# AB Linas Agro Group

## GENERAL ANNUAL MEETING

25 October, 2012

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# Mission


**Vision – leadership in Baltic agribusiness sector.**

# Key events in 2011/2012

Consolidated turnover amounted to LTL 1,338 million, same as compared to the previous year (LTL 1,354 million).

17%

The gross profit was LTL 95 million.

19%

Gross profit margin increased from 5.98% to 7.09%.

**The results were significantly better than in FY 2010/2011.**

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# Key events

continued

**9%**

Trade tonnage amounted to 1.34 million tons.

**322%**

EBITDA reached LTL 127 million.

**367%**

Earnings per share (EPS) increased from LTL 0.12 to LTL 0.56.

**The trade tonnage decreased due to company's sale in Ukraine.**

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# Key events

continued

**407%** Return on capital employed (ROCE) grew from 3.95% to 20.02%.

**339%** Return on assets (ROA) increased from 3.11% to 13.65%.

**Investment to the development of infrastructure totaled LTL 34 million:**

LTL 4.6 million to the expansion of grain storage network,

LTL 10.5 million to the development of agricultural business,

LTL 18.9 million to the acquisition of shares of the companies and other non-current assets.

# Key events

continued

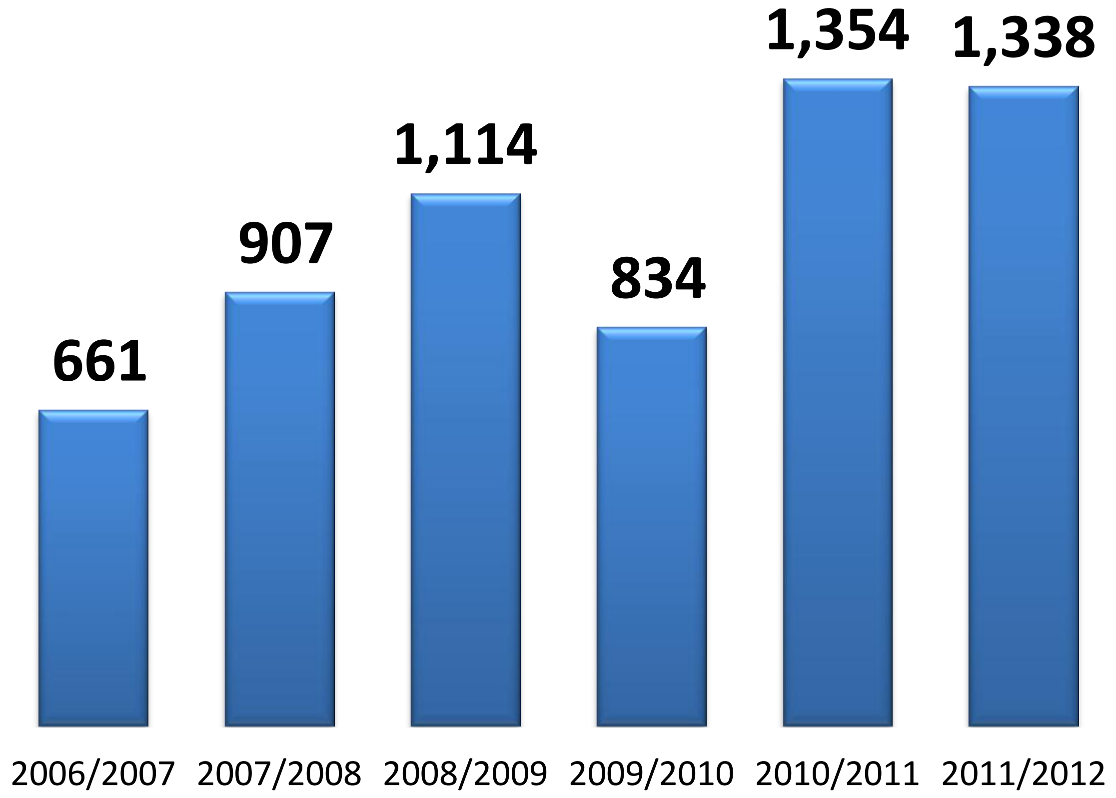
**The Group sold 58.04% of shares of the Ukrainian fertilizer production and trade company PJ-SC UKRAGRO NPK. The impact of transaction to the profit before taxes totaled LTL 62 million.**

**The funds received  are used for development of business in the Baltic States and Poland:**

| | | |
|---|---|---|
| together with the partners constructs grain storage facility | expands the turnover of trade with Poland 270% | negotiates the acquisition of companies in the agricultural sector |

# Financial highlights

## Sales, LTL million



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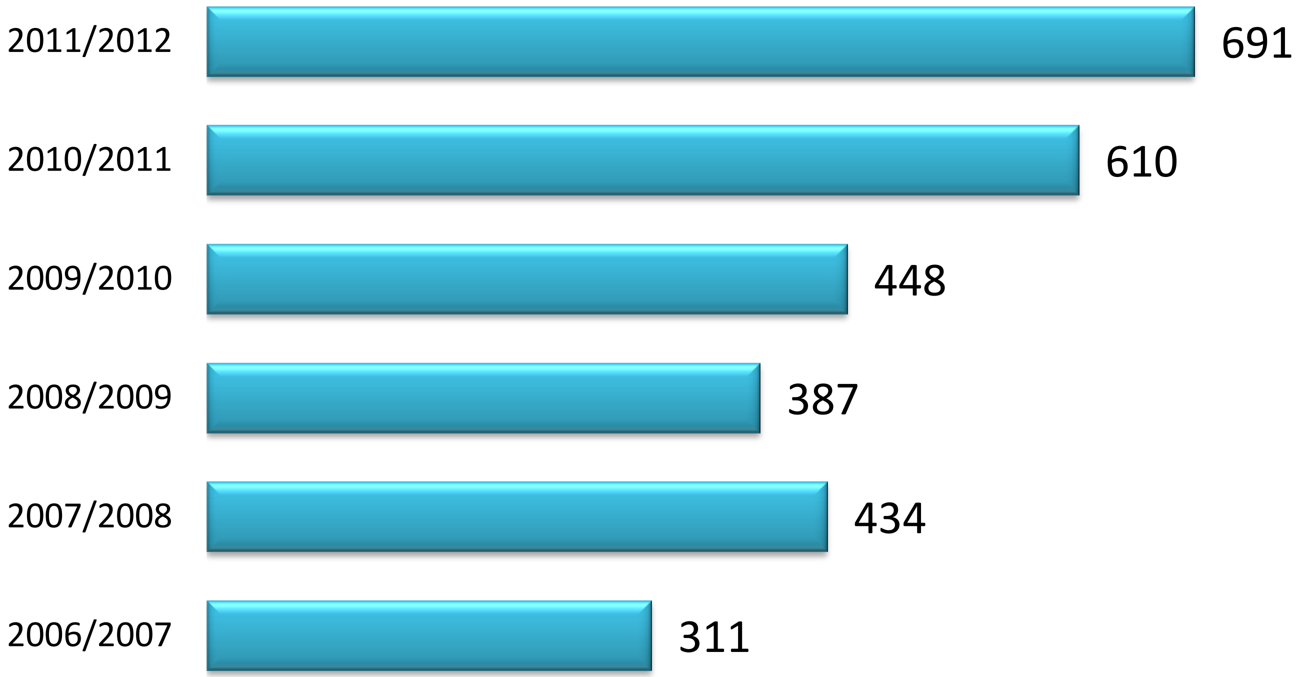
# Financial highlights continued

## Assets, LTL million



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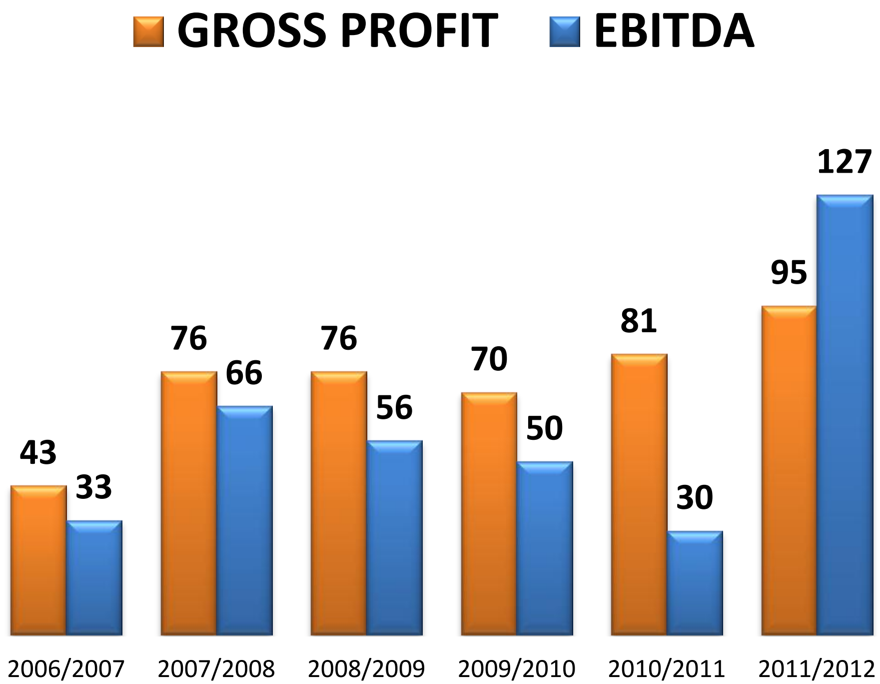
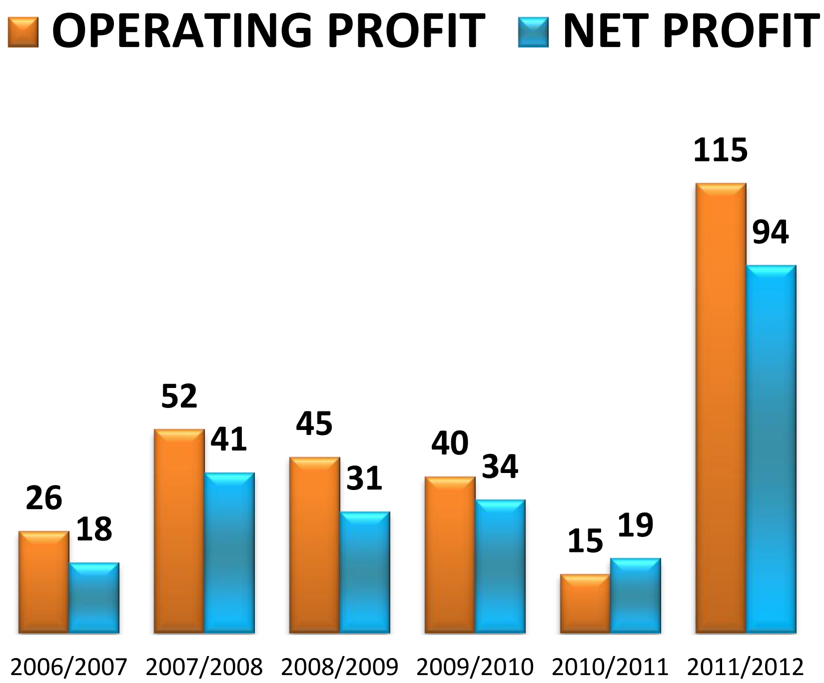
# Financial highlights continued

## Profit, LTL million



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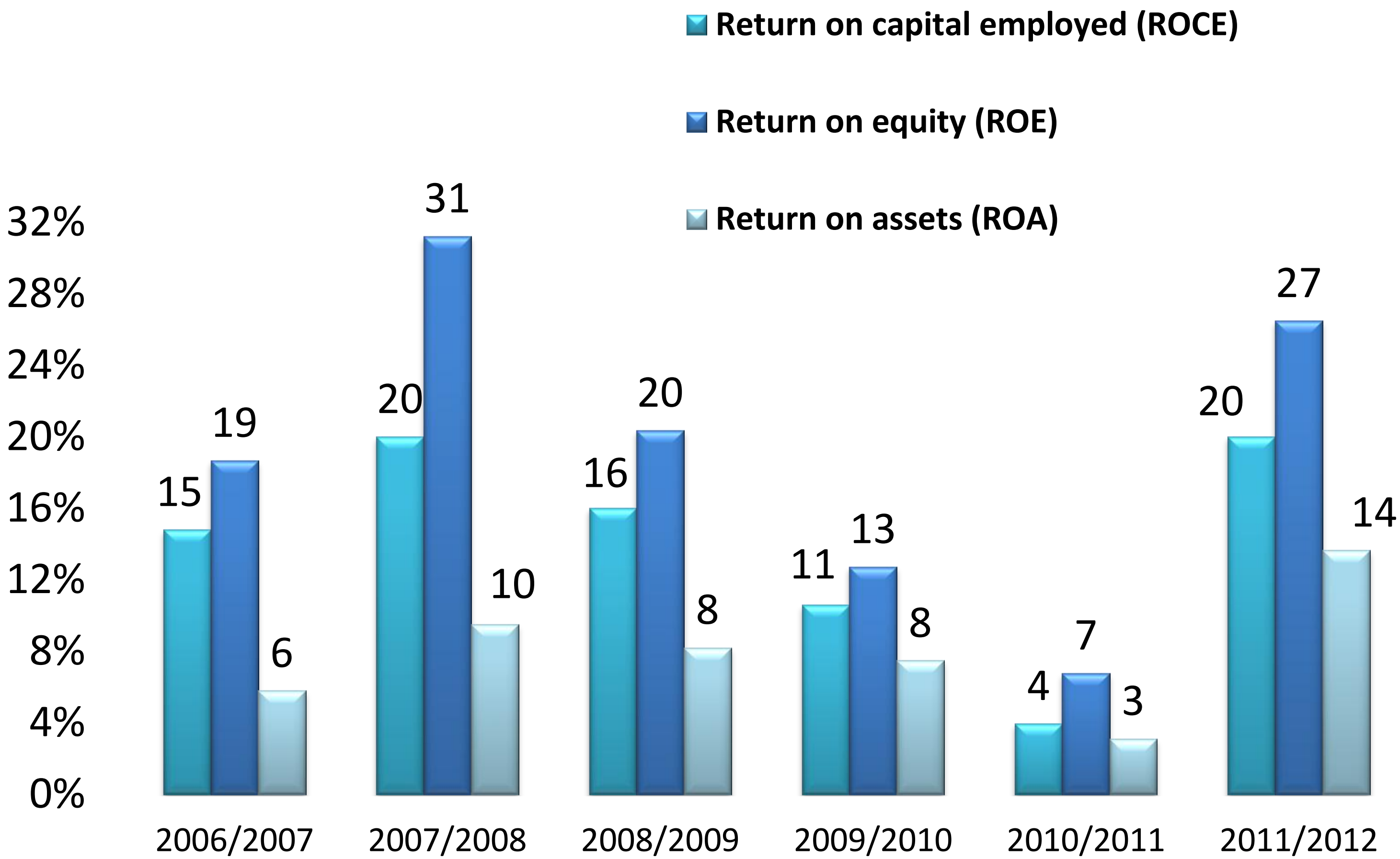
# Financial highlights continued

## ROCE, ROE, ROA



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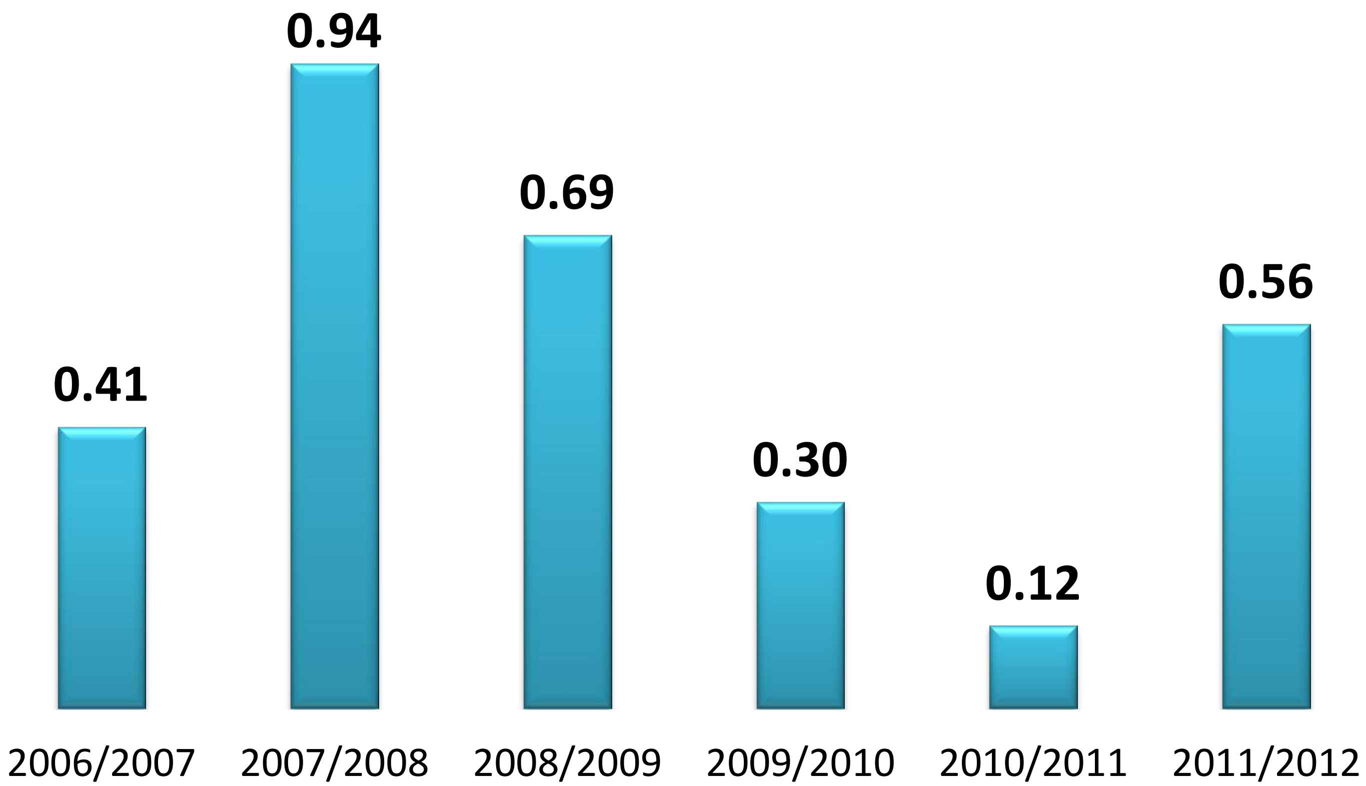
# Financial highlights continued

## Basic and diluted earnings per share, LTL



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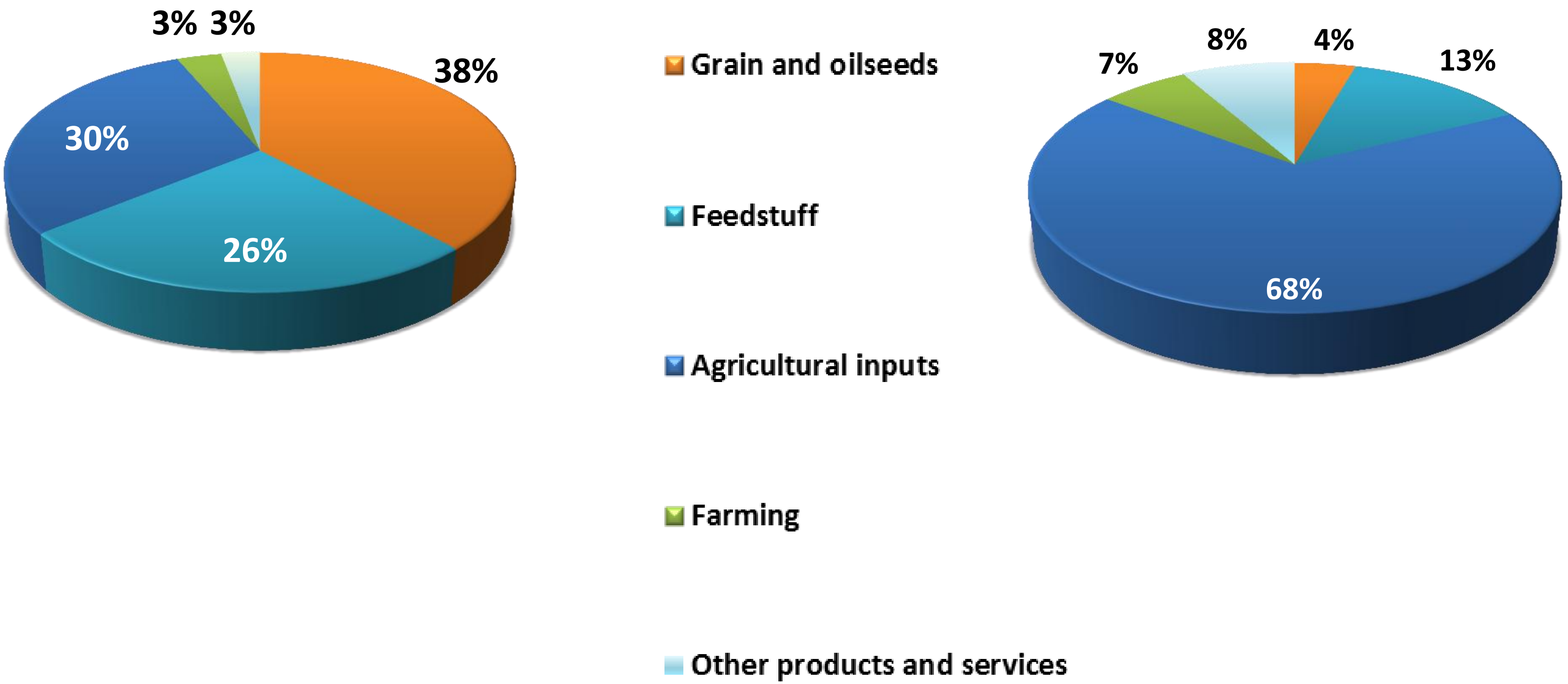
# Financial highlights continued

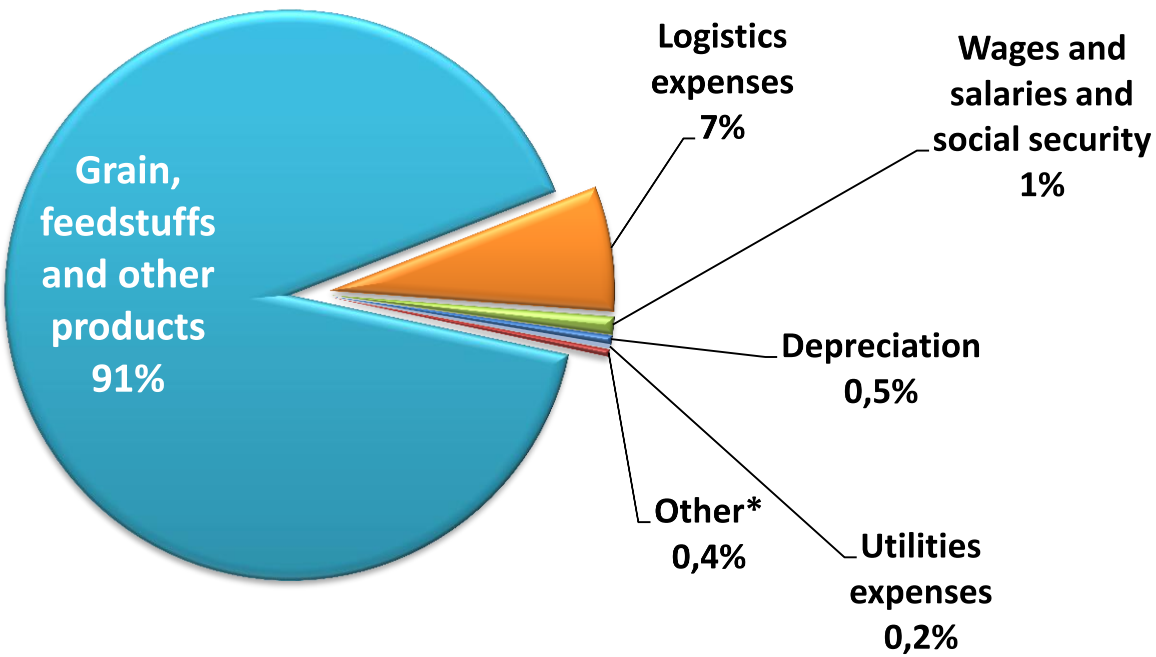
## Income Structure

## Operating Profit Structure



# Financial highlights continued

## The cost of products and services

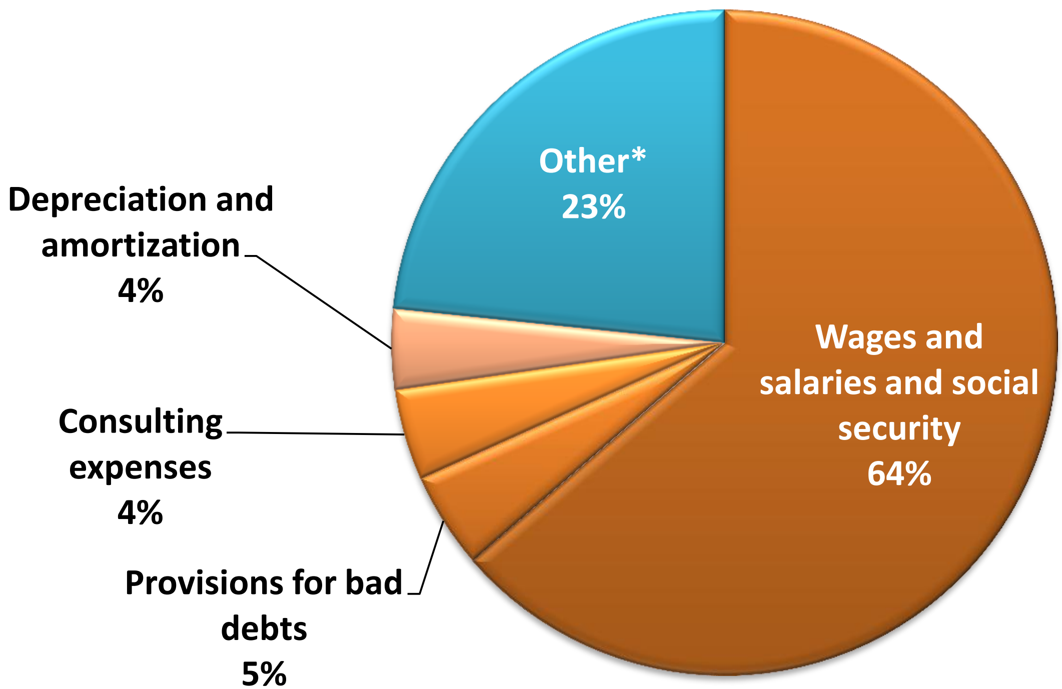



* insurance of production assets, running and maintenance expenses, disposable asset, fuel, etc.

**The cost went down by 2 and was LTL 1,243 million.**

# Financial highlights continued

## Operation costs




*various insurance expenses, bank fees and other taxes, business trip expenses, fuel, rent, running costs, etc.

**Operation costs went down by 25% less to LTL 48.9 million**

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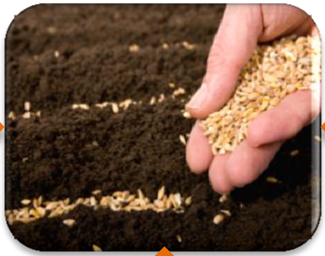
# Business segments

Grain and oilseeds

Farming

Agricultural inputs



Other goods and services
(grain elevators services,
solid biofuel)

Feedstuff

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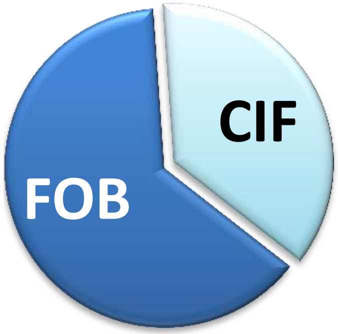
# Business reach and logistics


The volume of trade with foreign countries increased from 72% to 76%.

Products are sold to over 30 countries of the world. The new export markets include Tanzania, Czech Republic, Slovakia and Kirgyzstan.




240 vessels dispatched.
Goods collected EXW, DAF or CPT, stored in Lithuania and Latvia, sold FOB or CIF.

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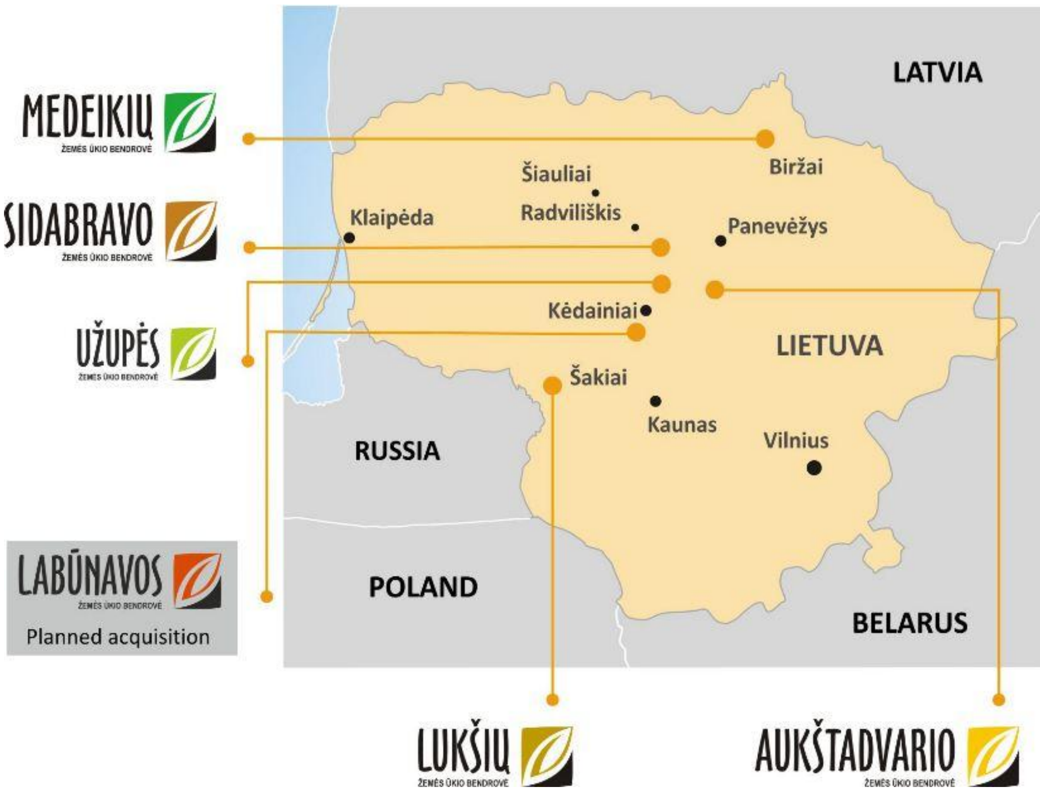
# Investments : grain storage network expansion


- Own grain elevators
- New own grain elevators built in FY 2011/2012
- Grain elevator installed together with the partners
- The most fertile land

**The construction of new grain storage facilities with total 25,200 tons grain storage capacity were completed.**
**The aggregate capacity of storage facilities has reached 177,000 tons, out of which grain storage facilities 155,000 tons.**
**The Group's grain elevators processed and prepared for export 363 thousand tons of grains or 25% more than last year.**

**Investments in the development of grain storage facilities over two years total LTL 17.8 million.**

# Investments: farming activity expansion




**The area of arable land of the Group's companies exceeds 11,400 ha (or aprx. 14,000 ha including ZUB Labunava), with the crops yield being about 40,000 tons and the consolidated sales totalling LTL 47 million.**

**The agricultural companies of the Group are among the largest milk suppliers in Lithuania (up to 12,000 tons/year).**

**The Group will continue to purposefully invest in the acquisitions of agricultural companies and arable lands.**

# Objectives in 2012/2013

To expand the network of grain storage and trading of grain.

To improve fertilizer trading infrastructure, increase the trade volume and expand fertilizer portfolio.

To develop goods and services supply to the farmers  in Lithuania, Latvia and Estonia.

To increase area of managed arable land and enhance production of agricultural products.

# In 2012/2013 Group will invest

To develop  grain storage activities.

To boost fertilizer trade by acquiring fertilizer production and packing facilities, warehouses.

To expand the goods and services supply to the farmers  in the Baltics (Dotnuvos projektai).

To acquire some more agricultural companies and arable land.

**By investments Group will improve operational infrastructure.**

# Assumptions for the growth of business

Lithuania and Latvia have geographic location appropriate for international trade and favorable natural conditions for agricultural development.

The growing population of the world is a solid foundation for the growth of the demand of agricultural production.

Group’s investments are focused and targeted to increase its market share in all five business segments.

Current Group's potential and financial strength provides a solid foundation of growth for long-term value in the future.