Interim condensed consolidated financial statements as of June 30, 2013

AgroGeneration
French limited liability company with a
Board of Directors
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Interim Consolidated Balance Sheet

(in thousands of Euros)

Assets	Note	June 30, 2013	December 31, 2012
Non-current assets		**30 390**	**28 870**
Intangible assets and leasehold rights	6	11 884	11 890
Property, plant and equipment	7 & 8	16 616	15 404
Financial assets	9	442	250
Deferred tax assets		1 448	1 326
Current Assets		**41 597**	**42 948**
Inventories	10	5 269	17 390
Biological assets	11	27 639	15 360
Trade and other receivables	12	2 871	4 253
Cash and cash equivalents	13.1	5 818	5 945
Total assets		**71 987**	**71 818**

Equity and Liabilities	Note	June 30, 2013	December 31, 2012
Equity		**16 106**	**32 924**
Share capital	14	1 755	1 755
Share premium		51 842	51 842
Other reserves		(4 449)	(3 978)
Retained earnings		(13 167)	(7 517)
Currency translation differences		(3 743)	(3 528)
Net Income		(16 132)	(5 650)
Non-current liabilities		**21 632**	**12 890**
Provisions	15	5	5
Non current borrowings	13.2	21 571	12 692
Deferred tax liabilities		56	193
Current liabilities		**34 249**	**26 004**
Provisions	15	-	-
Current borrowings	13.2	25 245	5 920
Trade and other payables	16	6 804	12 927
Bank overdraft	13.1	2 200	7 157
Total equity and liabilities		**71 987**	**71 818**

Interim Consolidated Income Statement

(in thousands of Euros)	Note	June 30, 2013	June 30, 2012
Revenue	17	**11 836**	**10 256**
Other operating income		-	-
Total revenues from operating activities		**11 836**	**10 256**
Change in fair value of biological assets and finished goods	10 & 11	(8 448)	5 753
Cost of sales		(13 600)	(12 205)
Gross profit / (loss)		**(10 212)**	**3 804**
Sales, general and administrative expenses		(3 885)	(3 994)
Other income and expenses		64	97
Financial net income	18	(2 283)	(1 415)
Profit / (loss) before income tax		**(16 316)**	**(1 508)**
Income tax		184	296
Profit / (loss) for the period		**(16 132)**	**(1 212)**
Profit / (Loss) attributable to equity holders of the company (€, 000)		(16 132)	(1 212)
Weighted average number of ordinary shares		34 911 229	34 979 821
Basic earnings / (loss) per share (in Euros per share)	19	**(0,46)**	**(0,03)**
Weighted average number of ordinary and potential shares		34 911 229	34 979 821
Diluted earnings / (loss) per share (in Euros per share)	19	**(0,46)**	**(0,03)**

Interim Statement of Comprehensive Income

(in thousands of Euros)	June 30, 2013	June 30, 2012
Profit / (loss) for the period	**(16 132)**	**(1 212)**
Items non-recyclable in income, net of tax	-	-
Currency translation differences	-	-
Items recyclable in income, net of tax	**(215)**	**892**
Currency translation differences	(215)	892
Total comprehensive income of the period	**(16 347)**	**(320)**
Total comprehensive income attributable to:		
Equity holders of the company	**(16 347)**	**(320)**
Non-controlling interests	-	-

Interim Consolidated Statement of Changes in Equity

(in thousands of Euros)	Share capital	Share premium	Other reserves	Retained earnings	Currency translation differences	Total, Group share	Total equity	
Balance as of December 31, 2011	**1 754**	**51 842**	**(4 229)**	**(7 517)**	**(2 634)**	**39 216**	**39 216**	
Net Income / (loss)	-	-	-	(1 212)	-	(1 212)	(1 212)	
Other items from the comprehensive income	-	-	-	-	892	892	892	
Effect of bonded debts	-	-	-	-	-	-	-	
Shared-based payments	-	-	152	-	-	152	152	(1)
Issue of new shares	-	-	-	-	-	-	-	
Own shares	-	-	(83)	-	-	(83)	(83)	(3)
Balance as of June 30, 2012	**1 754**	**51 842**	**(4 160)**	**(8 729)**	**(1 742)**	**38 965**	**38 965**	
Net Income / (loss)	-	-	-	(5 650)	-	(5 650)	(5 650)	
Other items from the comprehensive income	-	-	-	-	(894)	(894)	(894)	
Effect of bonded debts	-	-	-	-	-	-	-	
Shared-based payments	-	-	304	-	-	304	304	(1)
Issue of new shares	1	-	-	-	-	1	1	(2)
Own shares	-	-	(53)	-	-	(53)	(53)	(3)
Balance as of December 31, 2012	**1 755**	**51 842**	**(3 978)**	**(13 167)**	**(3 528)**	**32 924**	**32 924**	
Net Income / (loss)	-	-	-	(16 132)	-	(16 132)	(16 132)	
Other items from the comprehensive income	-	-	-	-	(215)	(215)	(215)	
Effect of bonded debts	-	-	(246)	-	-	(246)	(246)	(4)
Shared-based payments	-	-	(28)	-	-	(28)	(28)	(1)
Issue of new shares	-	-	-	-	-	-	-	
Own shares	-	-	(197)	-	-	(197)	(197)	(3)
Balance as of June 30, 2013	**1 755**	**51 842**	**(4 449)**	**(29 299)**	**(3 743)**	**16 106**	**16 106**	

(1) Share-based compensation corresponds to founders' share subscription warrants [BSPCE] and stock options issued by the company to employees (see Note 2.5).

(2) On September 17, 2012 the Company increased its share capital with the issue of 7,280 shares at par value of €0.05 through the exercise of the warrants and on December 21, 2012 with the issue of two new shares at par value of €0.05 to the former shareholders of the sub-group, Vinal, in accordance with the 2011 agreements.

(3) These shares are owned under the market liquidity contract set up by the Group (see Note 9).

(4) The derecognition of the debt share and virtual accrued interest of the convertible bonds under the new bond issue of April 2013 (see Note 3.1) have resulted in a financial charge of k€ 294 in the current financial year and an impact of k€ 246 recorded in other reserves (see Note 13.2).

Interim Cash Flow Statement

(in thousands of Euros)	Note	June 30, 2013	June 30, 2012
Profit / (loss) for the period		**(16 132)**	**(1 212)**
Depreciation on fixed assets	6 & 7	2 364	1 805
Capital (gains) / losses from disposals		12	(10)
Net financial (income) / loss	18	2 283	1 415
Deferred taxes (income) / expense		(234)	(296)
Impairment of finished goods inventory	10 & 11	(1 658)	(397)
Other (income) / expense with no cash impact		(22)	212
Cash flow from operating activities		**(13 387)**	**1 517**
Trade and other payables (decrease) / increase	16	(4 196)	3 498
Inventories decrease / (increase)	10	6 217	12 909
Biological assets and finished goods fair value decrease / (increase)	10 & 11	13 333	(5 753)
Biological assets cost decrease / (increase)	11	(17 950)	(17 618)
Trade and other receivables (decrease) / increase	12	(389)	(2 453)
Other movements		-	-
Working capital variation		**(2 985)**	**(9 417)**
Net operating cash flow		**(16 372)**	**(7 900)**
Cah flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		-	(1 357)
Purchase of property, plant and equipment	7	(2 911)	(3 901)
Purchase of intangible assets	6	(403)	(89)
Purchase of financial assets	9	(203)	(67)
Disposal of property, plant and equipment	7	-	-
Disposal of intangible assets	6	-	-
Disposal of financial assets	9	-	-
Net investing cash flow		**(3 517)**	**(5 414)**
Cash flow from financing activities			
Amounts received from shareholders following a capital increase	14	-	-
Purchase/sale of treasury shares	9	(197)	-
Issue of bonds	13.2	10 725	-
Proceeds from borrowings	13.2	28 027	13 119
Repayment of borrowings	13.2	(11 901)	(3 801)
Financial instruments gain / (losses)	18	4	-
Paid interests	18	(1 935)	(824)
Costs of capital increase		-	-
Net cash generated from financing activities		**24 723**	**8 494**
Effects of exchange rate changes on cash and cash equivalents		(4)	73
Net movement in cash and cash equivalents		**4 830**	**(4 747)**
Cash and cash equivalents at beginning of period	13.1	**(1 212)**	**6 866**
Cash and cash equivalents at end of period	13.1	**3 618**	**2 119**

(1) In the consolidated balance sheet, the accounts receivable and other receivables as of June 30, 2013 include prepayments made to suppliers of the Group in connection with inputs for the current harvest. In the consolidated cash flow statement, changes in prepayments to suppliers, which amount to k€ 556, excluding exchange rate effects (positive cash flow/decrease in receivables), are presented as a change in accounts payable and other payables.

(2) In the consolidated balance sheet, the trade and other payables as of June 30, 2013 include prepayments received from customers of the Group in respect of future deliveries for 2013. In the consolidated cash flow statement, changes in customer prepayments, which amount to k€ 1,000, excluding exchange rate effects (negative cash flow/decrease in debt), are presented as a change in trade and other receivables.

(3) The acquisitions of shareholdings as of June 30, 2012 represent the settlement of the Vinal transaction, mainly comprising the acquisition of the minority interests for approx. k€ 1,163.

Notes to the Interim Condensed Consolidated Financial Statements

The Interim Condensed Consolidated Financial Statements for the AgroGeneration Group ("AgroGeneration," "the Group" or "the Company") for the period ending on June 30, 2013 were authorized for issue by the Board of Directors on November 21, 2013.

These Financial Statements are presented in thousands of Euros for all financial periods, with the exception of information per share.

1. Summary of accounting policies

The main accounting policies and methods applied are summarized below.

1.1. Basis of preparation

The interim condensed consolidated financial statements as of June 30, 2013 have been prepared in accordance with IAS 34 (Interim Financial Reporting) and the IFRS as adopted by the European Union on June 30, 2013 (available on the websitehttp://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

IAS 34 provides that, in the case of condensed financial statements, these do not include all the information required by the IFRS for the preparation of the annual consolidated financial statements. These condensed financial statements should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2012.

The accounting policies and methods adopted are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2012, with the exception of the adoption of the following new standards and interpretations, whose application is mandatory for the Group:

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

The application of the amendment to IAS 1 has only had an impact on the presentation of the consolidated financial statements whilst the application of IAS 19 as amended has had no significant impact on the Group's accounts as of June 30, 2013.

The following texts published by the IASB whose application is not yet mandatory for financial periods ended June 30, 2013:

a) Standards and interpretations published by the IASB and approved by the European Union:

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

Since the start of financial year 2013, the potential impact of the following standards has also been under examination, although they are not yet applicable.

b) Standards and interpretations published by the IASB but not approved by the European Union:

- Investment entities: IFRS 10, IFRS 12 and IAS 27 amendments,
- IFRS 9 (Financial Instruments),
- Amendments to IAS 36 (Recoverable amount disclosures for non-financial assets),
- Amendment to IAS 39 and IFRS 9 (Novation of derivatives and continuation of hedge accounting),
- IFRIC 21 (Levies charge by a public authority).

1.2. Consolidation

The effects of all intercompany transactions, as well as internal income and expenses, are fully eliminated. Subsidiaries are consolidated as of the date of acquisition, being the date on which the Group obtained control of them; and they are consolidated until the date control ceases. The entities over which the Group does exert sole control are consolidated according to the full consolidation method. The Group does not exert joint control over any of the entities within its scope of consolidation as of June 30, 2013.

Name	Registered office	June 30, 2013			December 31, 2012			June 30, 2012			Company financial year-end
		% of Interest	% of Control	Methods of consolidation	% of Interest	% of Control	Methods of consolidation	% of Interest	% of Control	Methods of consolidation	
AgroGeneration	Paris - France	Consolidating entity		Fully consolidated	Consolidating entity		Fully consolidated	Consolidating entity		Fully consolidated	31 Dec
UCD Ukraine	Kiev - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Agroziom (AGZ)	Kiev - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Agrofuel Ukraine	Kiev - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Agro Fund Terestchenko (AFT)	Kiev - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Agrodruzstvo Jevisovice Ukraine (AJU)	Kiev - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Marrimore Holdings Ltd	Nicosie - Chypre	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Haberly Properties Ltd	Nicosie - Chypre	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Vinal Agro (VKD)	Lviv - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Knyazhi Lany (VKL)	Lviv - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Zborivski Lany (VZB)	Lviv - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Lishchynske (VLY)	Lviv - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
AgerAustral	Buenos Aires - Argentine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Fully consolidated	31 Dec
Vidrodzhennya	Lviv - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	100%	100%	Non-consolidated securities	31 Dec
Agro-Vilshanka	Kiev - Ukraine	100%	100%	Fully consolidated	100%	100%	Fully consolidated	0%	0%	N/A	31 Dec

1.3. Foreign currency translation

The functional currency of the parent company and the Cypriote subsidiaries is the Euro (EUR); that of the Ukrainian subsidiaries is the Ukrainian Hryvnia (UAH); and that of the Argentine subsidiary is the Argentine Peso (ARS).

The presentation currency of the consolidated Financial Statements is the Euro (EUR).

The exchange rates between the Hryvnia and the Euro and between the American dollar (USD) and the Euro are based on the rates of the *National Bank of Ukraine*, and the exchange rates between the Argentine Peso and the Euro are based on the rates of the *Central Bank of Argentina*.

The exchange rates used for translating Financial Statements of the subsidiaries in Ukraine and Argentina into Euro are the following:

	As of June 30, 2013		As of December 31, 2012		As of June 30, 2012	
Monetary unit per € 1	Average	Closing	Average	Closing	Average	Closing
Hryvnia ukrainienne (UAH)	10,4941	10,4101	10,2718	10,5372	10,3680	9,9706
Peso argentin (ARS)	6,7341	7,0125	5,8436	6,4918	5,5645	5,7050
Dollar américain (USD)	1,3129	1,3024	1,2854	1,3183	1,2980	1,2475

1.4. Intangible assets and leasehold rights

The main intangible assets recognized are goodwill and leasehold rights for agricultural land. These have been recognized as part of the business combination process. Depreciation of the leasehold rights is calculated on a linear basis using average residual useful lives over the term of the lease contracts on the land.

The average residual term of depreciation of the leasehold rights is 7 years as of June 30, 2013 compared with 8 years as of 30 June, 2012.

1.5. Current and deferred income tax

The tax rate applicable on June 30, 2013 is 33.33% in France, 19% in Ukraine, and 35% in Argentina. Furthermore, agricultural producers in Ukraine are exempted from the ordinary corporate income tax system if, year on year, they meet the requirements to be recognized as agricultural producers (see Note 2.16(b) “Agricultural tax schemes for agricultural concerns in Ukraine” of the Group’s financial statements as of December 31, 2012).

2. Key accounting judgements and estimates

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

2.1. Fair value of biological assets

The Group's biological assets are measured at each balance sheet date at their fair value less point-of sale costs at harvest date, except when the fair value cannot be determined in a reliable manner.

The fair value of biological assets varies according, among other things, to climatic conditions, yield potential, the harvest and price developments. Given the nature of these input parameters, the fair value of the biological assets is categorized as Level 3 as defined by IFRS 13.

As of June 30, 2013, the Group has identified for each type of biological asset their respective main market, and measures their fair value based on the following:

(i) in determining prices

- for its Ukrainian subsidiaries: given the absence of an active EXW market (harvests not having commenced on the reporting date), the Ukrainian FOB prices or Western markets offset prices on the balance sheet date have been used. These prices have been reduced by *fobbing* and transport costs.
- for its Argentine subsidiary: the price of the Argentine markets on the balance sheet date.

(ii) in determining yields

- for unharvested crops at the date the financial statements were prepared: the most relevant recent data from the *crop surveys* carried out in the fields.
- for crops already harvested at the date the financial statements were prepared: the actual yields taken from the production weights obtained on input to the silos.

If there were a 10% improvement over the management team's assumptions, then both the biological assets fair value and the gross margin would increase by k€ 3,534. A 10% decline in the fair value would be reflected in an equivalent net loss.

2.2. Pre-emptive rights on land leases

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

2.3. Useful lives of leasehold rights

The leasehold rights are the largest of the intangible fixed assets in gross value. These are recognized as being an integral part of the business operations. Depreciation of this asset is calculated by the linear method using average residual useful lives of the lease contracts (see Note 1.4).

2.4. Useful lives of property, plant and equipment

The gross value of the property, plant & equipment amounted to k€ 27,813 as of June 30, 2013 (k€ 24,626 as of December 31, 2012). Management itself has estimated useful lifetimes for depreciable property, plant and equipment (see Note 2.5 of the consolidated financial statements as of December 31, 2012). However, the actual useful lifetimes can be different from those estimated by the management.

2.5. Share-based payments

The Group measures the cost of the share-based payments granted to employees by reference to their fair values on the date at which they were granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependant on the terms and conditions of the grant. It also involves choosing the appropriate inputs to the valuation model, including expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and model used for the share-based payments within the Group are identical to those described in Note 25 to the Group's financial statements as of December 31, 2012, except for the turnover rate for the 2011 stock-options plan, which is 20% as of June 30, 2013 (7.5% as of December 31, 2012).

3. Major events of the period

3.1. 11 million Euro bonds issuance

AgroGeneration completed in April 2013 an k€ 11,000 bond issue reserved for the Vivescia Group (formerly Champagne Céréales), a shareholder and partner of the Group since its creation and represented on the Executive Board, fungible with the bond issue in July 2012. This bond issue has been compensated by offsetting the following receivables held by Vivescia:

- almost all the short-term seasonal loans granted by Vivescia, totaling € 8.0 million and maturing at the end of 2013;
- all the convertible bonds held by Vivescia, totaling € 3.0 million and maturing at the end of May 2015.

AgroGeneration has issued 110,000 new bonds to the benefit of Vivescia, bringing the number of bonds issued to 203,793.

The impacts of this bond issue on the consolidated financial statements as of June 30, 2013 are described in note 13.2.

3.2. Merger agreement with Harmelia

AgroGeneration announced on May 3, 2013 the signing of a future merger agreement with Harmelia, which controls and operates nearly 70,000 hectares across 9 farms in the Kharkov region in Eastern Ukraine, with a storage capacity 126,000 tonnes.

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

Under the terms of the agreement, in consideration for the transfer of 100% of the Harmelia shares, Konkur Investments Limited (holding company owned by SBF IV) will receive 57,264,394 new AgroGeneration shares, i.e. 62% of the capital of the new Group after the completion of the merger. Parity has been defined on the basis of the respective EBITDA objectives for the two groups for 2013 and their development prospects, which justified an AgroGeneration valuation of € 2.05 per share, i.e. 24% above the average stock market price over the 30 days preceding the announcement. Konkur's share may be increased to 63% if Harmelia's EBITDA is more than twice that of AgroGeneration in 2013. In addition, AgroGeneration will issue bonds totaling 40,000 kUSD refundable all at once, no later than July 1, 2019.

4. Events after the balance sheet date

4.1. Finalisation of the merger with Harmelia

Description of the merger operation with Harmelia

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

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

The AgroGeneration General Meeting on October 11, 2013, approved the transfer of all the Harmelia shares for the sum of k€ 148,161 k, i.e. about k€ 41 per share. All the conditions precedent of the contribution agreement having been lifted, the contribution was completed on October 11, 2013.

The general meeting also approved the consideration for the contribution and authorized the issue for the benefit of Konkur of:

- 57,264,394 new shares with a nominal value of 0.05€, to each of which is attached a share purchase warrant the exercise of which could give the right to a maximum of 2,496,268 new shares. The 57,264,394 new shares are fungible with the existing shares and have been traded on Alternext Paris since October 17, 2013.
- 40,000 bonds with a nominal value of 1,000 USD, at the gross annual rate of 8%, with repayment at the latest on July 1, 2019. Interest is payable semi-annually, on February 28 and August 31.

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

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

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

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

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

Number of Harmelia shares outstanding as of October 11, 2013	3 656
Theoretical interest in the combined entity owned by AgroGeneration shareholders after the merger	38%
Number of Harmelia shares expected to be issued	**2 241**
Valuation of Harmelia shares based on the quoted market price of AgroGeneration shares on October 11, 2013 and the exchange ratio (in thousands of Euros), assuming a parity of 1 Harmelia share for 15,661 AgroGeneration shares	22,24
Purchase price (in thousands of Euros)	**49 838**
Carrying value of AgroGeneration's net assets (in thousands of Euros) as of June 30, 2013	16 106
Preliminary goodwill before allocation (in thousands of Euros)	**33 732**

The allocation of the purchase price on the basis of the fair value of the acquired assets and liabilities must be completed within a maximum period of 12 months following the effective date of the business combination. The allocation of the purchase price will be done on the basis of additional evaluation and studies.

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

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

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

- The allocation of share purchase warrants for 57,264,394 new AgroGeneration ordinary shares issued in favour of the former shareholders of Harmelia. These warrants together give the right to subscribe for a variable number and up to a maximum of 2,496,268 new AgroGeneration shares, as a function of the relative EBITDA performances of the two entities in 2013.

  Given that the number of shares resulting from the exercise of the warrants is not fixed, they cannot be analyzed as an equity instrument in terms of the IFRS texts. The issuance of these warrants translates into the recording of an additional debt for the combined Group to the former Harmelia shareholders, the counterpart of which is a decrease in the new combined Group's equity. This debt must be recorded at its fair value on initial recognition. The post-operation change in this debt will be included in earnings in case where the warrants are not exercised. In case where the warrants are exercised in part or in full the change in debt will result in an increase in the combined Group's equity, thus possibly leading to the former Harmelia shareholders percentage of ownership in the Group reaching up to 63%.

This being a reverse acquisition of AgroGeneration by Harmelia, it should be stated that the consolidated financial statements of the accounting acquirer (Harmelia) become the consolidated financial statements of the legal acquirer (AgroGeneration), with effect from October 11, 2013 for the current period and for past periods.

However, the capital structure of the new Group should represent the number of shares, the share capital and own shares of the legal acquirer AgroGeneration SA, which should therefore result in a reclassification within the Harmelia equity items to demonstrate their actual legal nature.

4.2. Amendment to the company's governance

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

5. Segment reporting

The operational structure as of June 30, 2013 is identical to that presented in note 7 of the consolidated financial statements as of December 31, 2012.

Segment reporting H1 2012 - in k€	Ukraine	Argentina	Head office	Eliminations	30 June 2013
Revenue	**9 183**	**2 545**	**5 054**	**(4 946)**	**11 836**
Other operating income	-	-	-	-	-
Total revenues form operating activities	**9 183**	**2 545**	**5 054**	**(4 946)**	**11 836**
Change in fair value of biological assets	(8 499)	51	-	-	**(8 448)**
Cost of sales	(11 076)	(2 539)	(4 931)	4 946	**(13 600)**
Gross profit / (loss)	**(10 392)**	**57**	**123**	**-**	**(10 212)**
Sales, general and administrative expenses	(3 040)	(292)	(553)	-	**(3 885)**
Other income and expenses	26	-	38	-	**64**
Financial net income	(1 221)	(54)	(1 008)	-	**(2 283)**
Profit / (loss) before income tax	**(14 627)**	**(289)**	**(1 400)**	**-**	**(16 316)**
Income tax	106	78	-	-	**184**
Profit / (loss) for the period	**(14 521)**	**(211)**	**(1 400)**	**-**	**(16 132)**
EBITDA	**(11 068)**	**(232)**	**(370)**		**(11 669)**
Assets	**63 884**	**3 850**	**53 652**	**(49 399)**	**71 987**
Liabilities (other than shareholders' equity)	**73 329**	**305**	**31 646**	**(49 399)**	**55 881**

Segment reporting H1 2012 - in k€	Ukraine	Argentina	Head office	Eliminations	30 June 2012
Revenue	**7 437**	**88**	**4 560**	**(1 829)**	**10 256**
Otheroperating income	-				-
Total revenues from operating activities	**7 437**	**88**	**4 560**	**(1 829)**	**10 256**
Change in fair value of biological assets	5 693	60	-	-	**5 753**
Cost of sales	(9 675)	(250)	(4 109)	1 829	**(12 205)**
Gross profit / (loss)	**3 455**	**(102)**	**451**	**-**	**3 804**
Sales, general and administrative expenses	(3 175)	(262)	(556)	-	**(3 994)**
Other income and expenses	79	-	18	-	**97**
Financial net income	(1 348)	3	(70)	-	**(1 415)**
Profit / (loss) before income tax	**(989)**	**(361)**	**(157)**	**-**	**(1 508)**
Income tax	- 125	171		-	**296**
Profit / (loss) for the period	**(864)**	**(190)**	**(157)**	**-**	**(1 212)**
EBITDA	**2 136**	**(362)**	**(63)**	**-**	**1 712**
Assets	**72 049**	**2 484**	**56 553**	**(50 537)**	**80 549**
Liabilities (other than shareholders' equity)	**70 276**	**201**	**9 624**	**(38 517)**	**41 584**

6. Intangible fixed assets and leasehold rights

(in thousands of Euros)	Gross value				Depreciation				Net value			
	Goodwill	Leasehold rights	Others	Total	Goodwill	Leasehold rights	Others	Total	Goodwill	Leasehold rights	Others	Total
December 31, 2012	**5 779**	**8 653**	**265**	**14 697**	**-**	**(2 722)**	**(85)**	**(2 807)**	**5 779**	**5 931**	**180**	**11 890**
Change of perimeter	-	-	-	**-**	-			**-**	-	-	-	**-**
Purchases of assets	-	401	2	**403**	-	(448)	(32)	**(480)**	-	(47)	(30)	**(77)**
Exchange rate differences	-	107	-	**107**	-	(37)	1	**(36)**	-	70	1	**71**
Disposals of assets	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Other transactions	-	(108)	108	**-**	-	-	-	**-**	-	(108)	108	**-**
June 30, 2013	**5 779**	**9 053**	**375**	**15 207**	**-**	**(3 207)**	**(116)**	**(3 323)**	**5 779**	**5 846**	**259**	**11 884**
		(2)							(1)			

(1) The goodwill on acquisition k€ 5,779 corresponds to the consolidation of the Vinal sub-group on July 1, 2010. An impairment test of this intangible asset was performed on December 31, 2012 pursuant to the method described in note 7 of the Group's consolidated financial statements at that date, which concluded that there was no indication of a decrease in value.

Within the framework of the merger between AgroGeneration and Harmelia (see Note 3.2), an exercise to determine the respective values of the two groups was carried out, based on the main operational indicators for value creation and on the EBITDA objectives. Given the results of this valuation, the Group considers that no impairment loss should be recorded in the financial statements as of June 30, 2013.

(2) The Group started in summer 2012 a project aiming to strengthen its leasehold rights portfolio in Ukraine, which consists in signing and registering long-term leases in Lyschin and Khodoriv regions. The amount of this investment, which is expected to be finalized before the start of next campaign, stands at k€ 1,845 as of June 30, 2013 (k€ 1,573 as of December 31, 2012). The Group will start depreciating these new leasehold rights upon project completion using the average useful lives until the term of the lease contracts.

7. Property, plant & equipment

(in thousands of Euros)	Buildings	Agricultural and other machinery	Agricultural machinery and other assets held under finance lease	Assets in progress and prepayments	Total
As of December 31, 2012					
Gross Value	5 124	13 345	5 062	1 095	**24 626**
Accumulated depreciation	(1 039)	(7 680)	(501)	(2)	**(9 222)**
Net closing value	**4 085**	**5 665**	**4 561**	**1 093**	**15 404**
Period closing on June 30, 2013					
Opening balance	**4 085**	**5 665**	**4 561**	**1 093**	**15 404**
Purchases (gross value)	227	944	1 286	454	**2 911**
Disposals (gross value)	-	(47)	-	-	**(47)**
Change in perimeter (gross value)	-	-	-	-	-
Other movements on gross value	57	261	171	(489)	-
Exchange rate differences on gross value	65	171	74	13	**323**
Depreciation	(226)	(1 082)	(576)	-	**(1 884)**
Reversal of depreciation on disposal	-	35	-	-	**35**
Change in perimeter (Depreciation)	-	-	-	-	-
Other movements on depreciation	-	-	-	-	-
Exchange rate differences on depreciation	(14)	(101)	(11)	-	**(126)**
Net closing value	**4 194**	**5 846**	**5 505**	**1 071**	**16 616**
As of June 30, 2013					
Gross Value	5 473	14 674	6 593	1 073	27 813
Accumulated depreciation	(1 279)	(8 828)	(1 088)	(2)	(11 197)
Net closing value	**4 194**	**5 846**	**5 505**	**1 071**	**16 616**

The net value of the pledged tangible assets stands at k€ 8,694 as of June 30, 2013 (k€ 7,487 as of December 31, 2012) and comprises the following:

- k€ 1,979 on buildings;
- and k€ 6,715 on farm machinery and other tangible assets.

8. Finance leases

(in thousands of Euros)	June 30, 2013		December 31, 2012	
	Minimum payments	Discounted value of minimum payments	Minimum payments	Discounted value of minimum payments
Less than one year	1 666	1 353	1 422	1 088
Between one and five years	2 378	1 988	1 653	1 443
After five years	-	-	-	-
Total minimum leases	**4 044**	**3 341**	**3 075**	**2 531**
Financial cost	(703)	-	(544)	-
Present value of minimum payments	**3 341**	**3 341**	**2 531**	**2 531**

9. Financial assets

(in thousands of Euros)	Non-consolidated subsidiaries	Long-term loans	Security deposit	Other financial assets	Total
December 31, 2012	**28**	**8**	**43**	**171**	**250**
Change in perimeter	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-
Purchases of assets	-	-	-	203	203
Disposals of assets	-	-	-	-	-
Other transactions	-	(7)	-	-	(7)
Exchange rate difference	-	-	-	(4)	(4)
Depreciation	-	-	-	-	-
June 30, 2013	**28**	**1**	**43**	**370**	**442**

The other financial assets, as detailed in note 11 of the consolidated financial statements as of December 31, 2012, are chiefly a deposit made with a specialised financial intermediary within the scope of a liquidity contract relating to transactions concerning the AgroGeneration share on the NYSE Euronext Alternext market. The company has allocated k€ 800 to it as of June 30, 2013, an increase of k€ 400 in comparison to December 31, 2012.

During the first half of 2013, and within the framework of the liquidity contract, 301,000 securities were purchased at an average price of 1.61 euros and 173,000 securities were sold at an average price of 1.67 euros. As of June 30, 2013, the contract situation was as follows:

- 290,487 shares valued at k€ 455 were self-owned by the Group within the framework of its liquidity contract (cf. Interim Consolidated Statement of Changes in Equity on page 5) ;
- The liquid assets available within the framework of this contract amounted to k€ 329 (which appear in other financial assets in the table above).

10. Inventory

(in thousands of Euros)

Gross Value	**June 30, 2013**	**December 31, 2012**
Raw materials and other supplies	3 680	3 401
Works in progress	118	3 056
Finished goods	1 295	7 954
Change in fair value of finished goods	212	4 632
Total	**5 305**	**19 043**

Depreciation	**June 30, 2013**	**December 31, 2012**
Raw materials and other supplies	-	-
Works in progress	-	-
Finished goods	(36)	(1 653)
Total	**(36)**	**(1 653)**
Net value	**5 269**	**17 390**
Raw materials and other supplies	3 680	3 401
Works in progress	118	3 056
Finished goods	1 471	10 933

The inventory of raw materials and other supplies represents inputs in Ukraine which will be used during the 2nd half of 2013 and spare parts.

Finished goods are mainly stock of soya and corn in Argentina (8,202 tonnes), which will be sold during the second half of the year.

The rules for valuing the various components of the Group's inventory are explained in note 2.8 (d) and 2.10 (a) of the consolidated financial statements as of December 31, 2012.

The value of pledged finished goods inventories as of June 30, 2013 is k€ 0 (k€ 3,241 as of December 31, 2012).

11. Biological assets

As of June 30, 2013, the Group's biological assets are cereals and oilseeds planted in Ukraine and in Argentina, to be harvested during the second half of 2013.

(hectares)	**June 30, 2013**			**December 31, 2012**		
	Ukraine	**Argentina**	**Total**	**Ukraine**	**Argentina**	**Total**
Winter Wheat	12 803	755	13 558	12 794	-	12 794
Winter Barley	1 106	-	1 106	1 106	-	1 106
Spring Barley	5 887	-	5 887	-	39	39
Winter Oilseed Rape	9 221	-	9 221	9 201	-	9 201
Corn	10 187	1 871	12 058	-	2 284	2 284
Soybean	4 833	-	4 833	-	5 037	5 037
Sunflower	2 178	-	2 178	-	244	244
Other	455	-	455	-	-	-
Total	**46 670**	**2 626**	**49 296**	**23 101**	**7 604**	**30 705**

(in thousands of Euros)

Book value as of Decembre 31, 2011	**13 072**
Current Biological Assets	13 072
Non-current Biological Assets	-
Flows over 6 months	
Reclassification of the works in progress at opening into biological assets (after sowing)	3 800
Costs incurred over the period	17 618
Inventory changes due to harvest	-
Gain/loss due to change in fair value	5 753
Impairment of biological assets	-
Exchange rate differences	1 504
Book value as of June 30, 2012	**41 747**
Current Biological Assets	41 747
Non-current Biological Assets	-
Flows over 12 months	
Reclassification of the works in progress at opening into biological assets (after sowing)	4 492
Costs incurred over the period	36 981
Inventory changes due to harvest	(53 715)
Gain/loss due to change in fair value	15 149
Impairment of biological assets	(40)
Exchange rate differences	(580)
Book value as of December 31, 2012	**15 360**
Current Biological Assets	15 360
Non-current Biological Assets	-
Flows over 6 months	
Reclassification of the works in progress at opening into biological assets (after sowing)	3 068
Costs incurred over the period	20 908
Inventory changes due to harvest	(3 413)
Gain/loss due to change in fair value	(8 448)
Impairment of biological assets	36
Exchange rate differences	129
Book value as of June 30, 2013	**27 639**
Current Biological Assets	27 639
Non-current Biological Assets	-

The methods for valuing these biological assets are defined in note 2.1.

The assumptions for average yield used in calculating the fair value of the biological assets are the following:

- in Ukraine: 4.2 tonnes/hectare as of June 30, 2013 (3.8 tonnes/hectare as of December 31, 2012)
- in Argentina: 5.7 tonnes/hectare as of June 30, 2013 (4.2 tonnes/hectare as of December 31, 2012)

The value of the pledged biological assets as of June 30, 2013 amounts to k€ 21,375 (k€ 0 as of December 31, 2012) within the framework of the short-term financing of the working capital requirements (see Note 13.2).

12. Trade and other receivables

(in thousands of Euros)	June 30, 2013	December 31, 2012
Trade receivables	1 063	1 819
Prepayments to suppliers	576	1 132
Other receivables	50	289
Social and tax receivables (excl. VAT receivables)	188	207
VAT receivables	817	740
Prepaid expenses	177	66
Trade and other receivables	**2 871**	**4 253**

(in thousands of Euros)	June 30, 2013	December 31, 2012
Currency:		
Denominated in EUR	407	217
Denominated in USD	-	822
Denominated in ARS	686	337
Denominated in UAH	1 778	2 877
Trade and other receivables	**2 871**	**4 253**

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

The VAT credit is generated by the Ukrainian entities that did not opt for the special tax scheme (see Note 2.16 (b) of the consolidated financial statements as of December 31, 2012), as well as the Argentine subsidiary and the French holding company.

13. Net debt

13.1. Cash and cash equivalents

(in thousands of Euros)	June 30, 2013	December 31, 2012
Cash	5 818	5 791
Restricted cash	-	-
Investment securities	-	154
Cash and cash equivalents	**5 818**	**5 945**
Bank overdraft	(2 200)	(7 157)
Net cash & cash equivalent	**3 618**	**(1 212)**

The bank overdraft as of December 31, 2012 includes a line of k€ 2,213 used in the context of trade financing (short-term facilities to pre-finance export sales and optimize the financial cost of working capital requirements). As of June 30, 2013, the Group is using a short-term loan in this context and the corresponding amount of k€ 1,265 is classified as current borrowings (see Note 13.2).

The amounts of the cash and cash equivalents and the Bank Loan of the Group in the different currencies are shown below:

(in thousands of Euros)	Cash and equivalents	Bank overdraft
Currency :		
Denominated in EUR	2 721	-
Denominated in USD	2 107	2 200
Denominated in UAH	870	-
Denominated in ARS	119	-
June 30, 2013	**5 818**	**2 200**

13.2. Borrowings

(in thousands of euros)	June 30, 2013	December 31, 2012	
Convertible bonds	-	2 405	(1)
Bonds	19 583	8 807	(2)
Bank borrowings	-	36	
Other financial debt	1 988	1 444	(3)
Non-current borrowings	**21 571**	**12 692**	
Bank borrowings	23 259	4 621	
Bonds	404	189	(2)
Other financial debt	1 582	1 110	(3)
Current borrowings	**25 245**	**5 920**	
Total borrowings	**46 816**	**18 612**	

(1) On May 7, 2010, Vivescia (formerly Champagne Céréales) endorsed k€ 3,000 of convertible bonds with a maturity of 60 months (due May 2015) and an interest rate of Euribor + 200 bp. The share of convertible bonds subscribed by Vivescia, accounted for as debt under IAS 32, amounted to k€ 2,047 on the basis of a discount rate assessed at 13% in 2010, for the first booking of these bonds. This share is supplemented by a calculation of a virtual charge of interest incurred on the basis of this 13% rate, higher than the contract rate, and thus leading to an additional charge during the period.

Within the context of the April 2013 bond issue (see Note 3.1), these convertible bonds have partially compensated the new loan at their nominal value of k€ 3,000. The derecognition of their share of the debt and the virtual accrued interest, with a total value of k€ 2,460 as of March 31, 2013, has resulted in a financial charge of k€ 294 over the current financial year (see Note 18), and an impact of k€ 246 being recorded in other comprehensive income (cf. Interim Consolidated Statement of Changes in Equity on page 5).

(2) The bond issue in July 2012, initially entered at its fair value based on the gross amount of the bond issue of k€ 9,379 net of transaction costs of k€ 610, and the bond issue in April 2013 (see note 3.1), initially entered at its fair value based on the gross amount of the bond issue of k€ 11,000 net of transaction costs of k€ 275.

The current share of k€ 404 corresponds to the interest accrued as of June 30, 2013, and the non-current share of virtual interest charge over the current financial year is k€ 50, with a cumulative value since the original accounting entry in 2012 of k€ 89.

(3) The debts corresponding to the finance lease contracts obtained by the Group (see Note 8) are stated among other financial debts for € 1,988 K in other non-current financial debts and for € 1,353 K in other current financial debts.

(4) The increase in the Group's financial debt of k€ 28,204 since the beginning of the 2013 financial year is due in part to the conversion of Vivescia's trade payables into bonds with a total value of k€ 8,000 (see Note 3.1); and also to the short-term financing of the working capital requirements needed for the culture of the plants sown in the spring: over the same period, the cost of the biological assets has increased by k€ 20,908 (see Note 11).

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

- Some of the Fixed assets (buildings and agricultural machinery for € 8,694 K, see Note 7),
- Some of the biological assets (€ 21,375 K, see Note 11).

The shares in the subsidiaries Marrimore, AJU, AFU and UCD (see Note 2.2 (b) of the consolidated financial statements as of December 31, 2012) are pledged to the benefit of the European Bank of Reconstruction and Development (EBRD) in the scope of the financing agreement signed in 2011.

The loan granted by the EBRD is subject to covenants. As of June 30, 2013, the Group is not compliant with some of these covenants and the related loan amount (k€ 5,300 as of June 30, 2013) was consequently classified as current borrowings. The Group obtained on October 10, 2013 a waiver in which the EBRD agrees not to exercise as of June 30, 2013 its rights in respect of these covenants.

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

(in thousands of euros)	< June 30, 2014	< June 30, 2015	< June 30, 2016	> June 30, 2016	Total
Convertible bonds	-	-	-	-	-
Bonds	404	-	-	19 583	19 987
Bank borrowings	23 259	-	-	-	23 259
Other financial debt	1 582	1 105	477	406	3 570
Total borrowings	**25 245**	**1 105**	**477**	**19 989**	**46 816**

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

(in thousands of euros)	June 30, 2013		December 31, 2012	
	Variable	Fixed	Variable	Fixed
Convertible bonds	-	-	2 405	-
Bonds	-	19 583	-	8 807
Bank borrowings	-	-	-	36
Other financial debt	1 736	252	1 444	-
Non-current borrowings	**1 736**	**19 835**	**3 849**	**8 843**
Bank borrowings	6 565	16 694	2 194	2 427
Bonds	-	404	-	189
Other financial debt	842	740	1 110	-
Current borrowings	**7 407**	**17 838**	**3 304**	**2 616**

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

(in thousands of euros)	June 30, 2013	December 31, 2012
Currency:		
EUR	20 672	11 871
USD	26 050	6 406
ARS	-	-
UAH	94	335
Total borrowings	**46 816**	**18 612**

The average interest rates of the Group by currency are:

Currency	June 30, 2013	December 31, 2012
EUR	7,9%	6,7%
UAH	21,5%	14,4%
USD	8,5%	9,4%

14. Share capital

	Share capital in Euros	Number of shares
December 31, 2012	**1 754 877**	**35 097 534**
Additional shares issued	-	-
June 30, 2013	**1 754 877**	**35 097 534**

15. Provisions

The Group is not exposed to significant operational litigation as of June 30, 2013.

16. Trade and other payables

(in thousands of euros)	Trade payables	Advance payments received	Social & tax payables	Other payables	Total
December 31, 2012	**10 517**	**1 068**	**736**	**606**	**12 927**
Current	5 497	68	564	675	**6 804**
Non current	-	-	-	-	**-**
June 30, 2013	**5 497**	**68**	**564**	**675**	**6 804**

As of December 31, 2012, the trade payables included the seasonal loan of € 7.704 K due to Vivescia Group. This debt was offset in April 2013 for the bonds issue (see Note 3.1).

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

(in thousands of euros)	June 30, 2013	December 31, 2012
Currency :		
EUR	1 335	1 141
USD	-	-
ARS	249	466
UAH	5 220	11 320
Trade and other payables	**6 804**	**12 927**

17. Revenue from operating activities

(in thousands of euros)	June 30, 2013	June 30, 2012
Sales of agricultural produce	11 683	10 195
Services and others	153	61
Total revenue	**11 836**	**10 256**
Other operating income	-	-
Total revenue from operating activities	**11 836**	**10 256**

During the first half 2013, the Group sold 48.262 tons of cereals and oilseeds produced in Ukraine, and 11.276 tons produced in Argentina.

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

Detail of revenue by geographical region:

(in thousands of euros)	June 30, 2013	June 30, 2012
Ukraine	4 237	5 608
France	5 054	4 560
Argentina	2 545	88
Total revenue	**11 836**	**10 256**

The sales made via the French holding company during the first half 2013 correspond to the export business, chiefly of corn.

18. Net financial income

(in thousands of euros)	June 30, 2013	June 30, 2012
Interests income	-	-
Exchange rate gains	1 149	699
Gains from financial instruments	4	12
Other financial income	4	284
Financial income	**1 157**	**995**
Interests expenses	(2 444)	(1 849)
Exchange rate losses	(698)	(316)
Losses from financial instruments	(294)	-
Other financial expenses	(4)	(245)
Financial expenses	**(3 440)**	**(2 410)**
Financial net income / (loss)	**(2 283)**	**(1 415)**

The losses from financial instruments as of June 30, 2013 are related to the derecognition of the share of the debt and the virtual accrued interest of the Vivescia convertible bonds (see Note 13.2).

19. Earnings per share

The basic and diluted earnings per share are calculated based on the methods as described in the consolidated financial statements as of December 31, 2012.

(in thousands of euros)	June 30, 2013	June 30, 2012
Net consolidated income / (loss) - group share (K€)	**(16 132)**	**(1 212)**
Dilution impact (K€)	-	-
Net consolidated income / (loss) after dilution impact	**(16 132)**	**(1 212)**
Weighted average number of ordinary shares	34 911 229	34 979 821
Potential dilution	-	-
Weighted average number of shares after dilution impact	**34 911 229**	**34 979 821**
Net income / (loss) per share (Euros) - group share	**(0,46)**	**(0,03)**
Net income / (loss) per share (Euros) after dilution - group share	**(0,46)**	**(0,03)**

20. Transactions with related parties

Material transactions entered into over the period with parties that have notable influence over the Group are as follows:

Gravitation SAS (shareholder)

- Rental charges: € 36 K
- Stimulation contract: € 60 K
- Assistance contract: € 20 K
- Trade payables at balance sheet date: € 89 K

Vivescia Group (shareholder)

- Interests on trade payables and financial debt: € 655 K
- Other debt at balance sheet date: € 213 K
- Early repayment of the 2010 convertibles bonds and issue of new bonds for € 11,000 K: see Notes 3.1 and 13.2

Company WIM (owned by Alain de Woillemont, member of the Executive Board until October 11, 2013)

- Assistance contract: € 143 K
- Trade payables at balance sheet date: € 57 K

Company Triple A Partners SPRL (owned by Constantin Pellissier, member of the Supervisory Board until October 11, 2013, member of the Board of Directors)

- Assistance contract: € 100 K

Company Energipole Holding (owned by Alain Mallart, member of the Supervisory Board until October 11, 2013, member of the Board of Directors)

- Assistance contract: € 30 K