EUR'000	30 September 2012 EUR'000
Intangible assets	-	-	(20)	-	(20)
Property, plant and equipment	(476)	(15)	196	(39)	(334)
Inventories	1 789	-	1 699	167	3 655
Short-term financial assets	-	-	-	-	-
Trade receivables	(939)	-	(2 338)	(105)	(3 382)
Other short-term assets	697	-	(830)	51	(82)
Other long-term liabilities	64	13	(49)	5	33
Short-term loans and credits	791	-	(881)	58	(32)
Trade accounts payable	(1 064)	(5)	1 718	(73)	576
Advances received	189	-	30	16	235
Other short-term liabilities	240	(3)	420	28	685
Loss carry forward	256	-	216	24	496
Total	**1 547**	**(10)**	**161**	**132**	**1 830**

Deferred tax assets	2 010
Deferred tax liabilities	180
Net deferred tax assets	**1 830**

Deferred tax assets include EUR 784 thousand (2012: EUR 496 thousand; 2011: EUR 256 thousand), which were recognized for tax loss carry forwards of companies which had experienced tax losses in the reporting year. The utilization of these deferred tax assets is dependent on future taxable profits in excess of the profits arising from the existing taxable temporary differences. Management expects deferred tax assets relating to losses carried forward above will be utilized before their expiry (within 8 years) through future taxable profits generating from the companies operating activities and intercompany transactions.

As of 30 September 2013, there was no recognised deferred tax liability (2012: EUR 0 thousand; 2011: EUR 0 thousand) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries and joint venture will not be distributed in the foreseeable future.

The temporary differences associated with investments in subsidiaries, for which a deferred tax liability has not been recognised, aggregate to EUR 0 (2012: EUR 0; 2011: EUR 0).

16.INTANGIBLE ASSETS

The intangible assets can be classified as follows:

	Computer Software	Goodwill	Other	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Cost				
as of 01 October 2011	***162***	***11 447***	***4***	***11 613***
Additions	277	-	-	277
Disposals	(129)		(4)	(133)
Currency remeasurement	14	990	-	1 004
as of 30 September 2012	***324***	***12 437***	***-***	***12 761***
Additions	65	-	-	65
Disposals	(231)	-	-	(231)
Currency remeasurement	(21)	(1 057)	-	(1 078)
as of 30 September 2013	***137***	***11 380***	***-***	***11 517***
Amortization				
as of 01 October 2011	***(108)***	***-***	***-***	***(108)***
Disposal	128	-	-	128
Amortization	(139)	-	-	(139)
Currency remeasurement	(6)	-	-	(6)
as of 30 September 2012	***(125)***	***-***	***-***	***(125)***
Disposal	147	-	-	147
Amortization	(125)	-	-	(125)
Currency remeasurement	13	-	-	13
as of 30 September 2013	***(90)***	***-***	***-***	***(90)***
Net book value				
01 October 2011	54	11 447	4	**11 505**
30 September 2012	199	12 437	-	**12 636**
30 September 2013	47	11 380	-	**11 427**

As of 30 September 2011, 2012 and 2013 there were no obligations to acquire intangible assets.

Goodwill resulted from the acquisition of 99% of ownership interest in OOO EkoNiva-Technika Holding and its subsidiaries in 2011. For the purpose of impairment test, goodwill was allocated to the separate cash-generating units as follows:

	30 September 2013	30 September 2012	1 October 2011
	EUR'000	EUR'000	EUR'000
Central region	4 068	4 446	4 092
Siberian region	2 266	2 477	2 280
Black earth region	5 046	5 514	5 075
Total goodwill	**11 380**	**12 437**	**11 447**

For the purposes of goodwill impairment testing, the recoverable amount was determined based on a value in use calculation using cash flow projections as follows:

- cash flow projections were based on actual results of cash-generating units for the reporting period and on the business plan for the next five years approved by the Group management;
- cash flows were measured on the basis of stable prices, i.e. inflation was excluded;
- in forecasting cash flows stable operating margins were assumed;
- no growth was included in the projections, model is prepared in real terms;
- pre-tax discount rate used in cash flows forecast was 10.6% as of 30 September 2013 (30 September 2012: 10.6%);
- cash flows beyond the five-year period are equal to the cash flows in the last year in the business plan.

As a result of impairment testing, the Group's management concluded that recoverable amounts exceeded the carrying value of cash-generating units, and therefore no impairment was recognised.

As of 30 September 2013, with regard to the assessment of value in use of the Group's cash-generating unit, management believed that no reasonably possible change in any of the above assumptions would cause the carrying values of the units to materially exceed their recoverable amount, except for the following changes:

- Should sales volume in 2014 and subsequent four years decrease annually by 15%, assuming no changes in other as-sumptions, the Group would recognize EUR 652 thousand of impairment loss with regards of Siberian region cash-generating unit.

- Should discount rate increase by 1.5% to 12.1%, assuming no changes in other assumptions, the Group would recognize EUR 1,085 thousand of impairment loss with regards of Siberian region cash-generating unit.

- Should loss from foreign currency exchange in 2014 and subsequent four years comprise EUR 500 thousand with regards of Siberian region cash-generating unit, assuming no changes in other assumptions, the Group would recognize EUR 2,183 thousand of impairment loss.

As of 30 September 2012, with regard to the assessment of value in use of the Group's cash-generating unit, management believed that no reasonably possible change in any of the above assumptions would cause the carrying values of the units to materially exceed their recoverable amount.

17. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

	Land	Buildings	Advances for construction	Construction in progress	Transport	Equipment	Office equipment and furniture	Other fixed assets	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Balance as of 01 October 2011, restated [6]	**946**	**7 021**	**66**	**3 668**	**985**	**1 105**	**372**	**464**	**14 627**
Business acquisitions	-	40	-	-	198	49	21	-	**308**
Additions	583	31	489	8 228	1 623	766	481	50	**12 251**
Disposals	(48)	(520)	(65)	(450)	(498)	(566)	(89)	(392)	**(2 628)**
Transfer	272	1 427	-	(1 706)	-	-	7	-	**-**
Foreign currency translation	90	625	10	377	231	99	71	7	**1 510**
Balance as of 30 September 2012, restated [6]	**1 843**	**8 624**	**500**	**10 117**	**2 539**	**1 453**	**863**	**129**	**26 068**
Additions	-	4 114	549	6 263	1 892	2 046	495	42	**15 401**
Disposals	-	(20)	(340)	(209)	(112)	(240)	(96)	(17)	**(1 034)**
Transfer	-	9 662	-	(9 931)	-	-	215	54	**-**
Foreign currency translation	(155)	(1 477)	(91)	(745)	(433)	(285)	(88)	(64)	**(3 338)**
Balance as of 30 September 2013	**1 688**	**20 903**	**618**	**5 495**	**3 886**	**2 974**	**1 389**	**144**	**37 097**

	Land	Buildings	Advances for construction	Construction in progress	Transport	Equipment	Office equipment and furniture	Other fixed assets	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Accumulated depreciation **Balance as of 01 October 2011, restated [6]**	**-**	**(189)**	**-**	**-**	**(144)**	**(423)**	**(110)**	**(269)**	**(1 135)**
Disposals	-	21	-	-	139	389	51	251	**851**
Depreciation charge for the year	-	(601)	-	-	(630)	(327)	(268)	(18)	**(1 844)**
Foreign currency translation	-	(38)	-	-	(144)	(38)	(30)	(26)	**(276)**
Balance as of 30 September 2012, restated [6]	**-**	**(807)**	**-**	**-**	**(779)**	**(399)**	**(357)**	**(62)**	**(2 404)**
Disposals	-	135	-	-	45	33	21	1	**235**
Depreciation charge for the year	-	(435)	-	-	(1 209)	(407)	(358)	(32)	**(2 441)**
Foreign currency translation	-	105	-	-	235	68	88	6	**502**
Balance as of 30 September 2013	**-**	**(1 002)**	**-**	**-**	**(1 708)**	**(705)**	**(606)**	**(87)**	**(4 108)**

	Land	Buildings	Advances for construction	Construction in progress	Transport	Equipment	Office equipment and furniture	Other fixed assets	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Net book value									
As of 01 October 2011, resated [6]	946	6 832	66	3 668	841	682	262	195	13 492
As of 30 September 2012, restated [6]	**1 843**	**7 817**	**500**	**10 117**	**1 760**	**1 054**	**506**	**67**	**23 664**
As of 30 September 2013	**1 688**	**19 901**	**618**	**5 495**	**2 178**	**2 269**	**783**	**57**	**32 989**

As of 30 September 2013, 2012 and 2011 there were no commitments to acquire property, plant and equipment.

The carrying amount of the assets recognized under finance lease agreements amounted to EUR 1,341 thousand as of 30 September 2013 (2012: EUR 744 thousand; 2011: EUR 438 thousand). The leased assets represented transportation vehicles.

Depreciation charge for the year included depreciation charge in LLC NivaStroy which were shown in the line cost of construction services in amount of EUR 55 thousand as of 30 September 2013 (2012: EUR 35 thousand; 2011: 0) and amortization charge for the year which is represented in the Note 16.

Assets pledged as security

The Group's land and buildings with carrying amount of EUR 7,641 thousand as of 30 September 2013 was pledged as a security for the Group's bank loans and borrowings (2012: EUR 4,605 thousand; 2011: EUR 461 thousand). The Group does not have the right to sell these before having settled the related liabilities.

18.OTHER LONG-TERM AND SHORT-TERM FINANCIAL ASSETS

The other financial assets comprise the following:

Type	**Interest:**	**Maturity**	**30 September 2013**	**30 September 2012**	**01 October 2011**
			EUR'000	**EUR'000**	**EUR'000**
Long-term loans to related parties **[33]**	5%	Oct 2017	1 000	-	-
Long-term loans to 3rd parties	12%	May 2016	-	-	7 029
Long-term loans to employee			109	88	-
Other Investments			26	28	0
Other long-term financial assets			**1 135**	**116**	**7 029**
Short-term loans to related parties **[33]**	5%-16%	Oct 2013 - Feb 2014	24 060	-	-
Short-term loans to 3rd parties	9%-12%	Feb 2014	672	4 939	1 538
Shor-term issued to employees			200	156	1
Other short-term financial assets			**24 932**	**5 095**	**1 539**
Total			**26 067**	**5 211**	**8 568**

All loans issued are unsecured.

19.INVENTORIES

Inventories comprise the following:

	30 September 2013	30 September 2012	1 October 2011
	EUR'000	EUR'000	EUR'000
Goods for resale	64 975	76 986	33 481
Raw materials	686	1 044	273
Finished goods	114	106	227
Net inventories	**65 775**	**78 136**	**33 981**

During the year ended 30 September 2013, EUR 337 thousand was recognised as an income (reduction of provision) for inventories carried at net realisable value (2012: EUR 873 thousand as an expense). This is recognised in cost of sales.

Inventories comprise the following:

	30 September 2013	30 September 2012	01 October 2011
	’000 EUR	’000 EUR	’000 EUR
Agricultural machines	46 865	58 098	19 047
Spare parts	17 057	17 969	14 029
Other	1 511	1 798	694
Fuel	342	271	211
	65 775	**78 136**	**33 981**

The Group’s goods for resale of EUR 18,057 thousand as of 30 September 2013 (2012: EUR 8,585 thousand; 2011: EUR 1,359 thousand) were valued at net realizable value. The allowance is EUR 1,086 thousand (2012: EUR 1,534 thousand; 2011: EUR 600 thousand).

Agricultural machinery and spare parts with carrying amount of EUR 63,507 thousand as of 30 September 2013 (2012: EUR 65,590 thousand; 2011: EUR 36,868 thousand) were pledged to secure the Group’s bank loans and borrowings. The Group does not have the right to sell these inventories before having settled the related loans and borrowings.

20. TRADE RECEIVABLES

Trade receivables comprise the following:

	30 September 2013	30 September 2012	01 October 2011
	EUR'000	EUR'000	EUR'000
Trade receivables	48 655	29 378	15 763
Allowance for doubtful accounts Trade AR	(1 232)	(1 103)	(626)
Trade receivable, net	**47 423**	**28 275**	**15 137**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The movement in the provision in impairment of receivables was as follows:

01 October 2011	**(626)**
Charge for the year	(419)
Foreign currency translation	(58)
Utilised	
Unused amounts reversed	
30 September 2012	**(1 103)**
Charge for the year	(234)
Foreign currency translation	105
Utilised	
Unused amounts reversed	
30 September 2013	**(1 232)**

Impairment loss of EUR 234 thousand (2012: EUR 419) is recognized in the statement of comprehensive income under other operating expense.

The ageing analysis of trade receivables is as follows:

Ageing of trade receivables	**30 September 2013 '000 EUR**	**30 September 2012 '000 EUR**	**1 October 2011 '000 EUR**
Neither past due nor impaired	22 430	5 111	8 155
less than 30 days	6 415	7 948	3 312
30-90 days	9 414	3 120	2 101
90-180 days	5 739	10 159	728
180 days-1 year	1 601	1 338	764
more than 1 year	1 824	599	77
	47 423	**28 275**	**15 137**

The fair value of the receivables approximately corresponds to their carrying amount due to the short remaining term.

21.PREPAYMENTS

Payments on account in the amount of EUR 3,765 thousand (2012: EUR 4,850 thousand; 2011: EUR 6,552 thousand) represent advance payments to suppliers of agricultural machinery.

22.OTHER SHORT-TERM ASSETS

The other current assets comprise the following:

	30 September 2013 EUR'000	**30 September 2012 EUR'000**	**01 October 2011 EUR'000**
Other Taxes receivable	3 574	8 004	3 128
Other financial accounts receivable	2 315	1 641	1 075
Other current assets	1 649	1 006	806
	7 538	**10 651**	**5 009**

Other taxes receivable are primarily VAT receivable.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	30 September 2013	30 September 2012	01 October 2011
	EUR'000	EUR'000	EUR'000
Bank balances	4 700	2 606	4 105
Cash on hand	12	7	5
Cash in transit	-	-	-
Cash and cash equivalents	**4 712**	**2 613**	**4 110**

24. SHARE CAPITAL AND CAPITAL RESERVES

The resolution of the shareholders' meeting on 19 September 2012 increased share capital by EUR 2,000 million; this was entered in the commercial register on 8 October 2012. Along with a fully paid in registered capital of EUR 25 thousand, the increased amount of EUR 2,000 million is recognized as "Contributions for implementing the resolution to increase capital" in the balance sheet.

25. BORROWINGS

The borrowings comprise the following:

	30 September 2013	30 September 2012	01 October 2011
	EUR'000	EUR'000	EUR'000
Bonds issued	57 911	**-**	**-**
Long-term bank loans	-	60 676	39 290
Short-term bank loans	102 413	68 453	36 878
Short-term borrowings from other entities	201	600	-
	160 525	**129 729**	**76 168**

In the cashflow statement proceeds from borrowings in the amount of EUR 303,1 million (2012: EUR 217,8 million) are presented, of which EUR 60 million (2012: 0) relate to the in 2013 issued corporate bond. The remaining proceeds from borrowings are due to the revolving short-term borrowings. The repayment of borrowing in amount of EUR 266,8 million (2012: EUR 175,7 million) relate to the repayment of revolving short-term borrowings in the total amount.

The effective annual interest rates were as follows at 30 September:

	Long-term borrowings			Short-term borrowings		
	30 September 2013	30 September 2012	30 September 2011	30 September 2013	30 September 2012	30 September 2011
USD				5.91% - 7%	5.5% - 10%	6%-8.8%
RUR		11%	10.50%	9% - 12%	9% - 13.51%	7.75%- 10.5%
EUR	9.75%	13%	8.70%	5.13% - 13.62%	5.87% - 8.5%	6.5%-10%

In May 2013, the Group's parent company issued a 5-year corporate bond in Germany with a volume of EUR 60 million and a coupon rate of 9.75% and effective rate of 10,74%. The proceeds were used almost entirely to repay existing loans. Interest is calculated annually and falls due in arreas on 10 May of each year, but for the first time on 10 May 2014, and always for the period from 10 May of the year to 9 May of the following year.

The most part of Group’s bank loan agreements has the following covenants:

- the Group is obliged to comply with certain ratios of loans and borrowings to EBITDA, calculated based on profit before tax net of finance income, finance expenses and depreciation,
- the Group is obliged to comply with certain ratios of EBITDA, calculated base on profit before tax net of finance income, finance expenses and depreciation,
- the Group is obliged to ensure increase in sales revenues in the consolidated statement of comprehensive income as compared to the previous year,
- the Group is obliged to ensure level of loans and borrowings in the consolidated statement of financial position,
- the Group is obliged to ensure level of borrowings in certain banks.

If covenants are breached the borrowers can increase interest rate or demand early repayment.

26. TRADE ACCOUNTS PAYABLES

Trade payables are exclusively comprised of trade payables due to third parties in the amount of EUR 20,891 thousand (2012: EUR 17,197 thousand; 2011: EUR 13,708 thousand).

Trade payables are non-interest bearing and are normally settled on 60-day terms.

27. ADVANCES RECEIVED

Prepayments received in the amount of EUR 4,605 thousand (2012: EUR 4,171 thousand; 2011: EUR 6,398 thousand) represent advance payments from customers.

28. OTHER SHORT-TERM LIABILITIES

Other current liabilities comprise the following:

	30 September 2013 EUR'000	30 September 2012 EUR'000	1 October 2011 EUR'000
VAT payable	9 033	3 649	1 184
Employee benefit liabilities	2 287	3 143	1 537
Short-term finance lease payable	677	484	226
Other taxes payable	443	334	532
Other financial liabilities	196	270	119
	12 636	**7 880**	**3 598**

The employee benefit liabilities represent wages and salary, bonuses to staff, unused vacation accruals and rebated contributions with regards to pension, medical and social insurance.

As of 30 September 2013 long-term finance lease liabilities of EUR 652 thousand (30 September 2012: EUR 507 thousand, 1 October 2011: EUR 400 thousand) were included in other long-term liabilities.

29. FINANCE LEASE LIABILITIES

The Group has finance leases for vehicles, generally passenger cars. These leases have no terms of renewal and escalation clauses. These leases have purchase option at the end of lease term.

Future minimum payments under finance lease and present value of the net minimum loan payments are as follows:

	30 September 2013		30 September 2012		01 October 2011	
	Present value EUR'000	Minimum lease payments EUR'000	Present value EUR'000	Minimum lease payments EUR'000	Present value EUR'000	Minimum lease payments EUR'000
Not later than 1 year	677	799	484	661	226	346
Later than one year and not later than five years	652	619	507	684	400	614
More than five years	-	-	-	-	-	-
	1 329	1 418	991	1 345	626	960

30. OPERATING ENVIRONMENT

Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The Russian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The global financial crisis has resulted in uncertainty regarding further economic growth, availability of financing and cost of capital, which could negatively affect the Group's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

31. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The key risk associated with the financial instruments related to foreign currency risk primarily resulted from loans and receivables denominated in Russian rubles and trade payables denominated in Euros. The Group did not use derivative instruments to hedge foreign currency risk due to immaturity of this market in the Russian Federation.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as of 30 September 2013, 2012 and 01 October 2011.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as of 30 September 2013, 2012 and 01 October 2011.

31.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (i.e., when revenue or expense is denominated in a different currency from the Group's presentation currency) and the Group's net investments in foreign subsidiaries. The Group does not hedge its foreign currency risk.

The carrying amounts of the Group's financial assets and liabilities payable in currencies are as follows:

	30 September 2013				
EUR'000	**USD**	**RUR**	**GBP**	**EUR**	**Total**
Long-term other financial assets	-	135	-	1 000	**1 135**
Short-term other financial assets	18	11 606	-	13 308	**24 932**
Trade receivable	2 600	38 495	6	6 322	**47 423**
Other short-term assets	547	1 702	-	186	**2 435**
Cash and cash equivalents	18	4 520	-	174	**4 712**
Total monetary financial assets	**3 183**	**56 458**	**6**	**20 990**	**80 637**
Long-term borrowings	-	-	-	57 911	**57 911**
Other long-term liabilities	**-**	652	**-**	**-**	**652**
Short-term borrowings	25 369	41 143	-	36 102	**102 614**
Trade accounts payable	5 227	4 837	-	10 827	**20 891**
Other short-term liabilities	1	860	-	12	**873**
Total monetary financial liabilities	**30 597**	**47 492**	**-**	**104 852**	**182 941**
Net monetary position	**(27 414)**	**8 966**	**6**	**(83 862)**	**(102 304)**

	30 September 2012				
EUR'000	**USD**	**RUR**	**GBP**	**EUR**	**Total**
Long-term other financial assets	-	116	-	-	**116**
Short-term other financial assets	34	4 009	-	1 052	**5 095**
Trade receivable	1 131	24 572	134	2 438	**28 275**
Other short-term assets	834	617	-	258	**1 709**
Cash and cash equivalents	21	2 220	-	372	**2 613**
Total monetary financial assets	**2 020**	**31 534**	**134**	**4 120**	**37 808**
Long-term borrowing	192	15 130	-	45 354	**60 676**
Other long-term liabilities	-	634	-	-	**634**
Short-term borrowing	22 755	42 765	-	3 533	**69 053**

Trade accounts payable	6 836	5 219	738	4 404	**17 197**
Other short-term liabilities	6	745	-	3	**754**
Total monetary financial liabilities	**29 789**	**64 493**	**738**	**53 294**	**148 314**
Net monetary position	**(27 769)**	**(32 959)**	**(604)**	**(49 174)**	**(110 506)**

	01 October 2011				
EUR'000	**USD**	**RUR**	**GBP**	**EUR**	**Total**
Long-term other financial assets	**-**	-	**-**	7029	**7 029**
Short-term other financial assets	-	1 539	**-**	-	**1 539**
Trade receivable	455	14 362	-	320	**15 137**
Other short-term assets	62	999	-	14	**1 075**
Cash and cash equivalents	208	3 474	-	428	**4 110**
Total monetary financial assets	**725**	**20 374**	**-**	**7 791**	**28 890**
Long-term borrowing	-	1 236	-	38 054	**39 290**
Other long-term liabilities	**-**	400	**-**	**-**	**400**
Short-term borrowings	7 952	23 356	-	5 570	**36 878**
Trade accounts payable	7 923	1 987	270	3 528	**13 708**
Other short-term liabilities	4	339	-	2	**345**
Total monetary financial liabilities	**15 879**	**27 318**	**270**	**47 154**	**90 621**
Net monetary position	**(15 154)**	**(6 944)**	**(270)**	**(39 363)**	**(61 731)**

Foreign currency sensitivity of financial instruments

The Group is primarily exposed to risks from changes in the exchange rate between euro (EUR), Russian ruble (RUB) and US dollar (USD).

The following tables demonstrate the sensitivity to a reasonable possible change in US dollar and ruble exchange rates in relation to euro (EUR), with all other variables held constant.

	Change in US$/EUR rate	**Effect on loss before income tax EUR'000**
2013	11,04%	(3 027)
	-11,04%	3 027
2012	12,61%	(3 503)
	-12,61%	3 503

	Change in RUB/EUR rate	**Effect on loss before income tax EUR'000**
2013	9,53%	854
	-9,53%	(854)
2012	11,76%	(3 862)
	-11,76%	3 862

31.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates to the Group's following limited debt obligations with floating interest rates as of 30 September 2013, 2012 and 2011:

Loans with variable rate	30 Spetember 2013 EUR'000	30 Spetember 2012 EUR'000	30 Spetember 2011 EUR'000
LIBOR	6 528	8 305	2 140
EURIBOR	2 230	427	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's loss/profit before tax is affected through the impact on floating rate borrowings, as follows:

	30 September 2013		30 September 2012	
	Basis points	Effect on loss before tax, EUR'000	Basis points	Effect on loss before tax, EUR'000
Decrease in LIBOR	1,00%	65	1,00%	83
Increase in LIBOR	-1,00%	(65)	-1,00%	(83)
Decrease in EURIBOR	1,00%	22	1,00%	4
Increase in EURIBOR	-1,00%	(22)	-1,00%	(4)

31.3 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instruments or customer contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade receivables) and from its financing activities (primarily for loans issued).

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As of 30 September 2013, the Group had 6 customers (2012: 3 customers; 2011: 1 customers) that owed the Group more than EUR1,000 thousand each and accounted for approximately 50% (2012: 38%; 2011: 7%) of all the receivables owed.

The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 25. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as medium, as its customers are located in several regions, however, their markets are not always independent.

Loans issued

Loans issued credit risk is managed on the Group's level by the Group's top management. Loans are issued in limited cases to certain customers or related parties. Outstanding loan principle or interest receivables are regularly monitored.

The requirement for an impairment is analysed at each reporting date on an individual basis. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes 25. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to loans issued as medium.

Cash and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the Group's management. The Group's maximum exposure to credit risk for the components of the statement of financial position as of 30 September 2013, 30 September 2012 and 01 October 2011 is the carrying amounts as illustrated in Note 15.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

31.4 Liquidity risk management

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The business of the Group requires financing to a great extent for the equipment which it trades. This financing is generally needed only for a period of three to six months. The financial department of *OOO EkoNiva-Technika Holding* in Russia provides central handling to secure liquidity at any time. There, all financing agreements and payment obligations converge and liquid resources are allocated accordingly. The Group's management is informed regularly of the situation regarding financing and payment obligations and makes key decisions outside of the daily business activities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

30 September 2013

EUR'000	On demand	Less than 3 months	between 4 months and 1 year	between 1 and 2 years	between 2 and 5 years	Total
Loans and borrowings	-	17 000	79 804	3 436	60 285	**160 525**
Trade payables	-	858	20 033	-	-	**20 891**
Other payables	-	363	508	652	-	**1 523**
Total	**-**	**18 221**	**100 345**	**4 088**	**60 285**	**182 939**

30 September 2012

EUR'000	On demand	Less than 3 months	between 4 months and 1 year	between 1 and 2 years	between 2 and 5 years	Total
Loans and borrowings	-	45 107	23 947	774	59 902	**129 730**
Trade payables	-	-	17 197	-	-	**17 197**
Other payables	-	121	639	634	-	**1 394**
Total	**-**	**45 228**	**41 783**	**1 408**	**59 902**	**148 321**

01 October 2011

EUR'000	On demand	Less than 3 months	between 4 months and 1 year	between 1 and 2 years	between 2 and 5 years	Total
Loans and borrowings	-	7 940	28 938	831	38 459	**76 168**
Trade payables	-	-	13 708	-	-	**13 708**
Other payables	-	56	292	200	200	**748**
Total	**-**	**7 996**	**42 938**	**1 031**	**38 659**	**90 624**

31.5 Fair value versus carrying amounts

As of 30 September 2013, 2012 and 01 October 2011, the carrying amounts of the Group's financial instruments approximated their fair value. The following methods and assumptions were used to estimate fair values:

- Fair values of cash and short-term deposits, trade and other receivables, and trade and other payables approximate their carrying amounts (largely due to the short-term maturities of these instruments and the Group applying market interest rates).

- In assessing the fair value of long-term financial instruments, the Group uses discounted values of future cash flows and makes assumptions based on market conditions existing at the reporting date. The nominal values of financial assets and liabilities with a maturity of less than one year, net of any estimated adjustments, are assumed to be their fair values.

32. SEGMENT REPORTING

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units engage in sales and other activities in different regions of the Russian Federation, and are managed separately because they require different marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:
- The Central segment includes activities of subsidiaries in Central region of the Russian Federation.
- The Voronezhskiy segment includes activities of subsidiaries in Voronezhskiy region of the Russian Federation.
- The Siberian segment includes activities of subsidiaries in Siberian region of the Russian Federation.

The Group aggregated certain operating segments with different characteristics in order to form the above reportable segments.

Management reviews the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before income tax (EBIT) and is measured consistently with profit or loss before income tax in the consolidated financial statements.

Transfer prices between operating segments are determined as cost of sale increased by minimal margin which is depended on different factors such as seasonality, fluctuation of exchange rates, terms of delivery and storage, terms and forms of financing, etc.

Information regarding the reportable segments is included in the tables below together with reconciliation to figures included in the IFRS consolidated financial statements.

Twelve months ended 30 September 2013	**Central region**	**Blackearth region**	**Siberian region**	**All other**	**Elimination and adjustments**	**Consolidated**
	EUR'000	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**
Revenue	114 819	69 875	40 380	39 860	(55 617)	209 317
Sales of goods for resale - third parties	*92 261*	*65 896*	*37 527*	*10 953*	-	*206 637*
Sales (all) - Group companies	*22 558*	*3 979*	*2 853*	*17 204*	*(46 594)*	-
Construction revenue	-	-	-	*11 703*	*(9 023)*	*2 680*
Revenue from rendering of services	1 553	908	595	18	-	3 074
Cost of goods and services sold	(92 209)	(56 833)	(33 113)	(29 347)	45 305	(166 197)
Cost of rendering of services	-	-	-	-	-	-
Cost of goods for resale	*(92 209)*	*(56 833)*	*(33 113)*	*(18 622)*	*36 854*	*(163 923)*
Cost of construction contracts	-	-	-	*(10 725)*	*8 451*	*(2 274)*
Gross profit	**24 163**	**13 950**	**7 862**	**10 531**	**(10 312)**	**46 194**
Other income	1 454	1 481	889	9 427	(8 978)	4 273
Payroll expenses	(6 746)	(2 486)	(2 178)	(3 066)	-	(14 476)
Depreciation	(1 285)	(491)	(418)	(331)	14	(2 511)
Other operating expenses	(8 667)	(8 210)	(3 569)	(2 709)	6 583	(16 572)
Results from operating activities	**8 919**	**4 244**	**2 586**	**13 852**	**(12 693)**	**16 908**

Twelve months ended 30 September 2012	Central region	Blackearth region	Siberian region	All other	Elimination and adjustments	Consolidated
	EUR'000	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**	**EUR'000**
Revenue	101 116	54 667	36 985	21 098	(45 792)	168 074
Sales of goods for resale - third parties	*78 175*	*53 189*	*33 474*	*3 205*	*-*	*168 043*
Sales (all) - Group companies	*22 941*	*1 478*	*3 511*	*13 974*	*(41 904)*	*-*
Construction revenue	*-*	*-*	*-*	*3 919*	*(3 888)*	*31*
Revenue from rendering of services	1 901	895	498	1	-	3 295
Cost of goods and services sold	(79 427)	(45 835)	(31 561)	(9 620)	32 543	(133 900)
Cost of rendering of services	*-*	*-*	*-*	*-*	*-*	*-*
Cost of goods for resale	*(79 427)*	*(45 835)*	*(31 561)*	*(6 299)*	*29 241*	*(133 881)*
Cost of construction contracts	*-*	*-*	*-*	*(3 321)*	*3 302*	*(19)*
Gross profit	**23 590**	**9 727**	**5 922**	**11 479**	**(13 249)**	**37 469**
Other income	3 022	351	931	210	(9)	4 505
Payroll expenses	(6 331)	(1 884)	(1 559)	(3 058)	-	(12 832)
Depreciation	(978)	(317)	(202)	(287)	(164)	(1 948)
Other operating expenses	(9 040)	(6 122)	(2 722)	(2 132)	8 340	(11 676)
Results from operating activities	**10 263**	**1 755**	**2 370**	**6 212**	**(5 082)**	**15 518**

		2013	2012
		EUR'000	**EUR'000**
Result from operating activity		**16 908**	**15 518**
Financial income	**[14]**	700	3 534
Financial expenses	**[14]**	(18 299)	(12 783)
		(691)	**6 269**
Deferred tax credit	**[15]**	1 033	161
Income tax expense	**[15]**	(1 075)	(1 258)
Profit/(loss) for the period		**(733)**	**5 172**

In the financial year 2013 three customer made 13% of Central segment revenue, one customer made 15% of Siberian segment revenue and two main customers made 22% of Black Earth segment revenue.

33. BUSINESS ACTIVITIES WITH RELATED PARTIES

For the purposes of this consolidated financial statement, parties are considered to represent related companies if one party is able to control the other; if multiple parties are subject to the control of another; or if one party can exercise significant influence on the financial and business decisions of another. Considerations of all possible relationships between related companies are based on the actual substance of relationship and not merely its legal form.

Beginning from 1 March 2013 Ekosem-Agrar GmbH can exercise significant influence through its main shareholder Stefan Duerr, so the main related party of EkoTechnika GmbH is Ekosem-Agrar GmbH.

The managing directors of EkoTechnika GmbH are considered management members in key positions.

Per resolution dated 22 February 2013, Mr. Wolfgang Blaesi, Heidelberg, was appointed as a further managing director of Ekosem-Agrar GmbH. The entry in the commercial register was made on 7 March 2013.

Trading activities

In the course of the financial year, the Group companies conducted the following transactions with other related companies and persons:

	2013 EUR'000	2012 EUR'000
Sale of agricultural machinery	8 623	-
Sale of spareparts	6 901	-
Revenue from rendering of construction services	1 830	-
Sale of fuel products	255	-
Revenue from rendering of services	113	-
Purchase of goods and other services	310	-
Other income	290	-

From the sold machinery and spare parts machines to the value of EUR 910 thousand and spare parts to the value of EUR 2,517 thousand were returned in January 2014 to the respective seller. The in 2013 realised gross margin es EUR 1,212 thousand.

Receivables and payables from and to related companies and persons

The following balances remained outstanding at the end of the reporting period:

	30 September 2013 EUR'000	30 September 2012 EUR'000
Trade and Other short-term assets	20 369	4
Trade accounts payable and Other short-term liabilities	1 699	-

Financing and investing activities

The Group companies conducted the following financing transactions with other related companies and persons not belonging to the Group during financial year.

	30 September 2013 EUR'000	30 September 2012 EUR'000
Other financial assets	25 060	-

	2013 EUR'000	2012 EUR'000
Interest income	531	0

Management remuneration is covered in Note 12.

34.IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

On 11 November 2013, OOO Ekotechnika acquired 30% of the shares in NivaControl GmbH for a purchase price of EUR 15 thousand. NivaControl GmbH was founded on 13 September 2013.

35. AUDITOR'S FEE

The fee for the annual audit (total remuneration plus expenses without VAT) recorded as an expense in the year ended 30 September 2013 was EUR 36 thousand (2012: EUR 42 thousand).

36. RELEASE

The consolidated financial statement of Ekotechnika GmbH for the financial year from 1 October 2012 to 30 September 2013 was approved and released for publication by executive management on 18 March 2014.

Walldorf, 18 March 2014

Olga Ohly
Managing director

Wolfgang Blaesi
Managing director

Ekotechnika GmbH Group management report dated 30 September 2013

1. Business and operating environment

1.1 Business activities

The business activity of the Ekotechnika Group consists of trade in agricultural equipment of all kinds. This includes machinery sales (consultation, purchase and sale), spare parts sales and providing services. The market for sales of the corporate group lies entirely within Russia; machines and spare parts are purchased to some extent in Western Europe or North America. In the meantime, a large percentage of products are manufactured in Russia itself by subsidiaries of foreign suppliers and are purchased there. The company's subsidiaries on the Russian market trade under the EkoNiva-Technika brand.

The Group's main supplier is Deere&Company, Moline, Illinois, USA, the largest manufacturer of agricultural machinery in the world and the market leader. The product portfolio also includes other well-known suppliers such as JCB, UK (telehandlers) and Grimme, Russia (potato harvesting technology). In the meantime, the Group has also become a dealer for one of the most important dairy farming suppliers – the products and services of GEA Group, Germany support large, modern milk producers in Russia. Finally, collaboration with the firm AG Growth International, Winnipeg, Manitoba, Canada for grain processing and storage is increasing further.

In May 2013, Ekotechnika GmgH, Walldorf issued a corporate bond with a volume of EUR 60 million. The bond issue, with a maturity period of 5 years and a coupon rate of 9.75%, was used almost entirely to repay existing loans after costs were deducted.

In 2013 OOO "EkoNiva-Technika", Moscow, Russia, in Detchino in the Kaluga region began operation of an exemplary service center, which was named service center of the year worldwide by John Deere.

1.2 Economic environment

The indications for agriculture and its related sectors continue to be positive. Limited area for cultivation, an increasing world population and the accompanying increase in the demand for food also require further productivity increase of agriculture. Modern, high-performance agricultural equipment is needed for this. Thus the agricultural equipment trade can expect a continued high level of readiness to invest.

In Russia, the government is attempting to increase investment in agriculture with wide-ranging subsidies to increase the independence of food supplies. This, along with the trend toward more effective technology, will also ensure an expansion of the land used for agriculture and thus further increase market volumes for agricultural technology.

Overall economic trend

As expected in the June forecast, the German economy recovered quickly from the weak winter period in 2012/ 2013 and is growing once again. After the results and recovery effects of increased GDP growth comprising 0.7 % in the second quarter, the economic performance overall increased by 0.3 % in the third quarter. With this, the German economy can be said to have returned to its normal levels of performance. In the year ahead, the German economy could grow by 1.7 % and by 2.0 % in the year thereafter following growth of only 0.5 % in 2013.In this case, the rather low growth rate in 2013 can be attributed to a negative carry-over effect from 2012.

In Russia, the pace of growth decreased once again. In 2012, production had expanded by 3.4 % before GDP decreased on a quarterly basis in the first and second quarter of 2013 as a consequence of sluggish foreign demand, weak investment activity and financial policy restrictions. In the third quarter, the economy remained obviously sluggish though it was expected to improve slightly toward the end of the year. Inflation was declining due to lower increases for food prices and administered prices but remained above the target value set by the central bank. Inflation in Russia was approximately 6.2 % in the reporting period.

Russia's prime lending rate system was reorganized by the central bank. As of mid-September 2013, the central bank's weekly rate applied; before that it was the day-to-day money rate as the prime lending rate. The central bank left rates 5.5 %. Interest for overnight loans, on the other hand, was reduced from 8.25 % to 6.5 %. The intent of the change for the prime lending rate was to increase transparency for monetary policy. Moreover, it was to be made easier for market participants to understand the decisions.

After phase of relative stability, the Russian ruble has seen significant losses in this exchange rate since May 2013. Its weakness with respect to the euro is particularly pronounced; the devaluation since the beginning of 2013 has been a good 10 %. Thus the ruble was trading once again at the level of the worldwide financial crisis in 2008/2009. On 1 October 2012, one euro was valued at approx. 39.98 rubles; the final rate on 30 September 2013 was about 43.85 rubles to the euro.

The worldwide record harvest for grain and oilseed this year made it clear what power there is in the agricultural sector. However, the comparison with previous years also shows the enormous variations in year, mostly due to climate, with which farmers must contend. According to the estimates so far, in the "harvest year" 2013/2014 (from July to June) an impressive increase of 8 % is to be expected in the production of wheat and coarse grains worldwide compared to the prior year.

Despite the decrease in price to the average level of many years, the situation in Russia is not quite so dramatic. Aside from operations in Southern Russia and the Far East, the dependency on exports for grains and oilseed is significantly less than in Ukraine. There is a greater focus on domestic demand.

Performance in the agricultural equipment trade

The German Engineering Federation (VDMA) estimated the international production volume for agricultural equipment manufacturers to be EUR 91 billion in 2012, corresponding to growth of 12 % compared to the prior year. The estimate for 2014 continues to be optimistic. The forecast for global production is EUR 96 billion, which would correspond to growth of 5 %. In the first quarter of 2013, sales for the German agricultural technology industry increased by 0.7 % compared to the same quarter of the prior year, reaching EUR 2.25 billion. Exports grew by 3.7 % while domestic sales declined by 6.3 %.

In 2014, the German Engineering Federation (VDMA) expects a real increase in sales of 5 % for equipment manufacturing worldwide. The growth of the world economy will remain robust for the foreseeable future, regardless of occasional frictions in individual developing countries.

Decreasing grain prices, limited subsidy, increasing loan restrictions and greater separation of the market: all affect agricultural technology sales in Russia negatively. After good development in the years from 2010 to 2012, agricultural technology sales decreased this year from 10 % to 20 % depending on the source.

2. Business performance

2.1 General statement regarding business performance

Compared to the trend of agricultural technology in Russia in general as described above, the executive management is largely satisfied with the operational development of the EkoNiva-Group in the reporting period. Both sales and revenue figures increased significantly; the operating result is about at the level of the prior year.

In the reporting year, attempts to reduce high equipment inventories did not succeed to the extent planned. This task is now the focus of considerable attention in the current financial year, because the equipment inventory is a significant driver of high financing costs.

Business performance was also adversely influenced by the weakening of the ruble, which led to currency exchange losses, which are largely not recognized however, but rather result from the valuation on the reporting date. Compared to a high positive influence from changes in the exchange rate in the comparative period, currency effects have a negative overall effect on the balance in the reporting year.

OOO AgroElement was founded on 14 February 2013 with registered capital of RUB 10 thousand (approx. EUR 250). The company has its main business offices in the city of 656922 Barnaul, Russia.

The registered capital of OOO “EkoNivaTechnika-Holding” was increased up to RUB 405,170 (approximately 10,096 EUR).

On 11 November 2013, OOO Ekotechnika GmbH acquired 30 % of the shares in NivaControl GmbH, Walldorf, for a purchase price of EUR 15 thousand. Niva Control GmbH, Walldorf, was founded on 13 September 2013 and entered in the Mannheim commercial register on 17 October 2013 with the number HRB 718008.

2.2 Profit situation

Total Group sales in the reporting period amounted to EUR 212,391 thousand (prior year EUR 171,369 thousand), 79.7 % or EUR 169,285 thousand attributable to the sale of agricultural equipment (prior year EUR 140,686 thousand or 82.1 %). The sale of spare parts accounted for 16.1 % or EUR 34,257 thousand (prior year EUR 25,465 thousand or 14.9 %). Sales of services amounted to EUR 3,074 thousand (prior year EUR 3,295 thousand). Other operating income amounting to EUR 4,273 thousand (prior year EUR 4,505 thousand) resulted largely from warranty refunds, fines and penalties as well as reimbursements of marketing costs.

The key share of expenses is attributable to the costs of machinery sold (EUR 138,174 thousand, prior year EUR 114,314 thousand) and spare parts (EUR 23,654 thousand, prior year EUR 18,091 thousand).

Personnel expenses of EUR 14,476 thousand (prior year EUR 12,832 thousand) included salary and wages as well as social insurance and comparable contributions.

Amortization, depreciation and impairment amounting to EUR 2,511 thousand (prior year EUR 1,948 thousand) were not a large share of total costs.

Other operating expenses of EUR 16,572 thousand (prior year EUR 11,676 thousand) were essentially made up by currency translation differences, transportation costs and expenses for advertising, marketing and travel.

Earnings before interest and tax (EBIT) amount to EUR 16,908 thousand or 8.1 % of total sales (prior year EUR 15,518 thousand or 9.1 %).

The results of financial activities in the amount of EUR -17,599 thousand (prior year EUR -9,249 thousand) essentially resulted from interest expenses amounting to EUR 13,664 thousand (prior year EUR 10,096 thousand) and currency effects of EUR -2,691 thousand (prior year EUR 1,220 thousand), leading to an EBT of EUR -691 thousand (prior year EUR 6,269 thousand). After a tax expense of EUR 42 thousand (prior year EUR 1,097 thousand), there is a net loss for the year of EUR -733 thousand (prior year consolidated net profit EUR 5,172 thousand).

2.3 Asset situation

Non-current assets amounting to EUR 48,383 thousand (2012: EUR 38,426 thousand, approx. 22.8 %; 2011: EUR 33,607 thousand, approx. 33.6 %) made up approximately 23.9 % of total assets (2013: EUR 202,662 thousand; 2012: EUR 168,204 thousand; 2011: EUR 100,167 thousand). These essentially include property, plant and equipment (EUR 32,989 thousand; 2012: EUR 23,664 thousand; 2011: EUR 13,492 thousand) and intangible assets (EUR 11,427 thousand; 2012: EUR 12,636 thousand; 2011: EUR 11,505 thousand). The other non-current financial assets from the prior year increased from EUR 116 thousand to EUR 1,135 thousand (2011: EUR 7,029 thousand).

Intangible assets comprise goodwill in the amount of EUR 11,380 thousand (2012: EUR 12,437 thousand; 2011: EUR 11,447 thousand); the change was due entirely to currency translation. The goodwill resulted from the founding of the Group by acquisition of the EkoNivaTechnika-Holding Group in 2011.

Property, plant and equipment predominantly comprise buildings (including facilities under construction) and the associated properties. The total of these items comprises EUR 27,084 thousand 2012: EUR 19,777 thousand; 2011: EUR 11,446 thousand), including the facilities under construction. Further details of the individual asset groups can be read in the fixed asset schedule in the Notes (No. 17).

About half of the current assets (2013: EUR 154,279 thousand; 2012: EUR 129,778 thousand; 2011: EUR 66,560 thousand) in the amount of EUR 65,775 thousand (2012: EUR 78,136 thousand; 2011: EUR 33,981 thousand) are constituted by inventories – machinery and spare parts for sale to customers. Accounts receivable of EUR 47,423 thousand (2012: EUR 28,275 thousand; 2011: EUR 15,137 thousand) is another important line item.
The share of equity in total capital in financial year was 0,2 % (2012: 3,7 %).

2.4 Financial position

A department of *OOO "EkoNivaTechnika-Holding", Moscow, Russia,* is responsible for financial controlling of the company. Controlling is handled such that financing costs are kept as low as possible while enabling all companies of the Group to meet their obligations on schedule at all times. Continuous monitoring of interest and currency trends is an important fundamental in this process.

Letters of credit and bank guarantees are important instruments for working with suppliers.

The total debt capital of the Group comprises EUR 202,183 thousand (2012: EUR 161,988 thousand; 2011: EUR 101,386 thousand). The Group's non-current liabilities amount to EUR 58,682 thousand (2012: EUR 61,490 thousand; 2011: EUR 39,724 thousand). Current debt capital totaling EUR 143,501 thousand (2012: EUR 100,498 thousand; 2011: EUR 61,662 thousand) essentially consists of financial liabilities of EUR 102,614 thousand (2012: EUR 69,053 thousand; 2011: EUR 36,878 thousand), liabilities to suppliers of EUR 20,891 thousand (2012: EUR 17,197 thousand; 2011: EUR 13,708 thousand) and other current liabilities of EUR 12,636 thousand (2012: EUR 7,880 thousand; 2011: EUR 3,598 thousand).

Further information on currency, interest and liquidity risks is available in the Notes for the consolidated balance sheet.

2.5 Cash flow statement

In the reporting year, the operational cash flow was EUR 17,532 thousand (prior year EUR 19,329 thousand) before changes in working capital. The increase in trade receivables (EUR 22,027 thousand; prior year EUR 9,480 thousand) was partially compensated by the reduction of inventories by EUR 6,118 thousand (prior year increase of EUR 40,814 thousand) and other assets (EUR 2,343 thousand; prior year EUR -5,159 thousand) as well as a slight increase of trade payables and other liabilities. Thus a cash inflow from operations resulted in the amount of EUR 16,481 thousand (prior year outflow of EUR 32,577 thousand). After taxes and interest were paid the operational cash flow comprised EUR 3,310 thousand (prior year EUR -39,586 thousand).

Various loans were made and some outstanding amounts were received. Moreover, there was further investment in establishing service centers. Altogether, investment activity led to a cash outflow of EUR 35,208 thousand (prior year EUR 6,807 thousand).

The company gained EUR 303,133 thousand (prior year EUR 217,796 thousand) from external borrowings. After taking into account payments to amortize loans and borrowings in the amount of EUR 266,834 thousand (prior year EUR 175,696 thousand), financing activities resulted in a net cash inflow of EUR 35,363 thousand (prior year EUR 44,100 thousand).

3. Opportunities and risks

Management is aware that ongoing consideration of the key opportunities and risks is a central aspect of development for the company.

For this reason, the executive management monitors the political and economic environment constantly to be able to respond to any changes at the earliest possible stage. Moreover, the key figures are determined and analyzed on a routine basis. If unexpected results are found, the causes are reviewed and possible response measures developed.

The company's management currently sees the following points as key opportunities:

International development of agriculture:
The upward trend of agricultural production and associated sectors worldwide remains stable despite some volatility. The increasing population of the world and changes in nutritional habits or imitation of "Western-influenced" lifestyles which accompany increasing prosperity are key drivers of this trend. Last but not least, energy production from raw material crops also contributes to an ongoing increase in demand. Agricultural technology makes an important contribution to expanding production and achieving the necessary increase in efficiency to do so.

Investment assistance in Russia:
The Russian government has the medium term objective of domestically producing some 85% of all key agricultural commodities consumed in the country. To support this, investment incentives in the form of subsidies for the acquisition and financing of agricultural technology are provided, and primary agricultural production is exempted from taxes on gains. These measures provide considerable support for sales efforts.

The most important strengths of the corporate group include foremost long-term work together with key suppliers, most of all Deere&Company, Moline, Illinois, USA, – the international market leader for agricultural equipment – and Väderstad Verken AB, Vaderstad, Sweden and our presence in attractive agricultural regions of Russia.

The company's management sees the following risks:

Stability of investment assistance: As described above, investment assistance from the government is an important factor in the sale of agricultural technology. A significant decline in the support could have negative consequences. Russian national finances are heavily dependent on the oil trade. Such a scenario could ensue should there be a lasting, serious decrease in the price of oil. However, we currently do not consider this likely. However, in 2013 there were delays in payment of interest subsidies for the first time, which adversely affected the climate for investment in agriculture.

Bank financing: The financing of agricultural technology by our customers in Russia takes place essentially through Russian banks and other financing companies. Currently, it cannot be predicted with any certainty whether the refinancing of banks and financing companies will become more costly or be hindered generally. Should this occur, it might affect sales volume.

The Russian ruble declined significantly against the Euro as well against the US-Dollar since the beginning of April 2013 up to the date on which the consolidated financial statements were approved for issue. If at the beginning of this development one euro cost approximately 40 rubles, currently it costs between 50 and 51 rubles; the development of Russian Ruble against US-Dollar was similar. This devaluation by more than 25% is negative for the large content of liabilities in Euro and US-Dollar, because the rubles are more necessary for the return. On the operational side, the currency effects theoretically may be passed onto the customers – however it is only possible in a certain proportion. Although this devaluation hit all producers of tractors similarly because baldly no comparable tractor produced in Russia exists, price increases cannot be indefinitely passed onto the end customers.

From today's perspective, no important weaknesses can be identified – perhaps the capital resources of the Group with the associated interest burdens, which will require a financial year or two to optimize. The strong growth of inventories also contributed to this situation in the comparative period. As of 30 September 2013, the company had reduced inventories slightly. Agricultural machinery with the value of about EUR 46,865 thousand (prior year EUR 58,098 thousand) remain in inventory.

4. Going concern risk

Dependence on the Group's success in generating sufficient cash flows from business activity to service its liabilities constitutes a significant uncertainty with regard to the Group's ability to continue as a going concern. Based on current Group plans and considering the associated uncertainty, at the time the 2013 consolidated financial statement was compiled, management assumes that the Group will be able to produce sufficient means to continue its business in the foreseeable future. This includes the refinancing of bank loans due for repayment in 2014 insofar as these exceed the means generated from the operative business. The background for this is that companies of the Group use current loans from Russian banks. The predominant share of these credit lines is extended routinely. The company's management assumes that this will continue to be the case in the future. Further information regarding this can be found under No. 7 in the Notes.

5. Events after the balance sheet date

After the end of the reporting year up to the date on which the consolidated financial statements were approved for issue the exchange rate of Russian ruble continued to decline - from 43.85 ruble/euro as of 30 September 2013 to round 50 ruble/euro currently. For understanding of the potential impacts of this we refer to our risk report under the exchange rate developments.

6. Forecast of expected developments

Overall economic trend

The next twelve months should see more positive economic development than the year just concluded. We expect stronger GDP growth in Germany as well as Russia. In Germany this is part of a broader European recovery.

Performance of the agricultural sector

The agricultural sector will continue its positive development, supported by the positive trends already described. The indications in Russia are not clear after high harvest volume in 2013 with average quality. There were some problems with fall sowing due to bad weather, which could lead to a smaller harvest in 2014. However, the need for investment in agricultural technology remains high. Therefore, financing conditions and the reliability of the Russian government with subsidy payments should prove decisive for the trend of sales for agricultural technology in Russia. Russia has generally failed to meet the government's objective of producing about 85% of all key agricultural commodities domestically, so the positive conditions for investment will likely persist.

Development of the Ekotechnika Group

The company's management expects an increase in sales of about 10% in the current financial year with a slightly increase of operative margin. Further growth at comparable rates is expected for the following year. The Central and Black Earth segments will develop approximately at the same pace over the next two years, with moderate revenue growth and a slight improvement in operating profit. The Siberia segment will rather have a slight setback in sales and earnings due to the fact that this region was very dry in 2012, however very wet in 2013. So the farmers had two bad years in a row. In the next fiscal year the development in the Siberia segment should take a turn for the better – with a slight increase in sales and earnings growth. In the segment Other regions we expect a stable growth of approximately 10 % in revenues and EBIT. The company will put particular emphasis on reducing inventories and accounts receivable, which is the key to reducing financing costs and currency risks.

Consistent further development of the outstanding position on the Russian market, including the opening of the service center in the Kaluga region last year, is the guarantor for positive development of the operative business.

Walldorf, Germany – 18 March 2014

Olga Ohly Managing Director	Wolfgang Blaesi Managing Director