



CONFIRMATION OF RESPONSIBLE PERSONS

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and submission of Periodical and Additional Information of the Lithuanian Securities Commission, we, Darius Zubas, Managing Director of AB Linas Agro Group and Tomas Tumėnas, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the not audited AB Linas Agro Group Interim Consolidated Financial Statements for the nine months of the financial year 2011/2012, ended March 31, 2012, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or losses and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Interim Consolidated Report for the nine months of the financial year 2011/2012 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

AB Linas Agro Group Managing Director

Darius Zubas

28 May 2012

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AB Linas Agro Group Finance Director

Tomas Tumėnas

28 May 2012

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AB LINAS AGRO GROUP

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE 9 MONTH PERIOD OF THE YEAR
2011/2012 (UNAUDITED)**

**PREPARED ACCORDING TO
ADDITIONAL INFORMATION PREPARING
AND PRESENTATION INSTRUCTIONS ISSUED
BY THE SECURITIES COMMISSION OF THE
REPUBLIC OF LITHUANIA**





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | As of 31 March 2012 | As of 30 June 2011 |
|--|-------|------------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 5 | 587 | 366 |
| Property, plant and equipment | 6 | 112,728 | 123,208 |
| Investment property | 7 | 9,284 | 9,012 |
| Animals and livestock | | 12,333 | 14,007 |
| Non-current financial assets | | | |
| Investments into associates | 8 | 1,348 | 347 |
| Investments into joint ventures | 8 | 26,960 | 25,821 |
| Other investments | 9 | 315 | 365 |
| Prepayments for financial assets | 9 | - | 2,223 |
| Non-current receivables | | 6,098 | 10,317 |
| Non-current receivables from related parties | 16 | 3,617 | 1,359 |
| Total non-current financial assets | | 38,338 | 40,432 |
| Deferred income tax asset | | 6,070 | 8,797 |
| Total non-current assets | | 179,340 | 195,822 |
| Current assets | | | |
| Crops | | 5,592 | 29,682 |
| Inventories | | 158,971 | 128,226 |
| Prepayments | | 15,810 | 49,674 |
| Accounts receivable | | | |
| Trade receivables | | 141,161 | 160,768 |
| Receivables from related parties | 16 | 1,811 | 3,899 |
| Other accounts receivable | | 10,550 | 29,257 |
| Total accounts receivable | | 153,522 | 193,924 |
| Other current assets | | 58,372 | 5,284 |
| Cash and cash equivalents | | 56,146 | 7,624 |
| Total current assets | | 448,413 | 414,414 |
| Total assets | | 627,753 | 610,236 |

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

| | Notes | As of 31 March 2012 | As of 30 June 2011 |
|--|--------|------------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Share capital | 1 | 158,940 | 158,940 |
| Share premium | 1 | 79,545 | 79,545 |
| Legal reserve | | 4,401 | 4,151 |
| Reserve for own shares | | 1,600 | - |
| Foreign currency translation reserve | | (82) | (3,208) |
| Retained earnings | | 92,379 | 23,930 |
| Total equity attributable to equity holders of the parent | | 336,783 | 263,358 |
| Non-controlling interest | | 4,116 | 16,591 |
| Total equity | | 340,899 | 279,949 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Grants and subsidies | | 8,491 | 9,473 |
| Non-current borrowings | 10 | 31,418 | 28,295 |
| Finance lease obligations | | 2,118 | 1,789 |
| Deferred income tax liability | | 255 | 2,613 |
| Other non-current liabilities | | 1,791 | 2,329 |
| Total non-current liabilities | | 44,073 | 44,499 |
| Current liabilities | | | |
| Current portion of non-current borrowings | 10, 16 | 9,369 | 14,814 |
| Current portion of finance lease obligations | | 704 | 1,028 |
| Current borrowings | 10 | 169,852 | 180,884 |
| Trade payables | | 32,175 | 47,280 |
| Payables to related parties | 16 | 3,722 | 5,482 |
| Income tax payable | | 15,284 | 2,933 |
| Derivative financial instruments | | - | 618 |
| Other current liabilities | | 11,675 | 32,749 |
| Total current liabilities | | 242,781 | 285,788 |
| Total equity and liabilities | | 627,753 | 610,236 |

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 March)

| | Notes | 2011/2012 9 month | 2010/2011 9 month |
|---|-------|----------------------|----------------------|
| Sales | 4 | 1,083,305 | 1,140,194 |
| Cost of sales | 11 | (1,017,533) | (1,078,056) |
| Gross profit | | 65,772 | 62,138 |
| Operating (expenses) | 12 | (33,443) | (40,157) |
| Other income | 13 | 69,684 | 1,005 |
| Other (expenses) | 13 | (2,198) | (5,495) |
| Operating profit | | 99,815 | 17,491 |
| Income from financing activities | 14 | 983 | 1,608 |
| (Expenses) from financing activities | 14 | (6,949) | (6,997) |
| Share of profit of associates | | 24 | 62 |
| Share of profit of joint ventures | | 1,196 | 779 |
| Profit before tax | | 95,069 | 12,943 |
| Income tax | | (18,213) | (1,714) |
| Net profit | | 76,856 | 11,229 |
| Attributable to: | | | |
| Equity holders of the parent | | 75,334 | 12,470 |
| Non-controlling interest | | 1,522 | (1,714) |
| | | 76,856 | 11,229 |
| Basic and diluted earnings per share (LTL) | | 2.068 | 0.07 |
| Net profit | | 76,856 | 11,229 |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | - | (4,235) |
| Total comprehensive income | | 76,856 | 6,994 |
| Attributable to: | | | |
| Equity holders of the parent | | 75,334 | 9,884 |
| Non-controlling interest | | 1,522 | (2,890) |
| | | 76,856 | 6,994 |

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 January to 31 March)

| | Notes | 2011/2012 3 Q | 2010/2011 3 Q |
|---|-------|------------------|------------------|
| Sales | 4 | 214,637 | 344,059 |
| Cost of sales | 11 | (203,060) | (324,125) |
| Gross profit | | 11,577 | 19,934 |
| Operating (expenses) | 12 | (6,130) | (19,423) |
| Other income | 13 | 64,632 | 386 |
| Other (expenses) | 13 | (1,951) | (767) |
| Operating profit | | 68,128 | 130 |
| Income from financing activities | 14 | 235 | 514 |
| (Expenses) from financing activities | 14 | (1,678) | (2,780) |
| Share of profit of associates | | (104) | 6 |
| Share of profit of joint ventures | | 92 | (589) |
| Profit before tax | | 66,673 | (2,719) |
| Income tax | | (11,451) | 1,121 |
| Net profit | | 55,222 | (1,598) |
| Attributable to: | | | |
| Equity holders of the parent | | 55,968 | (381) |
| Non-controlling interest | | (746) | (1,217) |
| | | 55,222 | (1,598) |
| Basic and diluted earnings per share (LTL) | | 2.878 | (0.01) |
| Net profit | | 55,222 | (1,598) |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | - | (1,957) |
| Total comprehensive income | | 55,222 | (3,555) |
| Attributable to: | | | |
| Equity holders of the parent | | 55,968 | (1,528) |
| Non-controlling interest | | (746) | (2,027) |
| | | 55,222 | (3,555) |

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Notes | Equity attributable to equity holders of the parent | | | | | | | Non-controlling interest | Total |
|--|---|---------------|---------------|---------------------------------------|--------------------------------------|-------------------|----------------|--------------------------|----------------|
| | Share capital | Share premium | Legal reserve | Reserve for acquisition of own shares | Foreign currency translation reserve | Retained earnings | Subtotal | | |
| Balance as of 1 July 2010 | 158,940 | 79,545 | 4,100 | - | (133) | 8,079 | 250,531 | 12,817 | 263,348 |
| Net profit for the year | - | - | - | - | - | 12,470 | 12,470 | (1,241) | 11,229 |
| Other comprehensive income | - | - | - | - | (2,586) | - | (2,586) | (1,649) | (4,235) |
| Total comprehensive income | - | - | - | - | (2,586) | 12,470 | 9,884 | (2,890) | 6,994 |
| Dividends declared by Rosenkrantz A/S | - | - | - | - | - | - | - | (611) | (611) |
| Dividends declared by Company | - | - | - | - | - | (3,500) | (3,500) | - | (3,500) |
| Minority interest arising on acquisition of subsidiaries | - | - | - | - | - | - | - | 11,854 | 11,854 |
| Reserves made | - | - | (51) | - | - | (51) | - | - | - |
| Acquisition of minority interest | - | - | - | - | - | 596 | 596 | (2,987) | (2,391) |
| Balance as of 31 March 2011 | 158,940 | 79,545 | 4,151 | - | (2,719) | 17,594 | 257,511 | 18,183 | 275,694 |
| Balance as of 1 July 2011 | 158,940 | 79,545 | 4,151 | - | (3,208) | 23,930 | 263,358 | 16,591 | 279,949 |
| Net profit for the year | - | - | - | - | - | 75,334 | 75,334 | 1,522 | 76,856 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | - | 75,334 | 75,334 | 1,522 | 76,856 |
| Disposals of subsidiaries | - | - | - | - | 3,126 | 109 | 3,235 | (15,587) | (12,352) |
| Declared dividends | - | - | - | - | - | - | - | (22) | (22) |
| Reserves made | - | - | 250 | 1,600 | - | (1,850) | - | - | - |
| Acquisition of minority interest | - | - | - | - | - | (5,144) | (5,144) | 1,611 | (3,533) |
| Balance as of 31 March 2012 | 158,940 | 79,545 | 4,401 | 1,600 | (82) | 92,379 | 336,783 | 4,116 | 340,899 |

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOW

| | Notes | 2011/2012 9 month | 2010/2011 9 month |
|--|-------|----------------------|----------------------|
| Cash flows from (to) operating activities | | | |
| Net profit (loss) | | 76,856 | 11,229 |
| Adjustments for non-cash items: | | | |
| Depreciation and amortization | | 7,828 | 7,804 |
| Subsidies amortization | | (1,058) | (1,104) |
| Share of profit of associates and joint ventures | | (1,202) | (841) |
| (Gain) on disposal of property, plant and equipment | | (131) | (120) |
| Loss from acquisition of subsidiary | 3 | (64,259) | 670 |
| Loss (gain) from disposal of investments | | (1,066) | 577 |
| Change in accrued expenses | | (1,766) | (10,100) |
| Change in allowance for receivables and prepayments | | 2,216 | 7,997 |
| Change in inventories write down to net realizable value | | - | (25) |
| Change in fair value of biological assets | | 1,739 | (2,972) |
| Change in impairment of investments | | 12 | (5) |
| Change in deferred income tax | | 795 | (4,427) |
| Current income tax expenses | | 17,418 | 5,730 |
| Expenses (income) from change in fair value of financial instruments | | - | 238 |
| Change of provision for onerous contracts | | (267) | - |
| Change in foreign currency translation reserve | | - | (4,235) |
| Dividend (income) | | (36) | - |
| Interest (income) | | (983) | (1,608) |
| Interest expenses | | 6,949 | 6,997 |
| | | 43,045 | 15,805 |
| Changes in working capital: | | | |
| Decrease in biological assets | | 24,464 | 14,432 |
| (Increase) in inventories | | (57,872) | (26,589) |
| (Increase) in prepayments | | 26,748 | (18,058) |
| (Increase) in trade and other accounts receivable | | 45,311 | (28,546) |
| (Increase) in restricted cash | | (1,381) | (1,458) |
| Increase in trade and other accounts payable | | (15,473) | 13,680 |
| Income tax (paid) | | (5,046) | (1,691) |
| Net cash flows from (to) operating activities | | 59,796 | (32,425) |

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOW (cont'd)

| | Notes | 2011/2012 9 month | 2010/2011 9 month |
|--|-------|----------------------|----------------------|
| Cash flows from (to) investing activities | | | |
| (Acquisition) of intangible assets, property, plant and equipment and investment property | | (17,525) | (9,242) |
| Proceeds from sale of intangible assets, property, plant and equipment and investment property | | 1,735 | 497 |
| Acquisition of subsidiaries (less received cash balance in the Group) | 3 | - | 7,657 |
| Disposal of subsidiary | | 77,491 | 1,089 |
| (Acquisition) of non-controlling interests and other investments | | (55,421) | (3,310) |
| Disposal of joint venture | | 2,007 | - |
| Loans (granted) | | (1,085) | - |
| Repayment of granted loans | | 771 | 8,069 |
| Interest received | | 1,644 | 1,418 |
| Dividend received | | 36 | - |
| Net cash flows (to) investing activities | | 9,653 | 6,178 |
| Cash flows from (to) financing activities | | | |
| Proceeds from loans | | 221,539 | 524,524 |
| (Repayment) of loans | | (231,882) | (507,601) |
| Finance lease (payments) | | (924) | (917) |
| Interest (paid) | | (9,660) | (7,279) |
| Dividends (paid) to non-controlling shareholders | | - | (611) |
| Dividends (paid) to shareholders of the Company | | - | (3,500) |
| Net cash flows from (to) financing activities | | (20,927) | 4,616 |
| Net increase (decrease) in cash and cash equivalents | | 48,522 | (21,631) |
| Cash and cash equivalents at the beginning of the year | | 7,624 | 34,014 |
| Cash and cash equivalents at the end of the year | | 56,146 | 12,383 |
| Supplemental information of cash flows: | | | |
| Non-cash investing activity: | | | |
| Property, plant and equipment acquisitions financed by finance lease | | 916 | 1,002 |
| Property, plant and equipment acquisitions financed by grants and subsidies | | 383 | 875 |

The accompanying notes are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995. On 12 September 2008 the Company changed its name from UAB Agriveta to AB Linas Agro Group and the legal form from private to public limited liability company.

The address of its registered office is as follows:

Smėlynės Str. 2C
Panevėžys
Lithuania

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As of 31 March 2012 and as of 30 June 2011 the shareholders of the Company were:

| | As of 31 March 2012 | | As of 30 June 2011 | |
|--|-----------------------|------------|-----------------------|------------|
| | Number of shares held | Percentage | Number of shares held | Percentage |
| Akola ApS (Denmark) | 86,081,551 | 54.16% | 86,081,551 | 54.16% |
| Skandinaviska Enskilda Banken AB (Sweden) | 23,241,147 | 14.62% | 21,221,849 | 13.35% |
| Darius Zubas | 17,049,995 | 10.73% | 17,049,995 | 10.73% |
| Swedbank (Estonia) Clients | 9,853,632 | 6.20% | 9,816,217 | 6.18% |
| Other shareholders (private and institutional investors) | 22,714,073 | 14.29% | 24,770,786 | 15.58% |
| Total | 158,940,398 | 100.00% | 158,940,398 | 100.00% |

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 31 March 2012 (LTL 1 each as of 30 June 2011) and were fully paid as of 31 March 2012 and as of 30 June 2011. The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 31 March 2012 and as of 30 June 2011.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As of 31 March 2012 the number of employees of the Group was 561 (775 as of 30 June 2011).

Changes in share capital during the year ended 30 June 2011

No changes in share capital occurred during the year ending 30 June 2011.

Changes in share capital during the year ended 31 March 2012

No changes in share capital occurred during the year ending 31 March 2012.

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2010/2011 financial year.



3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As of 31 March 2012 and as of 30 June 2011 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

| | Place of registration | Effective share of the stock held by the Group | | Main activities |
|--|-----------------------|--|--------------|--|
| | | 31 March 2012 | 30 June 2011 | |
| Investments into directly controlled subsidiaries | | | | |
| AB Linas Agro | Lithuania | 100% | 100% | Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs |
| UAB Linas Agro Konsultacijos | Lithuania | 100% | 100% | Management of the subsidiaries engaged in agriculture |
| ŽŪB Landvesta 1 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 2 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 3 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 4 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 5 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 6 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| PC-JS UKRAGRO NPK | Ukraine | - | 58.04% | Manufacturing of fertilizers, wholesale of grains and oilseeds |

Investments into indirectly controlled subsidiaries (through AB Linas Agro)

| | | | | |
|----------------------------------|-----------|------|------|---|
| SIA Linas Agro | Latvia | 100% | 100% | Wholesale trade of grains and oilseeds, agricultural programs |
| UAB Gerera | Lithuania | 100% | 100% | Not operating company |
| UAB Linas Agro Grūdų Centras | Lithuania | 100% | 100% | Management services |
| UAB Linas Agro Grūdų Centras KŪB | Lithuania | 100% | 100% | Preparation and warehousing of grains for trade |
| Linas Agro A/S | Denmark | 100% | 60% | Wholesale trade of grains and oilseeds, feedstuffs |
| UAB Lignineko | Lithuania | 100% | 100% | Manufacturing of lignin |

Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)

| | | | | |
|-------------------------------------|-----------|--------|--------|---|
| ŽŪK KUPIŠKIO GRŪDAI | Lithuania | 95.76% | 92.88% | Preparation and warehousing of grains for trade |
| Biržai district Medeikių ŽŪB | Lithuania | 98.39% | 98.36% | Growing and sale of crops |
| Šakiai district Lukšių ŽŪB | Lithuania | 98.80% | 98.37% | Mixed agricultural activities |
| Panevėžys district Aukštadvario ŽŪB | Lithuania | 96.42% | 65.35% | Mixed agricultural activities |
| Sidabravo ŽŪB | Lithuania | 66.22% | 66.22% | Mixed agricultural activities |
| Užupės ŽŪB | Lithuania | 100% | 70% | Growing and sale of crops |
| UAB Edfermus 2 | Lithuania | 100% | - | Growing and sale of crops |



3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

Changes in the Group during the year ended 30 June 2011

On 1 July 2010 the Company acquired additional 50% shares of PC-JS UKRAGRO NPK for EUR 3,694 thousand (LTL 12,757 thousand equivalent) from UAB Arvi ir Ko. After the share acquisition the Group directly controlled 63.38% of the investee. The mentioned company is consolidated to the Group from 1 July 2010.

At the acquisition date the fair value was higher than the carrying value of the net assets by LTL 9,029 thousand representing the differences on non-current assets. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

| Acquisition date | 1 July 2010 |
|--|--------------------|
| Non-current assets | 16,442 |
| Inventories | 46,735 |
| Prepayments and other current assets | 27,676 |
| Cash and cash equivalents | 7,407 |
| Total assets | 98,260 |
| Deferred tax liability | (3,090) |
| Interest bearing financial liabilities | (54,445) |
| Trade payables | (8,417) |
| Other current liabilities | (4,488) |
| Total liabilities | (70,440) |
| Total identifiable net assets at fair value | 27,820 |
| Attributable to non-controlling interests | 10,188 |
| Attributable to the equity holders of the parent | 17,632 |
| Acquisition date fair value of initially held equity interest | 3,414 |
| Cost | (5,545) |
| Group (loss) on remeasuring to fair value the initially held equity interest | (2,131) |
| Consideration transferred | 12,757 |
| Fair value of initially held equity interest | 3,414 |
| Total fair value of investment | 16,171 |
| Gain from a bargain purchase | 1,461 |
| Group (loss) on remeasuring to fair value the initially held equity interest | (2,131) |
| (Loss) recognized on acquisition of subsidiary, recognised under Other (expenses) | (670) |
| Purchase consideration* | 12,757 |
| Less: cash acquired | 7,407 |
| Total purchase consideration, net of cash acquired | 5,350 |
| Revenue for the year ended 30 June 2011 | 356,027 |
| Profit for the year ended 30 June 2011 | 11,786 |

**As at 30 June 2010 the Company had a payment amounting to LTL 12,757 thousand made for the acquired additional 50% shares of PJ-SC UKRAGRO NPK.*



3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of the value of the net identifiable assets acquired.

The acquisition resulted in LTL 1,461 thousand gain. The entity is not listed and no active market for fair value estimation exists. The sales price of the shares was determined by the previous equity interest holders. The gain from transaction resulted due to the fact that the sales price of the business was determined based on the historic EBITDA, which was relatively low due to the economic slowdown in the year, preceding to the acquisition.

On 27 July 2010 Biržai district Medeikių ŽŪB has acquired additional 36.36% shares of ŽŪK KUPIŠKIO GRŪDAI for LTL 920 thousand. On 18 October 2010 AB Linas Agro has acquired additional 18.18% shares of ŽŪK KUPIŠKIO GRŪDAI for LTL 460 thousand. After the acquisition the effective share of ŽŪK KUPIŠKIO GRŪDAI owned by the Group increased to from 37.24% to 92.88%. The difference of LTL 303 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity due to the below mentioned reasons.

On 1 July 2008 the Group companies signed a shareholders' agreement with the members of ŽŪK KUPIŠKIO GRŪDAI. The total shareholding of the members that entered into the agreement is 63.63%. According to the clauses of the agreement AB Linas Agro obtained control over ŽŪK KUPIŠKIO GRŪDAI's operations and financial decisions and as a result of the agreement of the other shareholders to transfer their rights to appoint the board of directors. AB Linas Agro was able to appoint the chairman and the majority of the board members of ŽŪK Kupiškių Grūdai and, therefore, the mentioned company is consolidated to the Group from 1 July 2008. After the above described acquisition the shareholder agreement was terminated (as at 7 October 2010), however, the control remained within the Group and investment remained consolidated.

As at 30 December 2010 and 10 January 2011 the Company sold 2.34% and 3% of PJ-SC UKRAGRO NPK shares for LTL 477 thousand and LTL 612 thousand, respectively, to the management of PJ-SC UKRAGRO NPK. For the Group consolidation purposes the difference of LTL 577 thousand between the considerations received and the carrying value of the interest disposed has been recognised within equity.

In addition, AB Linas Agro Group entered to the Shareholders' agreement with the non-controlling shareholders of its subsidiary. According to the agreement AB Linas Agro Group has an obligation to acquire the shares from the non-controlling shareholders, if put option is exercised. The Group has accounted the financial liability amounting to LTL 1,953 thousand under other non-current liabilities as at 30 June 2011 in relation to this and accounted for the difference of LTL 109 thousand between the liability and the derecognised non-controlling interest in equity.

On 6 April 2011 UAB Linas Agro Konsultacijos together with other shareholders established new subsidiary Užupės ŽŪB. The total share capital of the company is LTL 10 thousand. The effective share of the stock held by the Group is 70%.

During the year ended 30 June 2011 the Group acquired 4.44% of Šakiai district Lukšių ŽŪB share capital for LTL 139 thousand, 10.32% of Sidabravo ŽŪB share capital for LTL 53 thousand. All the shares were acquired from the non-controlling shareholders. UAB Linas Agro Konsultacijos increased Biržai district Medeikių ŽŪB share capital by LTL 920 thousand. Due to the changes in the shareholders of Biržai district Medeikių ŽŪB the effective Group ownership increased from 96.54% to 98.36%. The difference of LTL 828 thousand between the consideration transferred and the carrying value of the interests acquired has been recognised within equity.

Changes in the Group during the 6 month period ended 31 March 2012

On 1 July 2011 the Group company Rosenkrantz A/S (registered and operating in Denmark) changed its name to Linas Agro A/S.

On 1 July 2011 the Group acquired additional 40% interest of the voting shares of Linas Agro, A/S increasing its ownership interest to 100%. Purchase price EUR 800 thousand (LTL 2,762 thousand equivalent) will be paid by schedule till 15 July 2014. The difference of LTL 7,129 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

As part of the purchase agreement a contingent consideration has been agreed with the previous owner of Linas Agro A/S. There will be additional cash payment to the previous owner amounting to maximum EUR 400 thousand (undiscounted). Contingent consideration is related to collection of doubtful Linas Agro A/S trade receivables. The due date of contingent consideration arrangement is 1 October 2014.



3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between EUR 0 and EUR 400 thousand. The fair value of the contingent consideration arrangement is EUR 173 thousand as at acquisition date. It was estimated using probability-weighted payout approach.

On 6 February 2012 the Company sold all shares of PC-JS UKRAGRO NPK. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the followings:

| | 31 December 2012 (unaudited) |
|--|---|
| Non-current assets | 22,764 |
| Current assets | 50,852 |
| Liabilities | (27,967) |
| Net asset of subsidiary sold | 45,649 |
| Minority interest | 19,154 |
| Net assets sold by the Group | 26,495 |
| Sales price (received in cash) | 90,754 |
| Gain on disposal of subsidiaries in the Group | 64,259 |
| Cash disposed in the subsidiaries | 13,263 |
| Sales price less cash disposed | 77,491 |

The Shareholders' agreement between AB Linas Agro Group and PC-JS UKRAGRO NPK non-controlling shareholders expired on 6 February 2012, according to which the Company has an obligation to acquire the shares of PC-JS UKRAGRO NPK from the non-controlling shareholders, if put option is exercised.

During the 9 month period ended 31 March 2012 the Group acquired 0.43% of Šakiai district Lukšų ŽŪB share capital for LTL 14 thousand, 0.03% Biržai district Medeikių ŽŪB share capital for LTL 1 thousand, 31.07% Panevėžys district Aukštadvario ŽŪB share capital for LTL 142 thousand, 30% Užupės ŽŪB share capital for LTL 3 thousand, 100% UAB Edfermus 2 share capital for LTL 10 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 2,466 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

4. SEGMENT INFORMATION

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grains and oilseeds segment includes trade in wheat, rapeseed, barley and other grains and oilseeds;
- the feedstuffs segment includes trade in suncake and sunmeal, sugar beat pulp, soymeal, vegetable oil, rapeseed and other feedstuffs;
- the agricultural inputs segment includes sales of fertilizers, seeds, plant protection products and other related products to agricultural produce growers;
- the farming segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- the other products and services segment includes sales of biofuel, provision of elevator services and other products and services.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

| 9 month period ended 31 March 2012 | Grains and oilseeds | Feedstuffs | Agricul- tural inputs | Farming | Other products and services | Not attributed to any specified segment | Adjust- ments and elimina- tions | Total |
|---|--------------------------------|-------------------|--------------------------------------|----------------|--|--|---|------------------|
| Revenue | | | | | | | | |
| From one client UAB MESTILLA | 91,809 | 149 | - | - | 176 | - | - | 92,134 |
| Other third parties | 362,974 | 236,961 | 359,990 | 18,544 | 12,702 | - | - | 991,171 |
| Intersegment | - | 2,079 | 7,063 | 18,353 | 22,705 | - | (50,200) ¹⁾ | - |
| Total revenue | 454,783 | 239,189 | 367,053 | 36,897 | 35,583 | - | (50,200)¹⁾ | 1,083,305 |



Results

| | | | | | | | | |
|---------------------------------|-------|--------|--------|---------|--------|----------|---|--------|
| Operating expenses | 6,097 | 2,027 | 8,758 | 3,118 | 2,746 | 10,697 | - | 33,443 |
| Segment operating profit (loss) | 4,456 | 11,984 | 87,740 | (2,436) | 10,406 | (12,335) | - | 99,815 |

**9 month period ended
31 March 2011**

| | Grains and oilseeds | Feedstuffs | Agricul- tural inputs | Farming | Other products and services | Not attributed to any specified segment | Adjust- ments and elimina- tions | Total |
|------------------------------|------------------------|----------------|-----------------------------|---------------|--------------------------------------|---|---|------------------|
| Revenue | | | | | | | | |
| From one client UAB MESTILLA | 138,415 | 13 | - | - | 446 | - | - | 138,874 |
| Other third parties | 408,952 | 199,151 | 364,683 | 16,457 | 12,077 | - | - | 1,001,320 |
| Intersegment | - | 1,361 | 7,633 | 13,995 | 17,052 | - | (40,041) ¹⁾ | - |
| Total revenue | 547,367 | 200,525 | 372,316 | 30,452 | 29,575 | - | (40,041)¹⁾ | 1,140,194 |

Results

| | | | | | | | | |
|---------------------------------|----------|-------|--------|-------|-------|---------|---|--------|
| Operating expenses | 14,423 | 4,373 | 10,315 | 2,844 | 2,564 | 5,638 | - | 40,157 |
| Segment operating profit (loss) | (12,567) | 7,578 | 21,421 | 2,460 | 5,414 | (6,815) | - | 17,491 |

1) Intersegment revenue is eliminated on consolidation.

Below is the information relating to the geographical segments of the Group:

| | 9 month period ended | |
|---|----------------------|------------------|
| | 31 March 2012 | 31 March 2011 |
| Revenue from external customers | | |
| Lithuania | 250,639 | 295,881 |
| Europe (except for Scandinavian countries, CIS and Lithuania) | 208,522 | 301,606 |
| Scandinavian countries | 157,674 | 93,175 |
| Africa | 42,326 | 35,855 |
| Asia | 136,099 | 96,846 |
| CIS | 288,045 | 316,831 |
| | <u>1,083,305</u> | <u>1,140,194</u> |

The revenue information above is based on the location of the customer.

| Non-current assets | As of 31 | As of 30 |
|---------------------------|----------------|----------------|
| | March 2012 | June 2011 |
| Lithuania | 122,278 | 113,730 |
| Ukraine | - | 18,444 |
| Denmark | 126 | 207 |
| Latvia | 195 | 205 |
| | <u>122,599</u> | <u>132,586</u> |

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.



5. INTANGIBLE ASSETS

| | Software | Other intangible assets | Total |
|---|------------|----------------------------|------------|
| Cost: | | | |
| Balance as of 30 June 2010 | 1,343 | 201 | 1,544 |
| Additions | 170 | 17 | 187 |
| Acquisition of subsidiaries | 57 | - | 57 |
| Write-offs | (50) | (60) | (110) |
| Exchange differences | (8) | (1) | (9) |
| Balance as of 30 June 2011 | 1,512 | 157 | 1,669 |
| Additions | 327 | 7 | 334 |
| Write-offs | - | - | - |
| Exchange differences | 2 | - | 2 |
| Disposal of subsidiary | (75) | - | (75) |
| Balance as of 31 March 2012 | 1,766 | 164 | 1,930 |
| Accumulated amortization: | | | |
| Balance as of 30 June 2011 | 1,179 | 124 | 1,303 |
| Charge for the year | 65 | 9 | 74 |
| Write-offs | - | - | - |
| Exchange differences | - | 2 | 2 |
| Disposal of subsidiary | (34) | - | (34) |
| Balance as of 31 March 2012 | 1,210 | 133 | 1,343 |
| Net book value as of 31 March 2012 | 556 | 31 | 587 |
| Net book value as of 30 June 2011 | 333 | 33 | 366 |
| Net book value as of 30 June 2010 | 156 | 38 | 194 |

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the income statement.



6. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings and structures | Machinery and equipment | Vehicles | Other property, plant and equipment | Construction in progress and prepayments | Total |
|---|--------------|--------------------------|-------------------------|--------------|-------------------------------------|--|----------------|
| Cost: | | | | | | | |
| Balance as of 30 June 2010 | 6,381 | 79,102 | 46,948 | 5,561 | 9,140 | 2,388 | 149,520 |
| Additions | 190 | 3,291 | 5,748 | 1,252 | 666 | 15,394 | 26,541 |
| Acquisition of subsidiaries | 249 | 13,221 | 671 | 874 | 1,035 | 335 | 16,385 |
| Disposals and write-offs | (13) | (420) | (370) | (527) | (518) | (205) | (2,053) |
| Transfers to/from investment property | 156 | - | - | - | - | - | 156 |
| Reclassifications | - | 2,797 | (299) | 26 | - | (2,524) | - |
| Exchange differences | (40) | (2,006) | (97) | (137) | (168) | (141) | (2,589) |
| Balance as of 30 June 2011 | 6,923 | 95,985 | 52,601 | 7,049 | 10,155 | 15,247 | 187,960 |
| Additions | 2,043 | 4,120 | 7,049 | 1,148 | 408 | 5,643 | 20,411 |
| Acquisition of subsidiaries | 194 | - | - | - | - | - | 194 |
| Disposals and write-offs | (319) | (73) | (1,445) | (117) | (11) | (23) | (1,988) |
| Transfers to/from investment property | 289 | - | - | - | - | - | 289 |
| Reclassifications | 129 | 14,075 | 4,652 | - | 208 | (19,064) | - |
| Exchange differences | 24 | 1,579 | 390 | 117 | 128 | 72 | 2,310 |
| Disposal of subsidiary | (232) | (17,236) | (4,460) | (1,301) | (1,356) | (809) | (25,394) |
| Balance as of 31 March 2012 | 9,051 | 98,451 | 58,787 | 6,896 | 9,532 | 1,066 | 183,784 |
| Accumulated depreciation: | | | | | | | |
| Balance as of 30 June 2010 | - | 19,068 | 25,915 | 3,120 | 5,594 | - | 53,697 |
| Charge for the year | - | 5,355 | 4,238 | 914 | 1,235 | - | 11,742 |
| Disposals and write-offs | - | (182) | (249) | (293) | (389) | - | (1,113) |
| Exchange differences | - | (39) | (21) | (11) | (24) | - | (95) |
| Balance as of 30 June 2011 | - | 24,202 | 29,883 | 3,730 | 6,416 | - | 64,231 |
| Charge for the year | - | 4,346 | 3,476 | 630 | 679 | - | 9,131 |
| Disposals and write-offs | - | (9) | (288) | (103) | (11) | - | (411) |
| Reclassifications | - | - | (459) | - | 459 | - | - |
| Exchange differences | - | 101 | 53 | 24 | 35 | - | 213 |
| Disposal of subsidiary | - | (1,268) | (695) | (287) | (380) | - | (2,630) |
| Balance as of 31 March 2012 | - | 27,372 | 31,970 | 3,994 | 7,198 | - | 70,533 |
| Impairment losses: | | | | | | | |
| Balance as of 30 June 2010 | 206 | 266 | 19 | 4 | 2 | - | 497 |
| (Reversal) charge for the year | (156) | 182 | - | (1) | (1) | - | 24 |
| Balance as of 30 June 2011 | 50 | 448 | 19 | 3 | 1 | - | 521 |
| (Reversal) charge for the year | - | - | - | - | - | - | - |
| Balance as of 31 December 2011 | 50 | 448 | 19 | 3 | 1 | - | 521 |
| Net book value as of 31 March 2012 | 9,001 | 70,631 | 26,798 | 2,899 | 2,333 | 1,066 | 112,728 |
| Net book value as of 30 June 2011 | 6,873 | 71,335 | 22,699 | 3,316 | 3,738 | 15,247 | 123,208 |
| Net book value as of 30 June 2010 | 6,175 | 59,768 | 21,014 | 2,437 | 3,544 | 2,388 | 95,326 |



7. INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

| | Land | Buildings | Total |
|---|--------------|--------------|---------------|
| Cost: | | | |
| Balance as of 30 June 2010 | 7,674 | 3,297 | 10,971 |
| Additions | 263 | - | 263 |
| Transfers from property, plant and equipment | (156) | - | (156) |
| Balance as of 30 June 2011 | 7,781 | 3,297 | 11,078 |
| Additions | 698 | - | 698 |
| Disposals | (64) | - | (64) |
| Transfers to/from property, plant and equipment | (289) | - | (289) |
| Balance as of 31 March 2012 | 8,126 | 3,297 | 11,423 |
| Accumulated depreciation: | | | |
| Balance as of 30 June 2010 | - | 593 | 593 |
| Charge for the year | - | 103 | 103 |
| Balance as of 30 June 2011 | - | 696 | 696 |
| Charge for the year | - | 73 | 73 |
| Transfers to/from property, plant and equipment | - | - | - |
| Balance as of 31 March 2012 | - | 769 | 769 |
| Impairment losses: | | | |
| Balance as of 30 June 2010 | 591 | 1,389 | 1,980 |
| Charge for the year | (349) | (261) | (610) |
| Balance as of 30 June 2011 | 242 | 1,128 | 1,370 |
| Balance as of 31 March 2012 | 242 | 1,128 | 1,370 |
| Net book value as of 31 March 2012 | 7,884 | 1,400 | 9,284 |
| Net book value as of 30 June 2011 | 7,539 | 1,473 | 9,012 |
| Net book value as of 30 June 2010 | 7,083 | 1,315 | 8,398 |

The Group's management considers that the difference between the carrying value and fair value of investment property is not significant. Fair value has been determined based on valuations performed by independent valuers at near reporting date using the comparable prices method.



8. INVESTMENTS INTO ASSOCIATES AND JOINT VENTURES

As of 31 March 2012 and as of 30 June 2011 the Group had investments into the following associates and joint ventures:

| | Place of registration | Effective share held by the Group | | Main activities |
|---|-----------------------|-----------------------------------|--------------------|---|
| | | As of 31 March 2012 | As of 30 June 2011 | |
| Associates | | | | |
| UAB Jungtinė Ekspedicija | Lithuania | 45.05% | 45.05% | Expedition and ship's agency services |
| Karcemos KB | Lithuania | 20% | - | Preparation and warehousing of grains for trade |
| Joint ventures | | | | |
| UAB Dotnuvos Projektai | Lithuania | 50% | 50% | Sale of seeds, agricultural machinery |
| Companies controlled by UAB Dotnuvos Projektai | | | | |
| UAB Dotnuvos Technika | Lithuania | 50% | 50% | Dormant |
| SIA DOTNUVOS PROJEKTAI | Latvia | 50% | 50% | Sale of seeds, agricultural machinery |
| AS Dotnuvos Projektai | Estonia | 50% | 50% | Sale of seeds, agricultural machinery |
| UAB Dotnuvos Agroservisas | Lithuania | - | 49.98% | Agricultural equipment maintenance and related services |

Information on associates and joint ventures of the Group as of 31 March 2012 was as follows (full amounts of revenue and profit and full amounts of statement of financial position):

| | Investment at equity method | Profit (loss) for the reporting period | Sales revenue | Non-current assets | Current assets | Non-current liabilities | Current liabilities |
|--|-----------------------------|--|---------------|--------------------|----------------|-------------------------|---------------------|
| Investments into associates | | | | | | | |
| UAB Jungtinė Ekspedicija | 372 | 56 | 3,785 | 126 | 1,797 | - | 1,232 |
| Karcemos KB | 976 | 4 | - | 588 | 401 | 400 | 489 |
| | <u>1,348</u> | | | | | | |
| Investments into joint ventures | | | | | | | |
| UAB Dotnuvos Projektai (consolidated) | <u>26,960</u> | 1,726 | 111,479 | 37,115 | 100,811 | 4,332 | 79,910 |
| | <u>26,960</u> | | | | | | |

Information on associates and joint ventures of the Group as of 30 June 2011 was as follows (full amounts of revenue and profit and full amounts of statement of financial position):

| | Investment at equity method | Profit (loss) for the reporting period | Sales revenue | Non-current assets | Current assets | Non-current liabilities | Current liabilities |
|--|-----------------------------|--|---------------|--------------------|----------------|-------------------------|---------------------|
| Investments into associates | | | | | | | |
| UAB Jungtinė Ekspedicija | <u>347</u> | 139 | 4,315 | 166 | 1,112 | - | 507 |
| | <u>347</u> | | | | | | |
| Investments into joint ventures | | | | | | | |
| UAB Kustodija | 1,802 | (83) | 38,787 | 689 | 30,220 | 102 | 27,204 |
| UAB Dotnuvos Projektai (consolidated) | <u>25,821</u> | 9,823 | 176,194 | 35,689 | 133,218 | 5,413 | 111,851 |
| | <u>27,623</u> | | | | | | |
| Classified as held for sale | <u>(1,802)</u> | | | | | | |
| | <u>25,821</u> | | | | | | |



9. OTHER INVESTMENTS

Other investments of the Group consist of:

| | Share held by the Group | As of 31 March 2012 | As of 30 June 2011 |
|--------------------------------|--|--------------------------------|-------------------------------|
| Panevėžys district Ėriškių ŽŪB | 24.97% | 173 | 173 |
| Other investments | | 142 | 192 |
| | | <u>315</u> | <u>365</u> |

The investment into Panevėžys district Ėriškių ŽŪB is not classified as an associate and therefore not accounted for using the equity method because the Group does not have voting rights in the company and does not have the ability to exercise significant influence.

10. BORROWINGS

| | As of 31 March 2011 | As of 30 June 2011 |
|---|--------------------------------|-------------------------------|
| Non-current borrowings | | |
| Bank borrowings secured by the Group assets | 30,351 | 27,228 |
| Other non-current borrowings | 1,067 | 1,067 |
| | <u>31,418</u> | <u>28,295</u> |
| Current borrowings | | |
| Current portion of non-current bank borrowings | 8,049 | 12,814 |
| Current portion of other non-current borrowings (Note 16) | 1,319 | 2,000 |
| Current bank borrowings secured by the Group assets | 151,705 | 160,109 |
| Factoring with recourse liability | 16,530 | 18,894 |
| Other current borrowings | 1,618 | 1,881 |
| | <u>179,221</u> | <u>195,698</u> |
| | <u>210,639</u> | <u>223,993</u> |

Interest payable is normally settled monthly throughout the financial year. Accrued interest on bonds issued is settled annually.

11. COST OF SALES

| | 2011/2012 9 month | 2010/2011 9 month |
|---|------------------------------|------------------------------|
| Cost of inventories recognized as an expense | 931,712 | 986,309 |
| Logistics expenses | 61,156 | 71,945 |
| Wages and salaries and social security | 9,864 | 9,641 |
| Depreciation | 5,474 | 5,327 |
| Utilities expenses | 2,771 | 2,199 |
| (Income) expense from change in fair value of biological assets | 1,739 | (2,972) |
| Other | 4,817 | 5,607 |
| | <u>1,017,533</u> | <u>1,078,056</u> |



12. OPERATING (EXPENSES)

| | 2011/2012 | 2010/2011 |
|--|------------------|------------------|
| | 9 month | 9 month |
| Wages and salaries and social security | (21,604) | (21,059) |
| Consulting expenses | (1,451) | (1,058) |
| Depreciation and amortization | (1,142) | (1,234) |
| Other | (9,246) | (16,806) |
| | <u>(33,443)</u> | <u>(40,157)</u> |

13. OTHER INCOME (EXPENSES)

| | 2011/2012 | 2010/2011 |
|--|------------------|------------------|
| | 9 month | 9 month |
| Other income | | |
| Currency exchange gain | 3,271 | - |
| Rental income from investment property and property, plant and equipment | 660 | 679 |
| Gain from disposal of investment property and property, plant and equipment | 139 | 156 |
| Gain from disposal of subsidiary | 64,259 | |
| Gain from disposal of joint venture | 1,060 | - |
| Other income | 295 | 170 |
| | <u>69,684</u> | <u>1,005</u> |
| Other (expenses) | | |
| Direct operating expenses arising on rental and non-rental earning investment properties | (177) | (244) |
| Loss from disposal of property, plant and equipment | (9) | (36) |
| Currency exchange loss | (1,884) | (3,913) |
| Loss recognized on acquisition of subsidiary (Note 3) | - | (670) |
| Loss recognized on disposal of subsidiary (Note 3) | - | (577) |
| Other expenses | (128) | (55) |
| | <u>(2,198)</u> | <u>(5,495)</u> |

14. INCOME (EXPENSES) FROM FINANCING ACTIVITIES

| | 2011/2012 | 2010/2011 |
|---|------------------|------------------|
| | 9 month | 9 month |
| Income from financing activities | | |
| Interest income | 952 | 1,071 |
| Income from overdue payments | 31 | 537 |
| | <u>983</u> | <u>1,608</u> |
| (Expenses) from financing activities | | |
| Interest expenses | (6,949) | (6,997) |
| | <u>(6,949)</u> | <u>(6,997)</u> |



15. COMMITMENTS AND CONTINGENCIES

As of 31 March 2012 the Group is committed to purchase property, plant and equipment for the total amount of LTL 2,013 thousand (LTL 9,960 thousand as of 30 June 2011).

Additional investments are required for cattle farms located in Panevėžys district Aukštadvario ŽŪB and Sidabravo ŽŪB due to stiffening environmental regulation in Lithuania. Incompliance with such regulations may result in significant fines. Total estimated investment value for modernization till compliance level with the environmental regulations set by the Republic of Lithuania amounts to LTL 1,300 thousand (Panevėžys district Aukštadvario ŽŪB – LTL 650 thousand and Sidabravo ŽŪB – LTL 650 thousand).

A few Group companies (Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB and Biržai district Medeikių ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Šakiai district Lukšių ŽŪB is committed not to discontinue operations related to agriculture up to 2015, Sidabravo ŽŪB – up to 2013, Biržai district Medeikių ŽŪB – up to 2018. UAB Linas Agro Grūdų Centras KŪB received grant from the European Union and National Paying Agency for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2015. In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania amounting to LTL 4,157 thousand as of 31 March 2012 (LTL 2,854 thousand as of 30 June 2011).

16. RELATED PARTIES TRANSACTIONS

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 31 March 2012 and 30 June 2011 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
Vytautas Šidlauskas;
Dainius Pilkauskas;
Arūnas Zubas;
Andrius Pranckevičius;
Arūnas Jarmolavičius;
Tomas Tumėnas (member of the board from 1 October 2008).

Subsidiaries:

List provided in Note 3;

Joint ventures (Note 8):

UAB Dotnuvos Projektai;
ŽŪB Dotnuvos agroservisas“ (till 28 December 2011, reorganized);
UAB Dotnuvos Technika;
SIA DOTNUVOS PROJEKTAI (related from 26 April 2010);
AS Dotnuvos projektai (related from 11 November 2010);
UAB Kustodija (till 19 October 2011).

Associates (Note 8):

UAB Jungtinė Ekspedicija;
Karcemos KB.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
UAB MESTILLA (same ultimate controlling shareholders);
OOO Ukrkalj (Ukraine), in liquidation status (same ultimate controlling shareholders);
PJ-SC UKRAGRO NPK (Ukraine) (same ultimate controlling shareholders, subsidiary since 1 July 2010 till 6 February 2012);



UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).

16. RELATED PARTIES TRANSACTIONS (cont'd)

The Group's transactions with related parties in 9 month period ended 31 March 2012 were as follows:

| | Purchases | Sales | Receivables | | Non-current loans receivable | Payables | Current loans received |
|---------------------------|-----------|--------|-------------------|--------------------------|------------------------------|----------|------------------------|
| | | | Trade receivables | Current loans receivable | | | |
| Members of the board | 35 | - | - | - | - | - | 668 |
| Joint ventures | 20,696 | 1,148 | 67 | - | - | 1,183 | - |
| Associates | 7,155 | - | 478 | - | 400 | 472 | - |
| Akola ApS group companies | 12,699 | 92,528 | 1,266 | - | 3,217 | 2,067 | - |
| | 40,585 | 93,676 | 1,811 | - | 3,617 | 3,722 | 668 |

* Loans borrowed from related parties are accounted for under current portion of non-current borrowings in the statements of financial position (Note 10).

As of 31 March 2012 and as of 30 June 2011 annual interest rate of the Group's loans borrowed and non-current loans receivable from related parties are fixed and equal to 7% and 8%, respectively. Current loans receivable from related parties bear 1m EURIBOR + 4.1% margin annual interest rate.

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were not past due as of 31 March 2012 and 30 June 2011.

17. SUBSEQUENT EVENTS

On 9 May 2012 a subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos signed purchase and sale agreement of shares with stakeholders of Labūnavos agricultural company on acquisition of 87% of shares of Labūnavos agricultural company.

**CONSOLIDATED INTERIM REPORT
OF THE FINANCIAL YEAR 2011/2012
OF AB LINAS AGRO GROUP**

**FOR 9 MONTHS PERIOD
ENDED 31 MARCH 2012**





1. COMPANY DETAILS

| | |
|---------------------------------|--|
| Company name: | AB Linas Agro Group |
| Legal form: | Public company |
| Date and place of registration: | 27-11-1995 in Panevezys |
| Code of legal entity: | 148030011 |
| VAT identification number: | LT480300113 |
| Company register: | Register of Enterprises of Republic of Lithuania, VĮ Registrų centras |
| Address | Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania |
| Phone | +370 45 50 73 03 |
| Fax | +370 45 50 73 04 |
| E-mail | <i>group@linasagro.lt</i> |
| Website | <i>www.linasagro.lt</i> |
| ISIN code | LT0000128092 |
| Ticker in NASDAQ OMX Vilnius | LNA1L |

2. ABOUT AB LINAS AGRO GROUP

AB Linas Agro Group together with its subsidiaries and joint ventures is agribusiness developing Group of companies engaged in the production of and trade in agricultural produce, feedstuff and agricultural inputs. The Group is the leading exporter of grains and secondary products of food industry in the Baltic countries and is of the leaders in supplies of agricultural inputs (such as certified seeds, fertilizers, plant protection products and agricultural machinery) in Lithuania. The Group carries out its trading operations mostly through AB Linas Agro (Lithuania) and Linas Agro A/S (Denmark). Both companies are GTP (European Good Trading Practice) certified and ensure the position of the Group among the key players of the European market. The Group is a major grains and milk producer in Lithuania, it owns five farming companies. In order to improve its operations, the Group has formed and further expands an extensive network of grain storage, it controls grain storages in Joniškis, Kėdainiai, Kupiškis, Pasvalys, Šakiai district, Šiauliai and Vilkaviškis.

Together with partners, the Company owns agricultural input supply company UAB Dotnuvos Projektai and logistics and forwarding company UAB Jungtine Ekspedicija.



The total headcount of the Group amounts to 561 employees performing their functions in four countries (Lithuania, Latvia, Estonia and Denmark). The financial year of most of the companies of the Group begin on 1 July.

The Group's activities are subdivided into five basic operating segments: Grains and Oilseeds, Feedstuffs, Farming, Agricultural Inputs, and Other Activities. Division into separate segments is dictated by different types of products and character of related activities; however, activities of the segments are often interconnected. The holding company performs only the management function and is not involved in any trading or production activities.

3. PRICES OF SHARES AND TURNOVER OF AB LINAS AGRO GROUP

Starting from 17 February 2010, the Company has been listed on NASDAQ OMX Vilnius Stock Exchange. All 158,940,398 ordinary registered shares of the Company were included in the Official List of NASDAQ OMX Vilnius Stock Exchange.

Information on changes in the prices of Company's shares and turnover from starting trade until the end of the reporting period, i. e. 31 March 2012, is presented in the following diagram:



AB Linas Agro Group is included in the composition of the comparative index OMX Baltic Benchmark of the stock exchanges of the Baltic countries from 1 July 2010.



4. INFORMATION ON ACTIVITY RESULTS OF THE COMPANY

- In February 2012 the Group sold 58.04% of shares of the Ukrainian fertilizer production and trade company PJ-SC UKRAGRO NPK to international chemical group OSTCHEM DISTRIBUTION LIMITED. The total value of the transaction was LTL 90.5 million LTL before tax. Group will use the income obtained from sales of shares in further business expansion in the Baltic States and Poland.
- Consolidated turnover of AB Linas Agro Group dropped 5% during July 2011 – March 2012 as compared to the corresponding period last year (LTL 1,140 million) and totalled LTL 1,083 million. The main reason for drop in turnover was selling of the Ukrainian company PJ-SC UKRAGRO NPK. This also resulted in drop in the Group's sales volumes of the third quarter from LTL 344 million to LTL 214 million. The Group earned LTL 65.8 million of gross profit, which was a 6% growth as compared to the corresponding period last year (LTL 62.1 million). AB Linas Agro Group EBITDA grew 4.2 times from last year's LTL 26.1 million and totalled LTL 108.9 million. The Group's profit before tax reached LTL 99.8 million (LTL 17.5 million last year) or LTL 35.6 million if eliminating income before tax of sales of the Ukrainian company PJ-SC UKRAGRO NPK (one off transaction effect).
- Sales volumes of the Group reached 1.06 million tons, i.e. 14% down from the corresponding period last year (1.23 million tons). Drop in sales volumes was also the result of sales of the Ukrainian company. If eliminating fertilizer sales volumes of PJ-SC UKRAGRO NPK, the Group's sales volumes went down 11% and totalled 855 thousand tons (961 thousand tons in financial year 2010/2011).
- Sales volumes grew in the segments of farming, trading agricultural raw materials and other products and services. Sales volumes in these segments grew 21%, 19% and 20% accordingly as compared to the previous year. The growth was conditioned by the Group's added value due to investments made, as well as favourable market situation.

KEY PERFORMANCE INDICATORS

| | 9 months of 2011/2012 | 9 months of 2010/2011 |
|--|--------------------------|--------------------------|
| Sales, LTL | 1,083,305,000 | 1,140,194,000 |
| Gross profit, LTL | 65,772,000 | 62,138,000 |
| Segment operating profit (loss), LTL: | | |
| Grains and oilseeds | 4,456,000 | (12,567,000) |
| Feedstuffs | 11,984,000 | 7,578,000 |



| | 9 months of 2011/2012 | 9 months of 2010/2011 |
|---|--------------------------|--------------------------|
| Agricultural inputs | 87,740,000 | 21,421,000 |
| Farming | (2,436,000) | 2,460,000 |
| Other products and services | 10,406,000 | 5,414,000 |
| Net profit, attributable to the Group, LTL | 75,334,000 | 11,229,000 |
| Turnover, in tons | 1,062,503 | 1,230,000 |

OVERVIEW

Consolidated turnover of AB Linas Agro Group dropped 5% during July 2011 – March 2012 as compared to the corresponding period last year and totaled LTL 1,083 million. The trading volumes of the Group went down 14% from the previous year to 1.06 million tons. Decrease in trading volumes was mainly conditioned by sales of the Ukrainian fertilizer production and trade company, quite average harvest of grains and rapeseeds in the Baltic countries and termination of trade in Serbia. The biggest turnover was in grains and oilseeds, amounting to LTL 455 million (42% of total sales), and agricultural inputs, amounting to LTL 367 million (34% of total sales).

The nine month financial results in all business segments of the company were profitable; therefore, the Group's gross profit rose from LTL 62.1 million to LTL 65.8 million. Gross profit margin increased from 5.4% to 6.1%. The Group's operating income totaled LTL 99.8 million and was 3.6 times higher than that of the corresponding period of the previous year (LTL 17.5 million). If eliminating single sales transaction of the Ukrainian company, the Group's operating profit reached LTL 35.6 million and exceeded the profit of the respective period in financial year 2010/2011 (LTL 17.5 million) and 2009/2010 (LTL 29.8 million). Net profit of AB Linas Agro Group amounted to almost LTL 76.8 million and was 6.8 times higher (or twice as high if including sales effect of the Ukrainian company) than that of the corresponding period in 2010/2011 (LTL 11 million).

The major part of production was sold abroad, 77% of total sales. The main export regions were Europe (34%), CIS (26%), Asia (12%).

Over the accounting period the Group's consolidated operating expenses totaled LTL 33.4 million, down 17% from LTL 40.1 million in the prior period. The decrease is primarily due to sales of the Ukrainian company PJ-SC UKRAGRO NPK and elimination of its operating expenses from consolidated activity results of the Group. The Group's profit before tax grew 7.4 times from the corresponding period last year (LTL



12.9 million) and reached LTL 95 million. The growth of Group's profitability shows that negative factors resulting in poor 2010/2011 trading season were managed successfully and proves the efficiency of business strategy of AB Linas Agro Group. The operating profit from the activities of the main companies of the Group AB Linas Agro, Linas Agro A/S and SIA Linas Agro that trade grains, oilseeds and feedstuffs grew to LTL 17.6 million from the last year's LTL 9 million. The profit before taxes, interest and depreciation (EBITDA) grew from LTL 26 million to LTL 108.9 million. If eliminating sales effect of the Ukrainian company, the Group's nine month EBITDA totaled LTL 44.5 million.

Major changes in the Group's balance structure were observed with other financial assets that grew from LTL 5.3 million to LTL 58.3 million. Part of income from sales of the Ukrainian company was invested in liquid money market instruments. Free cash flow was temporarily invested in money market instruments (deposits, bonds and etc.) so that the Group may use them immediately in case need for investments arises.

GRAINS AND OILSEEDS

The most important business segment of the Group generated the sales of LTL 454 million during nine months of the financial year (LTL 547 million during the corresponding period in 2010/2011) and the operating profit totaled LTL 4.4 million (loss of LTL 12.6 million in financial year 2010/2011). The Group sold 492 thousand tons of various agricultural raw materials, i. e. 19% less than during the previous year (607 thousand tons). The decrease of total trade tonnage was conditioned by termination of corn trading in Serbia to manage the price risk more efficiently. Poor rapeseed harvest in the Baltic region resulted in drop of trading this product from 120 to 97 thousand tons. Trade in wheat was successful – the trade volume grew from 278 to 290 thousand tons. Gross profit of the major Group's activity segment reached LTL 10.4 million, which is a considerable increase as compared to last year's gross profit of LTL 1.8 million.

FEEDSTUFFS

The turnover of feedstuffs trading grew 19% and reached LTL 239 million and the operating profit totaled LTL 11.9 million, i.e. increased 1.6 times as compared to the corresponding period last year. Trade volume totaled 243 thousand tons, up 29% from 189 thousand tons in the corresponding period last year. The growth of trade volumes was conditioned by long-lasting performance on the market, favorable market situation and increasing demand for this product in Poland, Baltics and West European countries.



AGRICULTURAL INPUTS

Agricultural inputs remained one of the largest business segments – the turnover of this activity reached LTL 367 million and was at almost the same level as that of the previous period (LTL 372 million). Operating profit of the segment, including positive sales effect of the Ukrainian company, totaled LTL 87 million (LTL 21 million in financial year 2010/2011). Gross profit of the segment reached LTL 31 million, remaining almost unchanged as compared to the previous period (LTL 32.6 million). Unfavorable market situation resulted in 10% drop of fertilizer sales volumes in the Baltic countries but the Group expects trade recovery in the last quarter of the year before spring sowing.

FARMING

Revenues from agricultural companies for nine months increased from LTL 30.7 million to LTL 37 million due to consolidation of a new agricultural company Užupės ŽŪB, but the segment had operating loss of LTL 2.4 million. The loss was conditioned by change in biological value, as fair value of crops was estimated, and fall in milk purchase prices. The fourth quarter activity results of this segment are expected to be profitable due to subsidies received that will be accounted in the end of the Group's financial year.

OTHER PRODUCTS AND SERVICES

The major part of the income of this activity segment is dominated by grain storage network controlled by the Group. Operating profit of the segment reached LTL 10.4 million and was almost twice as high as that of the corresponding period of the previous year (LTL 5.4 million). Group's investments in storage capacity increase resulted in growing turnover of the segment from LTL 29.5 million to LTL 35.6 million. The Group's grain storages stored and prepared for export approximately 355 thousand tons of grain or 24% more than last year.

CASH FLOW

Group's Cash flow from operating activities before the changes in working capital increased and reached LTL 43 million, as compared to LTL 25.8 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was LTL 59.8 million (minus LTL 32 million in 2010/2011 accordingly). This was the result of profitable activity of the Group and decrease of sums receivable from buyers until balance date. Group's cash balance at the end of the reporting period totaled LTL 56 million (LTL 12 million in 2010/2011).



5. THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended March 31, 2012, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

| | | | |
|---|--|--------|--------------------------|
| AB Linas Agro Group investor's calendar for 2012 | Other information | En, Lt | 2012-03-08 09:01:32 EET |
| AB Linas Agro Group notification about interim six months financial results of the financial year 2011/2012 | Interim information | En, Lt | 2012-02-29 10:21:34 EET |
| Agreement of sale-purchase of shares of the Ukrainian company implemented | Notification on material event | En, Lt | 2012-02-07 09:15:33 EET |
| AB Linas Agro Group to sell shares of the Ukrainian company with plans to strengthen its position in the Baltic region | Notification on material event | En, Lt | 2012-02-06 09:00:30 EET |
| AB Linas Agro Group negotiating the sale of shares of the Ukrainian company | Notification on material event | En, Lt | 2012-01-09 09:00:30 EET |
| AB Linas Agro Group Notification about acquisition of voting rights | Notification about acquisition (disposal) of a block of shares | En, Lt | 2011-12-13 09:00:33 EET |
| CORRECTION: AB Linas Agro Group notification about interim three months financial results of the financial year 2011/2012 | Interim information | En, Lt | 2011-11-29 08:31:32 EET |
| AB Linas Agro Group notification about interim three months financial results of the financial year 2011/2012 | Interim information | En, Lt | 2011-11-28 09:00:30 EET |
| AB Linas Agro Group takes over agricultural company | Notification on material event | En, Lt | 2011-11-02 09:00:36 EET |
| AB Linas Agro Group notification about the Annual information of the financial year 2010/2011 | Annual information | En, Lt | 2011-10-28 09:03:37 EEST |
| Results of voting of the Annual General Meeting of AB "Linas Agro Group" Shareholders, held on 27 October 2011 | Notification on material event | En, Lt | 2011-10-28 09:00:37 EEST |
| AB Linas Agro Group sells shares of UAB Kustodija | Notification on material event | En, Lt | 2011-10-21 09:00:33 EEST |
| Notice on Annual General Meeting of Shareholders of AB Linas Agro Group | Notification on material event | En, Lt | 2011-10-05 10:30:32 EEST |



| | | | |
|--|--|--------|--------------------------|
| Notification on transactions concluded by manager of the company | Notifications on transactions concluded by managers of the companies | En, Lt | 2011-09-13 09:00:33 EEST |
| Linus Agro Group, AB notification about interim 12 month financial results of the financial year 2010-2011 | Interim information | En, Lt | 2011-08-31 16:49:34 EEST |
| SEB Bank Increased Credit Limit to Linas Agro Group by LTL 64 million | Notification on material event | En, Lt | 2011-07-28 09:00:34 EEST |

OTHER EVENTS OF THE REPORTING PERIOD

Authorized capital of AB Linas Agro increased from LTL 31 million to LTL 45 million.

Share capital of ŽŪB Landvesta 1 increased from LTL 211,000 to LTL 323,000.

Share capital of ŽŪB Landvesta 2 increased from LTL 199,000 to LTL 402,794.

Share capital of ŽŪB Landvesta 4 increased from LTL 385,000 to LTL 426,000.

Share capital of ŽŪB Landvesta 5 increased from LTL 493,855 to LTL 1,014,493.

Share capital of ŽŪB Landvesta 6 increased from LTL 275,000 to LTL 310,000.

UAB Linas Agro Konsultacijos purchased LTL 22,520 worth of shares of Lukšiu ŽŪB.

UAB Linas Agro Konsultacijos purchased LTL 284,265.55 worth of shares of Aukštadvario ŽŪB.

UAB Linas Agro Konsultacijos purchased LTL 580.24 worth of shares of Medeikių ŽŪB.

UAB Linas Agro Grūdų centras KŪB purchased LTL 24,300 worth of shares of Karčemos KB.

Authorized capital of Linas Agro A/S increased from DDK 500,000 to DDK 500,001.

SUBSEQUENT EVENTS

On 9 May 2012 a subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos signed purchase and sale agreement of shares with shareholders of Labūnavos agricultural company on acquisition of 87% of shares of Labūnavos agricultural company.

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