

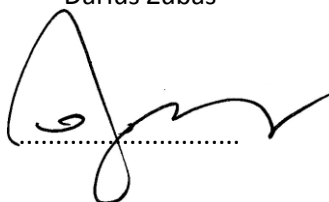
## CONFIRMATION OF RESPONSIBLE PERSONS

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 twelve months of the financial year 2012/2013, ended June 30, 2013, 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 twelve months of the financial year 2012/2013 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

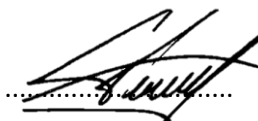
30 August 2013

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AB Linas Agro Group Finance Director

Tomas Tumėnas

30 August 2013

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# CONSOLIDATED FINANCIAL STATEMENTS

OF THE FINANCIAL YEAR 2012/2013

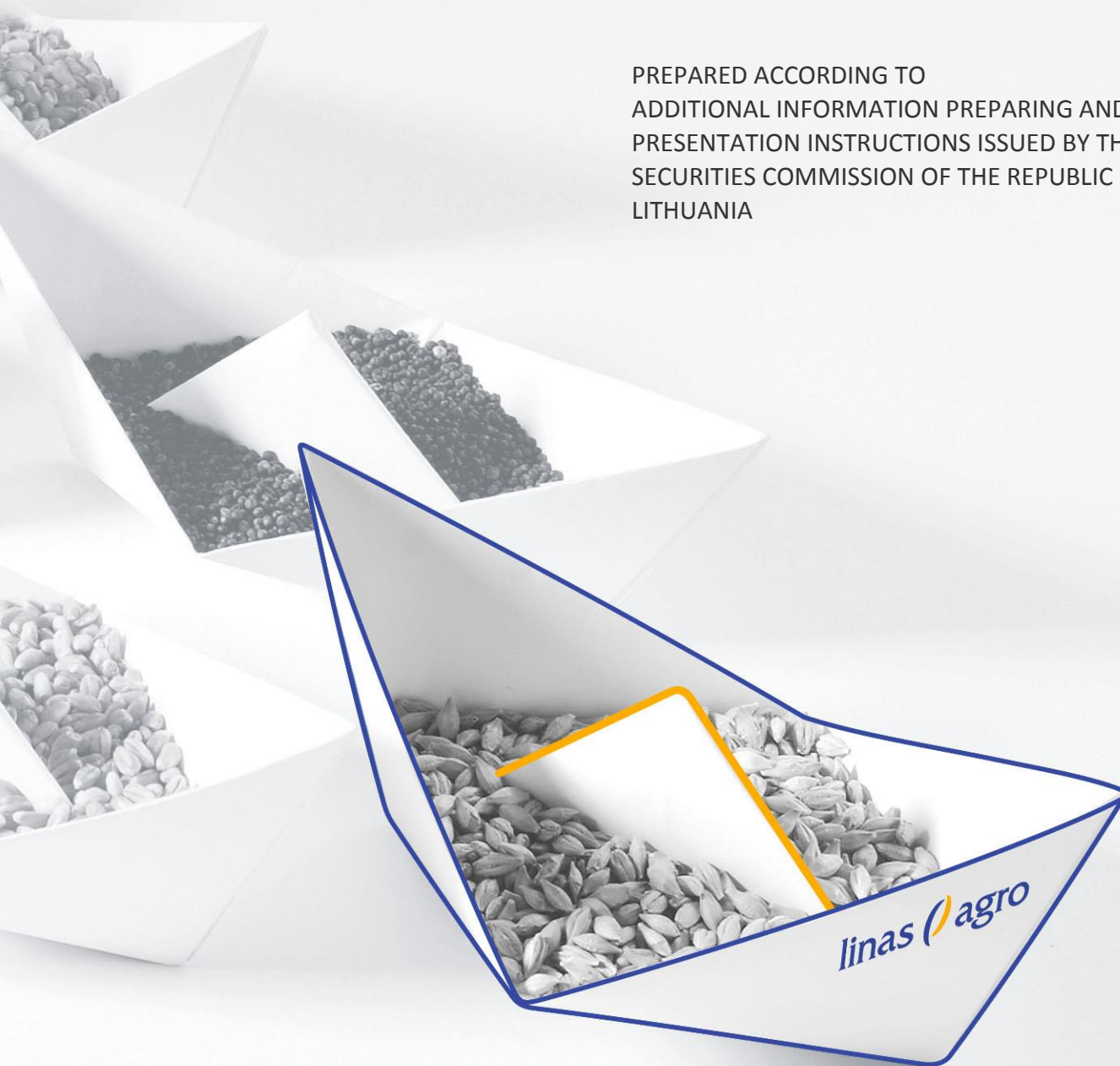
## OF AB LINAS AGRO GROUP

(UNAUDITED)

FOR THE 12 MONTH PERIOD

ENDED 31 JUNE 2013

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

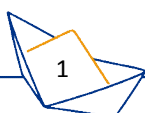


**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	As of 30 June 2013	As of 30 June 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5	1,002	612
Property, plant and equipment	6	196,468	122,256
Investment property	7	11,927	9,513
Animals and livestock		19,428	11,852
Non-current financial assets			
Investments into associates	8	-	286
Investments into joint ventures	8	-	29,887
Other investments	9	233	311
Prepayments for financial assets		8,873	
Non-current receivables		2,783	5,446
Non-current receivables from related parties	14	2,540	3,230
Total non-current financial assets		14,429	39,160
Deferred income tax asset		6,348	6,289
<b>Total non-current assets</b>		<b>249,602</b>	<b>189,682</b>
<b>Current assets</b>			
Crops		40,410	36,395
Inventories		167,713	136,947
Prepayments		9,073	16,407
Accounts receivable			
Trade receivables		273,595	190,888
Receivables from related parties	14	15,515	3,605
Income tax receivable		461	1,043
Other accounts receivable		28,531	17,579
Total accounts receivable		318,102	213,115
Other current assets		2,156	43,575
Cash and cash equivalents		34,240	54,768
<b>Total current assets</b>		<b>571,694</b>	<b>501,207</b>
<b>Total assets</b>		<b>821,296</b>	<b>690,889</b>

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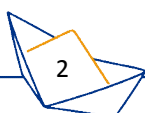
The accompanying notes are an integral part of these financial statements.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	Notes	As of 30 June 2013	As of 30 June 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	1	158,940	158,940
Share premium	1	79,545	79,545
Legal reserve		7,851	4,401
Reserve for own shares		1,600	1,600
Own shares		(1,581)	-
Foreign currency translation reserve		(141)	(44)
Retained earnings		187,622	106,809
<b>Total equity attributable to equity holders of the parent</b>		<b>433,836</b>	<b>351,251</b>
<b>Non-controlling interest</b>		<b>3,762</b>	<b>4,805</b>
<b>Total equity</b>		<b>437,598</b>	<b>356,056</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Grants and subsidies		14,350	11,855
Non-current borrowings	10	31,885	36,749
Finance lease obligations		5,390	2,568
Trade payables		648	1,263
Non-current payables to related parties		-	54
Deferred income tax liability		4,282	899
Other non-current liabilities		584	280
<b>Total non-current liabilities</b>		<b>57,139</b>	<b>53,668</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	10, 14	19,931	10,075
Current portion of finance lease obligations		2,446	1,067
Current borrowings	10	146,634	179,465
Trade payables		95,915	48,994
Payables to related parties	14	3,201	3,642
Income tax payable		7,136	12,812
Derivative financial instruments		2,790	7,572
Other current liabilities		48,506	17,538
<b>Total current liabilities</b>		<b>326,559</b>	<b>281,165</b>
<b>Total equity and liabilities</b>		<b>821,296</b>	<b>690,889</b>

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



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****(for the period 1 July to 30 June)**

	Notes	2012/2013 12 month	2011/2012 12 month
Sales	4	2,043,066	1,337,961
Cost of sales		(1,885,670)	(1,243,098)
<b>Gross profit</b>		<b>157,396</b>	<b>94,863</b>
Operating (expenses)	11	(79,583)	(48,868)
Other income	12	29,313	69,919
Other (expenses)	12	(4,310)	(1,333)
<b>Operating profit</b>		<b>102,816</b>	<b>114,581</b>
Income from financing activities		1,602	8,030
(Expenses) from financing activities		(8,630)	(9,779)
Share of profit of associates		72	-
Share of profit of joint ventures		4,036	2,744
<b>Profit before tax</b>		<b>99,896</b>	<b>115,576</b>
Income tax		(12,292)	(21,277)
<b>Net profit</b>		<b>87,604</b>	<b>94,299</b>
<b>Attributable to:</b>		86,967	89,394
Equity holders of the parent		637	4,905
Non-controlling interest		<b>87,604</b>	<b>94,299</b>
		0.55	0.56
Basic and diluted earnings per share (LTL)			
<b>Net profit</b>		<b>87,604</b>	<b>94,299</b>
<b>Other comprehensive income</b>			
Net (loss) of own shares disposal		(4)	-
Exchange differences on translation of foreign operations		(97)	3,520
<b>Total comprehensive income</b>		<b>87,503</b>	<b>97,819</b>
<b>Attributable to:</b>			
Equity holders of the parent		86,866	91,477
Non-controlling interest		637	6,342
		<b>87,503</b>	<b>97,819</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****(for the period 1 April to 30 June)**

	Notes	2012/2013 4 Q	2011/2012 4 Q
Sales	4	385,364	254,656
Cost of sales		(350,760)	(225,511)
<b>Gross profit</b>		<b>34,604</b>	<b>29,145</b>
Operating (expenses)	11	(23,279)	(15,051)
Other income	12	(1,972)	(1,762)
Other (expenses)	12	(3,194)	696
<b>Operating profit</b>		<b>6,159</b>	<b>13,028</b>
Income from financing activities		73	9,143
(Expenses) from financing activities		(1,632)	(2,842)
Share of profit of associates		-	(24)
Share of profit of joint ventures		(57)	1,356
<b>Profit before tax</b>		<b>4,543</b>	<b>20,661</b>
Income tax		(99)	3,996
<b>Net profit</b>		<b>4,444</b>	<b>16,665</b>
<b>Attributable to:</b>			
Equity holders of the parent		3,797	13,223
Non-controlling interest		647	3,442
		<b>4,444</b>	<b>16,665</b>
Basic and diluted earnings per share (LTL)		0.03	0.10
<b>Net profit</b>		<b>4,444</b>	<b>16,665</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		4	92
<b>Total comprehensive income</b>		<b>4,448</b>	<b>16,757</b>
<b>Attributable to:</b>			
Equity holders of the parent		3,801	13,315
Non-controlling interest		647	3,442
		<b>4,448</b>	<b>16,757</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****Equity attributable to equity holders of the parent**

	Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
<b>Balance as of 1 July 2011</b>		<b>158,940</b>	-	<b>79,545</b>	<b>4,151</b>	-	<b>(3,208)</b>	<b>23,930</b>	<b>263,358</b>	<b>16,591</b>	<b>279,949</b>
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
Disposal of subsidiaries		-	-	-	-	-	3,126	109	3,235	(15,587)	(12,352)
Declared dividends by subsidiaries		-	-	-	-	-	-	-	-	(22)	(22)
Reserves made		-	-	-	250	1,600	-	(1,850)	-	-	-
Acquisition of minority interest		-	-	-	-	-	-	(5,144)	(5,144)	1,611	(3,533)
<b>Balance as of 30 June 2012</b>		<b>158,940</b>	-	<b>79,545</b>	<b>4,401</b>	<b>1,600</b>	<b>(82)</b>	<b>92,379</b>	<b>336,783</b>	<b>4,116</b>	<b>340,899</b>
<b>Balance as of 1 July 2012</b>		<b>158,940</b>	-	<b>79,545</b>	<b>4,401</b>	<b>1,600</b>	<b>(44)</b>	<b>106,809</b>	<b>351,251</b>	<b>4,805</b>	<b>356,056</b>
Net profit for the year		-	-	-	-	-	-	86,967	86,967	637	87,604
Other comprehensive income		-	-	-	-	-	(97)	(4)	(101)	-	(101)
Total comprehensive income		-	-	-	-	-	(97)	86,963	86,866	637	87,503
Acquisition of minority interest		-	-	-	-	-	-	-	-	581	581
Declared dividends by Company		-	-	-	-	-	-	(4,500)	(4,500)	-	(4,500)
Declared dividends by subsidiaries		-	-	-	-	-	-	-	-	(36)	(36)
Reserves made		-	-	-	3,450	-	-	(3,450)	-	-	-
Acquisition of own shares		-	(1,581)	-	-	-	-	-	(1,581)	-	(1,581)
Acquisition of minority interest		-	-	-	-	-	-	1,800	1,800	(2,225)	(425)
<b>Balance as of 30 June 2013</b>		<b>158,940</b>	<b>(1,581)</b>	<b>79,545</b>	<b>7,851</b>	<b>1,600</b>	<b>(141)</b>	<b>187,622</b>	<b>433,836</b>	<b>3,762</b>	<b>437,598</b>

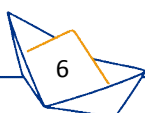
The accompanying notes are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOW**

	Notes	2012/2013 12 month	2011/2012 12 month
<b>Cash flows from (to) operating activities</b>			
Net profit (loss)		87,604	94,299
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		19,200	9,890
Subsidies amortization		(1,831)	(1,328)
Share of profit of associates and joint ventures		(4,108)	(2,744)
(Gain) on disposal of property, plant and equipment		(657)	(289)
Change in impairment of property, plant and equipment		(127)	(180)
Group (gain) loss on acquisition of subsidiaries	3	(25,466)	1,020
(Gain) on disposal of subsidiary		-	(62,010)
(Gain) on disposal of assets held for sale		-	(1,060)
(Gain) on disposal of other investments		(34)	-
Change in allowance for receivables and prepayments		3,733	3,575
Inventories write down to net realisable value		214	13
Change in accrued expenses		3,890	3,926
Change in fair value of biological assets		(4,404)	(7,746)
Change in deferred income tax		871	2,009
Current income tax expenses		11,421	19,268
Expenses (income) from change in fair value of financial instruments		1,093	491
Change of provision for onerous contracts		56	(267)
Dividend (income)		(155)	(36)
Interest (income)		(1,602)	(8,030)
Interest expenses		8,630	9,779
		98,329	60,580
<b>Changes in working capital:</b>			
Decrease in biological assets		10,138	4,503
(Increase) decrease in inventories		30,789	(45,273)
Decrease in prepayments		9,243	6,990
(Increase) in trade and other accounts receivable		(29,089)	(28,191)
(Increase) decrease in restricted cash		2,072	(2,072)
Increase in trade and other accounts payable		7,528	52,522
Income tax (paid)		(18,180)	(5,398)
<b>Net cash flows from (to) operating activities</b>		<b>110,830</b>	<b>43,661</b>

*(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	2012/2013 12 month	2011/2012 12 month
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(33,832)	(23,111)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		3,625	822
(Acquisition) of subsidiaries (less received cash balance in the Group)		(48,682)	(873)
Disposal of subsidiary (less received cash balance in the Group)		-	69,759
Disposal of assets held for dsale		-	2,000
Proceeds from disposals of held to maturity financial assets		38,099	(37,981)
Prepayments for the financial assets		(7,373)	-
Loans (granted)		(13,119)	(2,121)
Repayment of granted loans		18,617	1,427
Interest received		2,263	1,681
Dividend received		155	97
<b>Net cash flows (to) investing activities</b>		<b>(40,247)</b>	<b>11,700</b>
<b>Cash flows from (to) financing activities</b>			
Proceeds from loans		101,054	131,349
(Repayment) of loans		(174,984)	(126,432)
(Acquisition) of own shares		(1,581)	-
Finance lease (payments)		(2,015)	(1,188)
Interest (paid)		(8,624)	(11,052)
Dividend (paid) to non-controlling shareholders		(36)	(22)
Dividend (paid)		(4,500)	-
Acquisition of non-controlling interest		(425)	(872)
<b>Net cash flows from (to) financing activities</b>		<b>(91,111)</b>	<b>(8,217)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(20,528)</b>	<b>47,144</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>54,768</b>	<b>7,624</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>34,240</b>	<b>54,768</b>
<b>Supplemental information of cash flows:</b>			
<b>Non-cash investing activity:</b>			
Property, plant and equipment acquisitions financed by finance lease		5,262	2,006
Property, plant and equipment acquisitions financed by grants and subsidies		4,830	4,153

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.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 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 30 June 2013 and as of 30 June 2012 the shareholders of the Company were:

	As of 30 June 2013		As of 30 June 2012	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	87,784,443	55.23%	86,081,551	54.16%
Skandinaviska Enskilda Banken AB (Sweden)	15,131,697	9.52%	23,094,969	14.53%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank (Estonia) Clients	9,824,712	6.18%	9,184,040	5.78%
Other shareholders (private and institutional investors)	29,149,551	18.34%	23,529,843	14.80%
<b>Total</b>	<b>158,940,398</b>	<b>100.00%</b>	<b>158,940,398</b>	<b>100.00%</b>

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 30 June 2013 (LTL 1 each as of 30 June 2012) and were fully paid as of 30 June 2013 and as of 30 June 2012.

The Company hold 790,972 shares of the Company, percentage 0.50%. Subsidiaries and other related companies did not hold any shares of the Company as of 30 June 2013.

The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 30 June 2012.

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 30 June the number of employees of the Group was 1,039 (595 as of 30 June 2012).

#### ***Changes in share capital during the year ended 30 June 2012***

No changes in share capital occurred during the year ending 30 June 2012.

#### ***Changes in share capital during the year ended 30 June 2013***

No changes in share capital occurred during the year ending 30 June 2013.

### 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 2011/2012 financial year.

### 3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As of 30 June 2013 and as of 30 June 2012 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
		30 June 2013	30 June 2012	
<b>Investments into directly controlled subsidiaries</b>				
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
UAB Dotnuvos projektai	Lithuania	100%	-	Trade of machinery and equipment, certified seeds
UAB Jungtinė ekspedicija	Lithuania	100%	-	Expedition and ship's agency services
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
Noreikiškių ŽŪB	Lithuania	90%	-	Rent and management of agricultural purposes land
UAB Lineliai (former –UAB Labūnava 2)	Lithuania	100%	-	Rent and management of agricultural purposes land
<b>Investments into indirectly controlled subsidiaries (through AB Linas Agro)</b>				
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
Linus Agro A/S	Denmark	100%	60%	Wholesale trade of grains and oilseeds, feedstuffs
UAB Lignineko	Lithuania	100%	100%	Manufacturing of lignin
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)</b>				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	97.72%	96.16%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.80%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	96.92%	96.76%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	87.23%	70.28%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė (former -UAB Edfermus 2)	Lithuania	100%	100%	Rent and management of agricultural purposes land
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	-	Mixed agricultural activities
Noreikiškių ŽŪB	Lithuania	10%	-	Rent and management of agricultural purposes land

### 3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

#### Investments into indirectly controlled subsidiaries (through UAB Dotnuvos projektai)

SIA DOTNUVOS PROJEKTAI	Latvia	100%	-	Trade of machinery and equipment, certified seeds
AS Dotnuvos Projektai	Estonia	100%	-	Trade of machinery and equipment, certified seeds
UAB Dotnuvos technika	Lithuania	100%	-	Dormant company

#### Investments into indirectly controlled subsidiaries (through UAB Linas Agro grūdų centras KŪB)

Karčemos Kooperatinė Bendrovė	Lithuania	20%*	-	Preparation and warehousing of grains for trade
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\*The Group indirectly controls 20% of shares of Karčemos Kooperatinė Bendrovė, however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.

#### Changes in the Group during the 12 month period ended 30 June 2013

On 13 July 2012 the Group acquired 98.55% shares of Kėdainiai district Labūnavos ŽŪB for LTL 22,545 thousand from previous owners. After the share acquisition the Group directly controls 98.64% of the investee. The only unaudited financial information on the acquired subsidiary as at 30 June 2012 is available as at the date of the release of these financial statements and is presented below. Kėdainiai district Labūnavos ŽŪB is consolidated to the Group from 1 July 2012. 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 2012
Property, plant and equipment	24,288
Animals and livestock	5,718
Crops	9,456
Inventories	2,770
Prepayments and other current assets	2,058
Cash and cash equivalents	3,067
<b>Total assets</b>	<b>47,357</b>
Deferred tax liability	(691)
Grants and subsidies	(1,306)
Trade payables	(1,326)
Other liabilities	(1,297)
<b>Total liabilities</b>	<b>(4,620)</b>
<b>Total identifiable net assets at fair value</b>	<b>42,737</b>
Attributable to non-controlling interests	582
Attributable to the equity holders of the parent	42,155
<b>Gain recognized on acquisition of subsidiary, recognised under Other income (Note 12)</b>	<b>19,608</b>
Purchase consideration	22,547
Less: cash acquired	3,067
<b>Total purchase consideration, net of cash acquired</b>	<b>19,480</b>

On 11 October 2012 the Company acquired 50% shares of UAB Dotnuvos projektai for 32,000 thousand, and increased its ownership interest to 100%. The mentioned company and subsidiaries are consolidated to the Group from 1 October 2012. The only unaudited financial information on the acquired subsidiary as at 30 September 2012 is available as at the date of the release of these financial statements and is presented below. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

### 3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Acquisition date	1 October 2012
<b>Carrying values</b>	
Property, plant and equipment	48,202
Inventories	58,675
Prepayments and other current assets	73,413
Cash and cash equivalents	2,976
<b>Total assets</b>	<b>183,266</b>
Non-current liabilities	(7,745)
Deferred tax liability	(999)
Current borrowings	(41,027)
Trade payables	(38,740)
Other liabilities	(22,400)
<b>Total liabilities</b>	<b>(110,911)</b>
<b>Total identifiable net assets</b>	<b>72,355</b>
Acquisition date fair value of initially held equity interest	32,000
Cost (previously accounted at equity method) of initially held equity interest	33,890
<b>Group (loss) re-measuring to fair value the initially held equity interest</b>	<b>(1,890)</b>
Consideration transferred	32,000
<b>Total fair value of investment</b>	<b>64,000</b>
Gain from a bargain purchase	8,355
Group (loss) on remeasuring to fair value the initially held equity interest	(1,890)
<b>Gain recognized on acquisition of subsidiary, recognized under Other Income</b>	<b>6,465</b>
Purchase consideration	32,000
Less: cash acquired	2,976
<b>Total purchase consideration, net of cash acquired</b>	<b>29,024</b>

On 28 February 2013 the Company acquired 54.95% shares of UAB Jungtinė Ekspedicija for LTL 1,045 thousand, and increased its ownership interest to 100%. The mentioned company is consolidated in the Group from 1 March 2013.

The only unaudited financial information on the acquired subsidiary as at 28 February 2013 is available as at the date of the release of these financial statements and is presented below. 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 March 2013
<b>Carrying values</b>	
Property, plant and equipment	201
Trade receivables and other current assets	917
Cash and cash equivalents	867
<b>Total assets</b>	<b>1,985</b>
Trade payables	(905)
Other liabilities	(285)
<b>Total liabilities</b>	<b>(1,190)</b>
<b>Total identifiable net assets</b>	<b>795</b>
Attributable to share acquired before	358
Attributable to new acquired share	437
<b>Loss recognized on acquisition of subsidiary, recognised as Other expense</b>	<b>608</b>
Purchase consideration	1,045
Less: cash acquired	867
<b>Total purchase consideration, net of cash acquired</b>	<b>178</b>

### 3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

On 16 August 2012 the Group founded Noreikiškių ŽŪB with LTL 10 thousand share capital.

During the 12 month period, ended 30 June 2013 the Group acquired 0.02% Šakiai district Lukšių ŽŪB share capital for 1 LTL thousand and 16.95% Sidabravo ŽŪB share capital for LTL 423 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 1 800 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

Acquisition off non-controlling interest in Šakiai district Lukšių ŽŪB and Sidabravo ŽŪB have resulted in increase of effective Group ownership of ŽŪK KUPIŠKIO GRŪDAI by 1.56% up to 97.72% as at 30 June 2013 with a result of LTL 32 thousand of gain accounted directly in equity.

#### **Changes in the Group during the year ended 30 June 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.

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 sales consideration and the net assets disposed at the disposal date is the following:

	<b>31 January 2012</b>
Non-current assets	22,265
Current assets	92,175
Liabilities	(64,916)
Net asset of subsidiary sold	49,524
Non-controlling interest	20,780
Net assets sold by the Group	28,744
Sales price (received in cash)	90,754
<b>Gain on disposal of subsidiary in the Group*</b>	<b>62,010</b>
Cash disposed in the subsidiary	20,995
<b>Sales price less cash disposed</b>	<b>69,759</b>

*\*Recorded under other income caption in Group's statement of comprehensive income.*

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 had an obligation to acquire the shares of PC-JS UKRAGRO NPK from the non-controlling shareholders, if put option is exercised. The non-controlling interest was recognised as though the put option had never been granted and the financial liability was derecognised, with a corresponding credit to the same component of equity.

During the year ended 30 June 2012 the Group acquired 0.43% of Šakiai district Lukšių ŽŪB share capital for LTL 14 thousand, 0.03% Biržai district Medeikių ŽŪB share capital for LTL 1 thousand, 31.41% Panevėžys district Aukštadvario ŽŪB share capital for LTL 143 thousand, 30% Užupės ŽŪB share capital for LTL 3 thousand, 4.06% Sidabravo ŽŪB share capital for LTL 21 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 3,375 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

### 3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Acquisition of non-controlling interest in Šakiai district Lukšių ŽŪB, Biržai district Medeikių ŽŪB, Panevėžys district Aukštadvario ŽŪB and Sidabravo ŽŪB have resulted in increase of effective Group ownership of ŽŪK KUPIŠKIO GRŪDAI by 3.28% up to 96.16% as at 30 June 2012 with a result of LTL 61 thousand of gain accounted directly in equity.

During the year ended 30 June 2012 the Group acquired 100% UAB Edfermus 2 share capital for LTL 10 thousand and 20% of Karčemos Kooperatinė Bendrovė for LTL 977 thousand. Difference between the fair value of net assets acquired of both entities and consideration paid in amount of LTL 1,020 thousand was recorded directly in the income statement, as amount is considered by the management as immaterial.

### 4. SEGMENT INFORMATION

For management purpose the Group is organized into six 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, rapecake 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 machinery and equipment is a new segment of the company which includes wholesale and retail of new and used agricultural and forest machinery and spare parts, also projection and installation of grain cleaning, drying and storage facilities;
- 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.

12 month period ended 30 June 2013	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Machinery and equipment	Other products and services	Not attributed to any specified segment	Adjustments and elimina- tions	Total
<b>Revenue</b>									
From one client UAB MESTILLA	119,491	290	-	-	12	61	-	-	119,854
Other third parties	871,226	616,906	44,212	220,412	141,920	28,536	-	-	1,923,212
Intersegment	-	9,538	36,284	36,666	10,934	45,375	-	(138,797) <sup>1)</sup>	-
<b>Total revenue</b>	<b>990,717</b>	<b>626,734</b>	<b>80,496</b>	<b>257,078</b>	<b>152,866</b>	<b>73,972</b>	-	<b>(137,797)<sup>1)</sup></b>	<b>2,043,066</b>
<b>Results</b>									
Operating expenses	6,339	8,920	5,596	8,147	11,239	12,367	26,975	-	79,583
Segment operating profit (loss)	32,900	30,472	27,202	10,879	16,298	14,214	(29,149)	-	102,816
<b>12 month period ended 30 June 2012</b>									
<b>Revenue</b>									
From one client UAB MESTILLA	93,216	(8)	-	-	-	181	-	-	93,389
Other third parties	440,454	358,994	402,697	28,204	-	14,223	-	-	1,244,572
Intersegment	-	2,510	12,232	18,830	-	26,402	-	(59,974) <sup>1)</sup>	-
<b>Total revenue</b>	<b>533,670</b>	<b>361,496</b>	<b>414,929</b>	<b>47,034</b>	-	<b>40,806</b>	-	<b>(59,974)<sup>1)</sup></b>	<b>1,337,961</b>
<b>Results</b>									
Operating expenses	4,684	3,405	12,015	3,832	-	3,514	21,418	-	48,868
Segment operating profit (loss)	5,763	17,108	88,831	8,441	-	10,733	(16,295)	-	114,581

1) Intersegment revenue is eliminated on consolidation.

#### 4. SEGMENT INFORMATION (CONT'D)

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

<b>Revenue from external customers</b>	<b>12 month period ended</b>	
	<b>30 June 2013</b>	<b>30 June 2012</b>
Lithuania	533,263	320,907
Europe (except for Scandinavian countries, CIS and Lithuania)	425,040	299,213
Scandinavian countries	427,277	239,854
Africa	16,098	57,191
Asia	609,665	136,143
CIS	31,723	284,653
	<b>2,043,066</b>	<b>1,337,961</b>

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

<b>Non-current assets</b>	<b>As of 30 June 2013</b>	<b>As of 30 June 2012</b>
Lithuania	196,405	132,084
Latvia	7,751	118
Estonia	5,152	-
Denmark	89	179
	<b>209,397</b>	<b>132,381</b>

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



## 5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Total
<b>Cost:</b>			
Balance as of 30 June 2011	1,512	157	1,669
Additions	366	13	379
Exchange differences	2	-	2
Disposal of subsidiary	(73)	-	(73)
Balance as of 30 June 2012	1,807	170	1,977
Additions	219	238	457
Acquisition of subsidiaries	39	122	
Write-offs	(2)	(100)	(102)
Balance as of 30 June 2013	2,063	430	2,493
<b>Accumulated amortization:</b>			
Balance as of 30 June 2011	1,179	124	1,303
Charge for the year	87	11	98
Disposal of subsidiary	(36)	-	(36)
Balance as of 30 June 2012	1,230	135	1,365
Charge for the year	106	22	128
Write-offs	(2)	-	(2)
Balance as of 30 June 2013	1,334	157	1,491
<b>Net book value as of 30 June 2013</b>	<b>729</b>	<b>273</b>	<b>1,002</b>
<b>Net book value as of 30 June 2012</b>	<b>577</b>	<b>35</b>	<b>612</b>
<b>Net book value as of 30 June 2011</b>	<b>333</b>	<b>33</b>	<b>366</b>

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
<b>Cost:</b>							
Balance as of 30 June 2011	6,923	95,986	52,601	7,049	10,155	15,247	187,961
Additions	3,236	1,940	6,749	1,488	782	16,951	31,146
Acquisition of subsidiaries	200	-	-	-	-	-	200
Disposals and write-offs	(177)	(210)	(341)	(234)	(28)	(10)	(1,000)
Transfers to/from investment property	610	-	-	-	-	-	610
Reclassifications	176	15,585	4,092	18	411	(20,282)	-
Exchange differences	21	1,298	300	97	118	67	1,901
Disposal of subsidiary	(228)	(17,049)	(4,246)	(1,454)	(1,687)	(298)	(24,962)
Balance as of 30 June 2012	10,761	97,550	59,155	6,964	9,751	11,675	195,856
Additions	2,399	10,921	6,665	4,433	3,276	13,329	41,023
Acquisition of subsidiaries	4,097	25,880	18,744	4,694	1,404	2,247	57,066
Disposals and write-offs	(2)	(53)	(3,314)	(1,287)	(827)	(41)	(5,524)
Transfers to/from investment property	428	2,316	-	-	-	-	2,744
Reclassifications	1	13,328	5,913	19	128	(19,389)	-
Exchange differences	(3)	(26)	(3)	(9)	(9)	-	50
Balance as of 30 June 2013	17,681	149,916	87,160	14,814	13,723	7,821	291,114
<b>Accumulated depreciation:</b>							
Balance as of 30 June 2011	-	24,202	29,883	3,730	6,416	-	64,231
Charge for the year	-	5,588	4,470	871	1,068	-	11,997
Disposals and write-offs	-	(16)	(303)	(185)	(28)	-	(532)
Reclassifications	-	-	(459)	-	459	-	-
Exchange differences	-	66	40	13	36	-	150
Disposal of subsidiary	-	(1,118)	(735)	(316)	(567)	-	(2,736)
Balance as of 30 June 2012	-	28,717	32,896	4,113	7,384	-	73,110
Charge for the year	-	9,293	9,840	2,088	1,221	-	22,442
Disposals and write-offs	-	(8)	(1,573)	(991)	(620)	-	(3,192)
Transfers from investment property	-	671	-	-	-	-	671
Exchange differences	-	(1)	2	-	-	-	1
Balance as of 30 June 2013	-	38,672	41,165	5,210	7,985	-	93,032
<b>Impairment losses:</b>							
Balance as of 30 June 2011	50	449	19	3	1	-	522
(Reversal) charge for the year	(32)	-	-	-	-	-	(32)
Balance as of 30 June 2012	18	449	19	3	1	-	490
(Reversal) charge for the year	(27)	-	16	(3)	2	-	(12)
Transfer from investment property	8	1,128	-	-	-	-	1,136
Balance as of 30 June 2013	1	1,577	35	-	3	-	1,614
<b>Net book value as of 30 June 2013</b>	<b>17,682</b>	<b>109,667</b>	<b>45,960</b>	<b>9,603</b>	<b>5,735</b>	<b>7,821</b>	<b>196,468</b>
<b>Net book value as of 30 June 2012</b>	<b>10,743</b>	<b>68,384</b>	<b>26,240</b>	<b>2,848</b>	<b>2,366</b>	<b>11,675</b>	<b>122,256</b>
<b>Net book value as of 30 June 2011</b>	<b>6,873</b>	<b>71,335</b>	<b>22,699</b>	<b>3,316</b>	<b>3,738</b>	<b>15,247</b>	<b>123,208</b>

## 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
<b>Cost:</b>			
Balance as of 30 June 2011	7,781	3,297	11,078
Additions	1,122	-	1,122
Disposals and write-offs	(65)	-	(65)
Transfers to/from property, plant and equipment	(610)	-	(610)
Balance as of 30 June 2012	8,228	3,297	11,525
Additions	3,239	400	3,639
Acquisition of subsidiaries	456	-	456
Disposals and write-offs	(716)	-	(716)
Transfers to/from property, plant and equipment	(427)	(2,317)	(2,744)
Exchange differences	(7)	-	-
Balance as of 30 June 2013	10,773	1,380	12,153
<b>Accumulated depreciation:</b>			
Balance as of 30 June 2011	-	696	696
Charge for the year	-	94	94
Balance as of 30 June 2012	-	790	790
Charge for the year	-	107	107
Transfers from property, plant and equipment	-	(671)	(671)
Balance as of 30 June 2013	-	226	226
<b>Impairment losses:</b>			
Balance as of 30 June 2011	242	1,128	1,370
(Reversal) charge for the year	(148)	-	(148)
Balance as of 30 June 2012	94	1,128	1,222
(Reversal) charge for the year	(86)	-	(86)
Transfer from property, plant and equipment	(8)	(1,128)	(1,136)
Balance as of 30 June 2013	-	-	-
<b>Net book value as of 30 June 2013</b>	<b>10,773</b>	<b>1,154</b>	<b>11,927</b>
<b>Net book value as of 30 June 2012</b>	<b>8,134</b>	<b>1,379</b>	<b>9,513</b>
<b>Net book value as of 30 June 2011</b>	<b>7,539</b>	<b>1,473</b>	<b>9,012</b>

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 30 June 2013 and as of 30 June 2012 the Group had investments into the following associates and joint ventures:

	Place of registration	Effective share held by the Group		Main activities
		As of 30 June 2013	As of 30 June 2012	
<b>Associates</b>				
UAB Jungtinė Ekspedicija	Lithuania	-	45.05%	Expedition and ship's agency services
<b>Joint ventures</b>				
UAB Dotnuvos Projektai	Lithuania	-	50%	Sale of seeds, agricultural machinery
<b>Companies controlled by UAB Dotnuvos Projektai</b>				
UAB Dotnuvos technika	Lithuania	-	50%	Dormant
SIA DOTNUVOS PROJEKTAI	Latvia	-	50%	Sale of seeds, agricultural machinery
AS Dotnuvos Projektai	Estonia	-	50%	Sale of seeds, agricultural machinery

Information on associates and joint ventures of the Group as of 30 June 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
<b>Investments into associates</b>							
UAB Jungtinė Ekspedicija	286	1	4,416	235	1,269	100	769
<b>Investments into joint ventures</b>							
UAB Dotnuvos Projektai (consolidated)	29,887	8,131	174,067	33,790	124,834	4,398	94,447

## 9. OTHER INVESTMENTS

Other investments of the Group consist of:

	Share held by the Group	As of 30 June 2013	As of 30 June 2012
Panevėžys district Ėriškių ŽŪB	24.97%	173	173
Other investments		60	138
		<b>233</b>	<b>311</b>

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

	<b>As of 30 June 2013</b>	<b>As of 30 June 2012</b>
<b>Non-current borrowings</b>		
Bank borrowings secured by the Group assets	31,742	35,393
Other non-current borrowings	143	1,356
	<b>31,885</b>	<b>36,749</b>
<b>Current borrowings</b>		
Current portion of non-current bank borrowings	19,908	8,765
Current portion of other non-current borrowings	-	1,310
Current bank borrowings secured by the Group assets	107,226	156,235
Factoring with recourse liability	34,106	21,511
Other current borrowings	5,325	1,719
	<b>166,565</b>	<b>189,540</b>
	<b>198,450</b>	<b>226,289</b>

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

## 11. OPERATING EXPENSES

	<b>2012/2013 12 month</b>	<b>2011/2012 12 month</b>
Wages and salaries and social security	49,383	31,121
Change in allowance for and write-offs of receivables and prepayments	3,733	2,286
Consulting expenses	2,241	2,170
Depreciation and amortization	3,878	1,899
Other	20,348	11,392
	<b>79,583</b>	<b>48,868</b>

## 12. OTHER INCOME (EXPENSES)

	<b>2012/2013 12 month</b>	<b>2011/2012 12 month</b>
<b>Other income</b>		
Fees from farmers for grain non-deliveries	593	272
Currency exchange gain	-	2,797
Rental income from investment property and property, plant and equipment	1,014	886
Gain from disposal of investment property and property, plant and equipment	780	338
Gain on disposal of subsidiary companies	-	62,010
Gain on disposal assets held for sale	-	1,060
Change in fair value of currency financial instruments	61	2,099
Gain on acquisition of subsidiary companies	26,073	-
Other income	792	457
	<b>29,313</b>	<b>69,919</b>

## 12. OTHER INCOME (EXPENSES) (CONT'D)

### Other (expenses)

Direct operating expenses arising on rental and non-rental earning investment properties	(465)	(354)
Loss from disposal of property, plant and equipment	(123)	(49)
Change in impairment of investment property	119	148
Change in fair value of currency financial instruments	(1,898)	-
Currency exchange loss	(891)	-
Loss from acquisition of subsidiary companies	(608)	-
Other expenses	(444)	(1,078)
	<b>(4,310)</b>	<b>(1,333)</b>

## 13. COMMITMENTS AND CONTINGENCIES

As of 30 June 2013 the Group is committed to purchase property, plant and equipment for the total amount of LTL 2,826 thousand (LTL 2,754 thousand as of 30 June 2012).

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 as of as of 30 June 2012. As of 30 June 2013 investments for implementation of environmental regulations are done.

Several companies of the Group (Biržai district Medeikių ŽŪB, Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB and Sidabravo ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of heavy duty agricultural equipment. Biržai district Medeikių ŽŪB is committed not to discontinue operations related to agriculture up to 2014, Kėdainiai district Labūnavos ŽŪB – up to 2015, Šakiai district Lukšių ŽŪB - up to 2015, Sidabravo ŽŪB – up to 2014. UAB Linas Agro Grūdų Centras KŪB, Karčemos Kooperatinė Bendrovė received grants 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 2018, Karčemos Kooperatinė Bendrovė – up to 2020. 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 15,225 thousand as of 30 June 2013 (LTL 10,145 thousand as of 30 June 2012).

On 25 April 2013 AB Linas Agro Group signed agreements with Latvian private and legal persons on acquisition of 87% of shares in Latvian company AS Putnu fabrika Kekava. The transaction should be completed till the end of 2013, their completion is subject to certain conditions presented, including obtaining of permission of the Competition Council of the Republic of Latvia. As of 30 June 2013 AB Linas Agro Group already transferred LTL 4,834 thousand as prepayments.

## 14. 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 30 June 2013 and 30 June 2012 were as follows:

### Members of the board of the Company:

Darius Zupas (chairman of the board, ultimate controlling shareholder);  
 Vytautas Šidlauskas;  
 Dainius Pilkauskas;  
 Arūnas Zupas;  
 Andrius Pranckevičius;  
 Arūnas Jarmolavičius (resigned from the Management Board as from 1 May 2013);  
 Tomas Tumėnas.

## 14. RELATED PARTIES TRANSACTIONS (CONT'D)

**Subsidiaries:** list provided in Note 3.

**Joint ventures (Note 8):**

UAB Dotnuvos Projektai (till 30 September 2012, from 1 October 2012 is consolidated subsidiary);  
 ŽŪB Dotnuvos Agroservisas (till 28 December 2011, reorganized);  
 UAB DOTNUVOS TECHNIKA (till 30 September 2012, from 1 October 2012 is consolidated subsidiary);  
 SIA DOTNUVOS PROJEKTAI (till 30 September 2012, from 1 October 2012 is consolidated subsidiary);  
 AS DOTNUVOS PROJEKTAI (till 30 September 2012, from 1 October 2012 is consolidated subsidiary);  
 UAB Kustodija (till 19 October 2011).

**Associates (Note 8):**

UAB Jungtinė Ekspedicija (till 28 February 2013, from 1 March 2013 is consolidated subsidiary).

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);  
 UAB MESTILLA (same ultimate controlling shareholders);  
 PC-SJ UKRAGRO NPK (Ukraine) (same ultimate controlling shareholders, subsidiary starting from 1 July 2010 till 6 February 2012).

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

UAB CEY (till 1 May 2013, Arūnas Jarmolavičius is a director of this company).

The Group's transactions with related parties in 12 month period ended 30 June 2013 were as follows:

2013 12 month	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current loans received
			Trade receivables	Current loans receivable			
Members of the board	20	-	-	-	-	-	-
Joint ventures	6,886	392	-	-	-	-	-
Associates	7,145	77	-	-	-	-	-
Akola ApS group companies	16,682	118,501	14,164	1,350	2,540	3,201	-

\* 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 30 June 2013 non-current loans receivable from related parties are equal 3.7% and 3 month EURIBOR + 4.2% 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 30 June 2013 and 30 June 2012.

## 15. SUBSEQUENT EVENTS

On 2 July 2013 AB Linas Agro Group signed agreements with Latvian private and legal persons on acquisition of 100% of shares of Latvian company SIA Broileks, 100% of shares of company SIA Cerova and 100% of shares of SIA Lielzeltini. The transactions should be completed by the end of 2013, their completion is subject to certain conditions presented, including obtaining of permission of the Competition Council of the Republic of Latvia. Preliminary AB Linas Agro Group estimates to spend about LTL 41,800 thousand for the acquisition of shares of the Latvian companies.

On 22 July 2013 a subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos signed purchase agreement on acquisition of 100% of UAB Žemės Ūkio Investicijos shares for approximately LTL 18.5 million. The agreement shall come into force 30 September 2013.

On 24 July 2013 SEB bank has increased its credit limit by LTL 50 million issued a year ago to AB Linas Agro, total amount of credit limit is LTL 200 million. The purpose of the credit limit is the company's working capital financing.



**AB LINAS AGRO GROUP**  
**CONSOLIDATED INTERIM REPORT**  
**FOR THE TWELVE MONTHS PERIOD**  
**OF THE FINANCIAL YEAR 2012/2013**  
**ENDED 30 JUNE 2013**



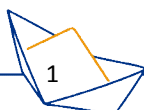
## 1. COMPANY DETAILS

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>
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in NASDAQ OMX Vilnius	LNA1L

## 2. ABOUT AB LINAS AGRO GROUP

AB Linas Agro Group together with its subsidiaries and associates is an agribusiness developing Group of companies engaged in the production of and trade in agricultural produce, feed raw materials and agricultural inputs.

AB Linas Agro Group owns companies in Lithuania, Latvia, Estonia and Denmark. The Group consists of international agricultural production trading company in Lithuania AB Linas Agro, grain storage company UAB Linas Agro Grūdų centras KŪB, trading company in Latvia SIA Linas Agro, international trading



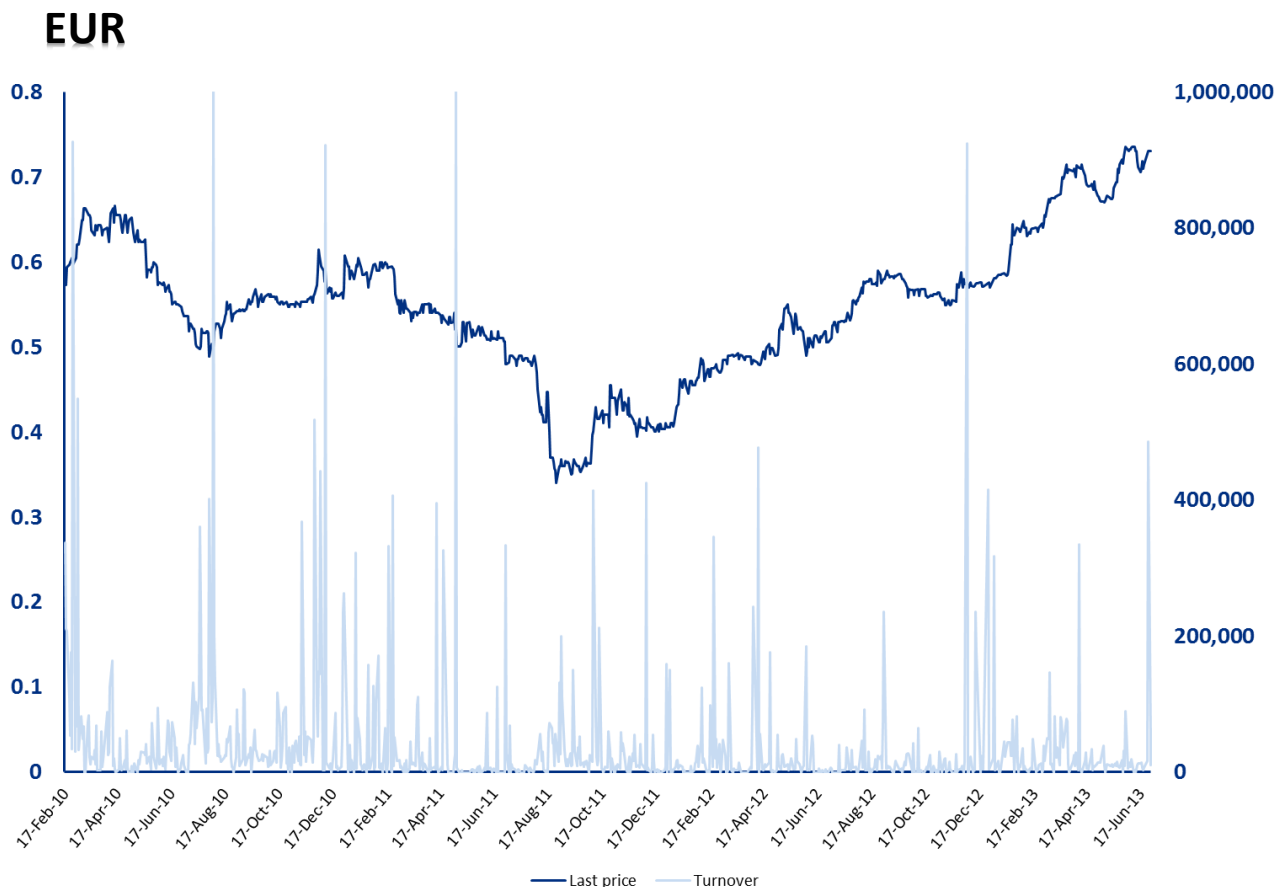
company Linas Agro A/S in Denmark, agricultural machinery, grain elevators equipment and seeds trading company UAB Dotnuvos Projektai, group of companies ŽŪB Landvesta, managing agricultural land, group of agricultural companies UAB Linas Agro Konsultacijos, logistics company UAB Jungtinė Ekspedicija, operator of lignin biofuel accumulation UAB Lignineko, and other companies. Together with partners the parent company owns grain storage company Karčemos kooperatinė bendrovė.

The Group's activities are subdivided into six basic operating segments: Grains and Oilseeds, Feedstuffs, Farming, Agricultural Inputs, Machinery and Equipment 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.

The total headcount of the Group amounts to 1,039 employees. The financial year of most of the companies of the Group begin on 1 July.

### 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. Information on changes in the prices of Company's shares and turnover from starting trade until the end of the reporting period, i. e. 30 June 2013, is presented in the following diagram:



## 4. ACTIVITY RESULTS OF THE GROUP

**53 %** Consolidated revenues of AB Linas Agro Group during twelve months of financial year 2012/2013 totaled LTL 2.043 billion and were 53% more as compared to the corresponding period of the previous year (LTL 1.338 billion).

**32 %** The Group sold 1.78 million tons of various agricultural products and agricultural inputs or 32% more as compared to previous year (1.35 million tons).

**65 %** Gross profit was record high and reached LTL 157 million or 65% more compared to LTL 95 million in fiscal year 2011/2012.

**10 %** The Group's operating profit reached LTL 103 million or was by 10% less as compared to the respective period of the previous financial year (LTL 115 million).

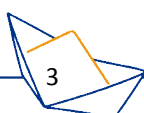
*In fact operating profit increased 2 times as 2011/2012 financial year's profit has been boosted by the sale of shares of Ukrainian subsidiary PJ-SC UKRAGRO NPK for 64 million litas.*

**0.7%** Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to LTL 126 million (compared to LTL 127 million previous year).

**2%** The net profit attributable to the Group remained almost unchanged and was LTL 87 million compared to previous year's LTL 89 million.

**53%** Grain storage facilities owned by AB Linas Agro Group processed 556 thousand tons of various grains or 53% more than over the respective period of the previous year (363 thousand tons).

During the reporting period, AB Linas Agro Group acquired farming company Kėdainiai district Labūnavos ŽŪB, logistics company UAB Jungtinė Ekspedicija, also the leading seller of agricultural machinery, seeds and grain storage equipment in Lithuania – UAB Dotnuvos Projektai.



## FINANCIAL RATIOS

	2009/2010	2010/2011	2011/2012	2012/2013	Change 2012/2013 compared to 2011/2012 (LTL in thousands)	Change 2012/2013 compared to 2011/2012 (%)
<b>Sales revenues (thousand LTL)</b>	<b>834,116</b>	<b>1,353,976</b>	<b>1,337,961</b>	<b>2,043,066</b>	<b>705,105</b>	<b>53%</b>
<b>Sales in tons</b>	<b>1,211,865</b>	<b>1,483,064</b>	<b>1,348,619</b>	<b>1,781,409</b>	<b>432,790</b>	<b>32%</b>
Gross profit (thousand LTL)	70,341	80,969	94,863	157,396	62,533	65%
<b>EBITDA (thousand LTL)</b>	<b>49,658</b>	<b>30,120</b>	<b>127,020</b>	<b>126,177</b>	<b>-843</b>	<b>-0.7 %</b>
Operating profit (thousand LTL)	39,684	15,215	114,581	102,816	-11,775	-10%
Earnings before taxes EBT (thousand LTL)	39,988	14,522	115,576	99,896	-15,680	-14%
<b>Net profit (thousand LTL)</b>	<b>33,510</b>	<b>18,970</b>	<b>94,299</b>	<b>87,604</b>	<b>-6,695</b>	<b>-7%</b>
<b>Margins</b>						
Gross profit margin	8.43%	5.98%	7.09%	7.70%	0.61%	9%
EBITDA margin	5.95%	2.22%	9.49%	6.18%	-3.31%	-35%
Operating profit margin	4.76%	1.12%	8.56%	5.03%	-3.53%	-41%
Earnings before taxes margin	4.79%	1.07%	8.64%	4.89%	-3.75%	-43%
Net profit margin	4.02%	1.40%	7.05%	4.29%	-2.76%	-39%
<b>Solvency ratios</b>						
Current ratio	1.95	1.44	1.78	1.75	-0.03	-2%
Debt / Equity ratio	0.53	0.81	0.65	0.47	-0.18	-28%
Net financial debt / EBITDA	2.10	7.28	1.38	1.36	-0.02	-1%
Return on equity (ROE)	12.72%	6.78%	26.48%	20.02%	-6.46%	-24%
Return on capital employed (ROCE)	10.60%	3.95%	20.02%	16.61%	-3.41%	-17%
Return on assets(ROA)	7.47%	3.11%	13.65%	10.67%	-2.98%	-22%
Basic and diluted earnings per share (LTL) (EPS)	0.30	0.12	0.56	0.55	-0.01	-2%
Price earnings ratio (P/E)*	6.23	14.56	3.10	4.64	1.54	50%

\* The last close price of AB Linas Agro Group financial year

## OVERVIEW

The consolidated sales revenues of AB Linas Agro Group amounted to LTL 2.043 billion and were 53% more as compared to LTL 1.338 billion earned over the respective period last year. The Group's trading volume in tons reached 1.78 million and was 32% more as compared to previous year. Trade growth was favorably affected by growth of sales in all business segments, high grain harvest in the Baltic States also had great influence. Moreover, consolidation of UAB Dotnuvos Projektai increased Group's revenues by more than LTL 190 million. Only during the fourth quarter of the fiscal year consolidated revenues increased by 51% from LTL 255 million to LTL 386 million, and the gross profit increased by 51% from LTL 29 million to LTL 35 million.

All Groups' business segments were profitable. The Group's gross profit reached LTL 157 million and was up by 65% as compared to the respective period of 2011/2012 financial year (LTL 95 million). Gross profit growth was obtained by increase in trading volume and increased profitability in agricultural commodity trade, successful risk management and consolidation of a new business segment in the Group's activities – Machinery and Equipment. Group managed to increase gross profitability from 7.09% last year to 7.70% this year. The operating profit of the Group was LTL 103 million or 10% less, as compared to LTL 115 million in 2011/2012 financial year. The net profit amounted to LTL 88 million and was 7% less as compared to LTL 94 million earned during the respective period of financial year 2011/2012. If eliminating the income from the sales of the Ukrainian company PJ-SC UKRAGRO NPK, the Group's net profit was up almost 2 times from LTL 42 million to LTL 88 million.

Group's consolidated operating costs amounted to LTL 80 million and were 63% higher than during the respective period of the last year (LTL 49 million). Operating cost growth is mainly explained by acquisition and consolidation of the new companies within the Group.

## ACTIVITY RESULTS BY SEGMENTS

### ACTIVITY SEGMENT OPERATING PROFIT (LOSS), THOUSAND LTL

	2012/2013 12 months	2011/2012 12 months	2010/2011 12 months	2009/2010 12 months
Grains and oilseeds	32,900	5,763	-23,048	11,657
Feedstuffs	30,472	17,108	3,909	5,069
Agricultural inputs	10,879	88,831	26,251	10,428
Farming	27,202	8,441	15,475	5,856
Machinery and equipment	16,298	n. a.	n. a.	n. a.
Other products and services	14,214	10,733	6,061	7,994

## **GRAINS AND OILSEEDS**

The largest business segment of the Group generated the record high sales revenues of LTL 991 million during financial year (LTL 534 million in 2011/2012 financial year) and the operating profit amounted to LTL 33 million (LTL 6 million in FY 2011/2012). The operating profit growth was obtained by significant increase in trade volume: over 1 million tons of grain and oilseeds were sold (compared to 592 thousand tons in FY 2011/2012).

## **FEEDSTUFFS**

The revenues from feedstuffs sales reached LTL 627 million compared to LTL 361 million in 2011/2012 financial year. The operating profit totaled LTL 30 million (LTL 17 million in FY 2011/2012). Approximately 542 thousand tons of feedstuffs were sold, i.e. almost 46% more than during the respective period last year (371 thousand tons). Growing demand for feedstuffs on European market was the key driving factor for such growth.

## **AGRICULTURAL INPUTS**

Revenues from agricultural inputs and services declined from LTL 415 million to LTL 257 million and operating profit from LTL 89 million to LTL 11 million. Please note that the decline was due to sale of shares of Ukrainian subsidiary PJ-SC UKRAGRO NPK, because, excluding profit gained from the company, the operating profit of previous year has been LTL 7 million. Fertilizer trade volume in litas in the Baltic region increased more than 46%, seed trading volume increased 4 times, to a large extent due to consolidation of UAB Dotnuvos Projektai.

## **FARMING**

Due to good crop harvest and consolidation of Kėdainiai district Labūnavos ŽŪB into the Group the consolidated revenues of the farming segment grew from LTL 47 million to LTL 80 million. The operating profit amounted to LTL 27 million (LTL 8 million recorded in FY 2011/2012). The operating profit increase is mainly explained by a positive impact of evaluation of assets at market value of Kėdainiai district Labūnavos ŽŪB compared to its acquisition cost (positive effect of LTL 19 million). It is worth to be noted that evaluation of biological assets had a negative impact on segment's operating profit, by diminishing its results by almost LTL 8 million (mostly because of decrease in grain market prices on year to year basis).

## **MACHINERY AND EQUIPMENT**

This is a new segment of the Group activity, which appeared this financial year, after the Group acquired 100% shares of UAB Dotnuvos Projektai. This segment includes wholesale and retail of new and used agricultural and forest machinery and spare parts, also designing and installation of grain cleaning, drying and storage facilities. Business is being run in three countries – Lithuania, Latvia and Estonia. The

results of UAB Dotnuvos Projektai for the first quarter are not consolidated because UAB Dotnuvos Projektai became a part of the Group on 1 October 2012 only.

Sales revenues from this Segment were LTL 153 million, operating profit LTL 16 million.

## **OTHER PRODUCTS AND SERVICES**

This activity segment includes grain warehousing services, logistics services, trade in lignin biofuel and other categories of goods and services not attributable to other segments. Due to the high harvest in Lithuania and Latvia and increased own grain storage capacity of the Group sales revenue of this segment was up 81% and reached LTL 74 million as compared to LTL 41 million in FY 2011/2012. The operating profit of the segment was LTL 14 million (LTL 11 million in previous year).

## **FINANCIAL COSTS**

Financial expenses over referenced period amounted to LTL 8.6 million and were 12% lower as compared to the respective period of the 2011/2012 financial year (LTL 9.8 million). Due to high harvest in Baltic countries Group's demand for working capital increased almost 2 times, although sufficient own capital and comparatively low interest rates on financial loans allowed the Group to control all over its financial expenses.

## **CASH FLOWS**

Group's cash flow from operating activities before the changes in working capital increased to LTL 98 million as compared to LTL 61 million over the respective period of the previous year. Cash flow from operating activities after changes in working capital amounted to LTL 111 million (LTL 44 million over the respective period of 2011/2012 financial year). The growing sales of the Group decreased stocks (due to accelerated sales of grains stocks decreased by LTL 31 million). Group's cash and cash equivalents at the end of the reporting period amounted to LTL 34 million (LTL 55 million over the respective period of 2011/2012 financial year).





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

### THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 June 2013, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

AB Linas Agro Group notification about interim nine months financial results of the financial year 2012/2013	Interim information	2013-05-29 09:06:31 EEST
Regarding resignation of the Board member of the Company	Notification on material event	2013-05-02 09:00:30 EEST
AB Linas Agro Group is planning to acquire 54.95% shares of UAB Jungtine Ekspedicija	Notification on material event	2012-12-28 09:00:31 EET
Notice on acquisition of own shares	Notification on material event	2012-12-28 08:09:31 EET
Notice on acquisition of own shares	Notification on material event	2012-12-06 08:13:32 EET
AB Linas Agro Group notification about interim three months financial results of the financial year 2012/2013	Interim information	2012-11-30 09:00:32 EET
AB Linas Agro Group investor's calendar for the end of 2012 and 2013	Other information	2012-11-21 09:09:32 EET
Procedure for the payout of dividends for the financial year ended 30 June 2012	Notification on material event	2012-10-26 08:39:35 EEST
AB Linas Agro Group notification about the Annual information of the financial year 2011/2012	Annual information	2012-10-26 08:30:37 EEST

Results of voting of Annual General Meeting of AB Linas Agro Group, held on 25 of October, 2012	Notification event	on	material	2012-10-26 08:26:35 EEST
AB Linas Agro Group took over management of UAB Dotnuvos Projektai	Notification event	on	material	2012-10-12 09:00:32 EEST
Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification event	on	material	2012-10-03 09:00:32 EEST
AB Linas Agro Group notification about interim twelve months financial results of the financial year 2011/2012	Interim information			2012-08-30 10:05:32 EEST
AB Linas Agro Group is planning the purchase of 50% of shares of UAB Dotnuvos Projektai	Notification event	on	material	2012-08-06 11:48:30 EEST
Linas Agro Group acquired Labūnavos agricultural company	Notification event	on	material	2012-07-16 09:00:30 EEST

## OTHER EVENTS DURING THE REPORTING PERIOD

On 2 May 2013 UAB Linas Agro Grūdų centras KŪB established subsidiary in Latvia SIA Linas Agro Graudu centrs.

On 25 April 2013 AB Linas Agro Group signed agreement on acquisition of 87% of shares in Latvian company AS Putnu fabrika Kekava.

On 17 January 2013 AB Linas Agro Group sold part (7,028 units) of acquired own common shares.

On 15 January 2013 SIA BUVNIECIBAS DIZAINA GRUPA was affiliated to SIA DOTNUVOS PROJEKTAI by the way of reorganization.

On 2 January 2013 UAB Labūnava 2 was renamed into UAB Lineliai, also registration address of the company and the start of the financial year was changed. On 13 March 2013 share capital increased from LTL 10,000 to LTL 60,000.

On 18 December 2012 UAB EDFERMUS 2 renamed into UAB Paberžėlė and authorized capital of the company increased from LTL 10,000 to LTL 271,000.

In August and November 2012 the share capital of UAB Linas Agro Konsultacijos increased from LTL 3,109,000 to LTL 10,144,600.

On 1 November 2012 UAB Linas Agro Konsultacijos additionally purchased LTL 1,041 worth of shares of Šakiai district Lukšių ŽŪB.

On October and November months of 2012 share capital of ŽŪB Landvesta 4 increased from LTL 426,000 to LTL 437,000.

On October and November months of 2012 UAB Linas Agro Konsultacijos additionally purchased LTL 219,365.6 worth of shares of Sidabravo ŽŪB.

On 23 October 2012 share capital of ŽŪB Landvesta 6 increased from LTL 310,000 to LTL 320,000.

On 16 August 2012 Noreikiškių ŽŪB was established. Share capital of the company was increased several times from LTL 10,000 to LTL 1,010,000 during fiscal year 2012/2013.

On 31 July 2012 share capital of Užupės ŽŪB increased from LTL 10,000 to LTL 6,314,000.

On 12 July 2012 AB SEB bank increased credit limit to AB Linas Agro from LTL 103 to LTL 149.8 million.

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## SUBSEQUENT EVENTS

On 1 August 2013 share capital of UAB Lineliai was increased from LTL 60,000 to LTL 1,060,000.

On 24 July 2013 SEB bank has increased its credit limit issued a year before to AB Linas Agro by LTL 50 million to LTL 200 million.

On 22 July 2013 a subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos signed purchase agreement on acquisition of 100% of shares of UAB Žemės Ūkio Investicijos that owns farming company.

On 2 July 2013 AB Linas Agro Group signed agreements on acquisition of 100% of shares in Latvian company SIA Broileks, acquisition of 100% of shares in Latvian company SIA Cerova and acquisition of 100% of shares in Latvian company SIA Lielzeltini.

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