

AB LINAS AGRO GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 3 MONTH PERIOD

OF THE YEAR 2012/2013

(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 30 September 2012 | As of 30 June 2012 |
|--|-------|----------------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 5 | 598 | 612 |
| Property, plant and equipment | 6 | 150,706 | 122,256 |
| Investment property | 7 | 9,331 | 9,513 |
| Animals and livestock | | 18,052 | 11,852 |
| Non-current financial assets | | | |
| Investments into associates | 8 | 270 | 286 |
| Investments into joint ventures | 8 | 33,898 | 29,887 |
| Other investments | 9 | 334 | 311 |
| Non-current receivables | | 4,623 | 5,446 |
| Non-current receivables from related parties | 14 | 1,812 | 3,230 |
| Total non-current financial assets | | 40,937 | 39,160 |
| Deferred income tax asset | | 5,901 | 6,289 |
| Total non-current assets | | 225,525 | 189,682 |
| Current assets | | | |
| Crops | | 11,284 | 36,395 |
| Inventories | | 487,808 | 136,947 |
| Prepayments | | 4,991 | 16,407 |
| Accounts receivable | | | |
| Trade receivables | | 153,050 | 190,888 |
| Receivables from related parties | 14 | 6,444 | 3,605 |
| Income tax receivable | | 1,950 | 1,043 |
| Other accounts receivable | | 82,750 | 17,579 |
| Total accounts receivable | | 244,194 | 213,115 |
| Other current assets | | 20,336 | 43,575 |
| Cash and cash equivalents | | 61,379 | 54,768 |
| Total current assets | | 829,992 | 501,207 |
| Assets classified as held for sale | | - | - |
| Total assets | | 1,055,517 | 690,889 |

(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 30 September 2012 | As of 30 June 2012 |
|--|--------|----------------------------|-----------------------|
| 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 | 4,401 |
| Own shares | | (4) | - |
| Reserve for own shares | | 1,600 | 1,600 |
| Foreign currency translation reserve | | (55) | (44) |
| Retained earnings | | 139,201 | 106,809 |
| Total equity attributable to equity holders of the parent | | 383,628 | 351,251 |
| Non-controlling interest | | 5,666 | 4,805 |
| Total equity | | 389,294 | 356,056 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Grants and subsidies | | 12,638 | 11,855 |
| Non-current borrowings | 10 | 39,901 | 36,749 |
| Finance lease obligations | | 2,837 | 2,568 |
| Trade payables | | 1,263 | 1,263 |
| Non-current payables to related parties | | 6 | 54 |
| Deferred income tax liability | | 1,940 | 899 |
| Other non-current liabilities | | 450 | 280 |
| Total non-current liabilities | | 59,035 | 53,668 |
| Current liabilities | | | |
| Current portion of non-current borrowings | 10, 14 | 8,097 | 10,075 |
| Current portion of finance lease obligations | | 989 | 1,067 |
| Current borrowings | 10 | 321,618 | 179,465 |
| Trade payables | | 225,333 | 48,994 |
| Payables to related parties | 14 | 11,729 | 3,642 |
| Income tax payable | | 13,358 | 12,812 |
| Derivative financial instruments | | 4,206 | 7,572 |
| Other current liabilities | | 21,858 | 17,538 |
| Total current liabilities | | 607,188 | 281,165 |
| Total equity and liabilities | | 1,055,517 | 690,889 |

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





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 September)

| | Notes | 2012/2013 1 Q | 2011/2012 1 Q |
|---|-------|------------------|------------------|
| Sales | 4 | 338,668 | 443,933 |
| Cost of sales | | (314,184) | (412,350) |
| Gross profit | | 24,484 | 31,583 |
| Operating (expenses) | 11 | (13,175) | (11,697) |
| Other income | 12 | 21,380 | 1,195 |
| Other (expenses) | 12 | (166) | (142) |
| Operating profit | | 32,523 | 20,939 |
| Income from financing activities | | 211 | 375 |
| (Expenses) from financing activities | | (1,807) | (3,253) |
| Share of profit of associates | | (16) | 83 |
| Share of profit of joint ventures | | 4,093 | 1,133 |
| Profit before tax | | 35,004 | 19,277 |
| Income tax | | (2,333) | (4,179) |
| Net profit | | 32,671 | 15,098 |
| Attributable to: | | | |
| Equity holders of the parent | | 32,392 | 13,412 |
| Non-controlling interest | | 279 | 1,686 |
| | | 32,671 | 15,098 |
| Basic and diluted earnings per share (LTL) | | 0.21 | 0.095 |
| Net profit | | | |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | (11) | 2,095 |
| Total comprehensive income | | 32,660 | 17,193 |
| Attributable to: | | | |
| Equity holders of the parent | | 32,381 | 14,619 |
| Non-controlling interest | | 279 | 2,574 |
| | | 32,660 | 17,193 |

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 |
|--|----------------|------------|---------------|---------------|------------------------|--------------------------------------|-------------------|----------------|--------------------------|----------------|
| 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 | - | - | - | - | - | - | 13,412 | 13,412 | 1,686 | 15,098 |
| Other comprehensive income | - | - | - | - | - | 1,207 | - | 1,207 | 888 | 2,095 |
| Total comprehensive income | - | - | - | - | - | 1,207 | 13,412 | 14,619 | 2,574 | 17,193 |
| Acquisition of minority interest | 3 | - | - | - | - | - | (7,068) | (7,068) | 4,297 | (2,771) |
| Balance as of 30 September 2011 | 158,940 | - | 79,545 | 4,151 | - | (2,001) | 30,274 | 270,909 | 23,463 | 294,372 |
| Balance as of 1 July 2012 | 158,940 | - | 79,545 | 4,401 | 1,600 | (44) | 106,809 | 351,251 | 4,805 | 356,056 |
| Net profit for the year | - | - | - | - | - | - | 32,392 | 32,392 | 279 | 32,671 |
| Other comprehensive income | - | - | - | - | - | (11) | - | (11) | - | (11) |
| Total comprehensive income | - | - | - | - | - | (11) | 32,392 | 32,381 | 279 | 32,660 |
| Minority interest arising on acquisition of subsidiaries | - | - | - | - | - | - | - | - | 582 | 582 |
| Acquisition of own shares | - | (4) | - | - | - | - | - | (4) | - | (4) |
| Balance as of 30 September 2012 | 158,940 | (4) | 79,545 | 4,401 | 1,600 | (55) | 139,201 | 383,628 | 5,666 | 389,294 |

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

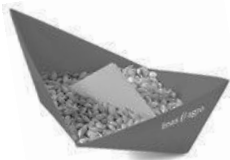


CONSOLIDATED STATEMENT OF CASH FLOW

| | Notes | 2012/2013 1 Q | 2011/2012 1 Q |
|--|-------|------------------|------------------|
| Cash flows from (to) operating activities | | | |
| Net profit (loss) | | 32,672 | 15,098 |
| Adjustments for non-cash items: | | | |
| Depreciation and amortization | | 3,947 | 2,719 |
| Subsidies amortization | | (381) | (358) |
| Share of profit of associates and joint ventures | | (3,996) | (1,198) |
| (Gain) on disposal of property, plant and equipment | | (247) | (81) |
| (Gain) from acquisition of subsidiary | 3 | (19,608) | - |
| Change in accrued expenses | | 1,598 | (1,329) |
| Change in allowance for receivables and prepayments | | (35) | 247 |
| Change in fair value of biological assets | | (224) | - |
| Change in impairment of investments | | (13) | 15 |
| Change in deferred income tax | | 766 | 93 |
| Current income tax expenses | | 1,566 | 4,086 |
| Expenses (income) from change in fair value of financial instruments | | 1,647 | - |
| Change of provision for onerous contracts | | - | (267) |
| Dividend (income) | | (155) | (33) |
| Interest (income) | | (211) | (375) |
| Interest expenses | | 1,807 | 3,253 |
| | | 19,133 | 21,870 |
| Changes in working capital: | | | |
| Decrease in biological assets | | 34,612 | 22,836 |
| (Increase) in inventories | | (350,652) | (140,761) |
| Decrease in prepayments | | 11,459 | 33,533 |
| (Increase) in trade and other accounts receivable | | (28,171) | 25,557 |
| (Increase) in restricted cash | | 1,381 | (3,453) |
| Increase in trade and other accounts payable | | 186,777 | 65,802 |
| Income tax (paid) | | (154) | (1,628) |
| Net cash flows from (to) operating activities | | (125,615) | 23,756 |

(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 1 Q | 2011/2012 1 Q |
|--|-------|------------------|------------------|
| Cash flows from (to) investing activities | | | |
| (Acquisition) of intangible assets, property, plant and equipment and investment property | | (10,709) | (5,414) |
| Proceeds from sale of intangible assets, property, plant and equipment and investment property | | 1,181 | 146 |
| Acquisition of subsidiaries (less received cash balance in the Group) | 3 | (19,479) | - |
| (Acquisition) of non-controlling interests and other investments | | (1,000) | (837) |
| Proceeds from repurchased of other investments | | 20,717 | - |
| Loans (granted) | | (45) | (370) |
| Repayment of granted loans | | 7 | 31 |
| Interest received | | 226 | 358 |
| Dividend received | | 155 | 33 |
| Net cash flows (to) investing activities | | (8,947) | (6,053) |
| Cash flows from (to) financing activities | | | |
| Acquisition of own shares | | (4) | - |
| Proceeds from loans | | 160,706 | 164,281 |
| (Repayment) of loans | | (17,449) | (174,525) |
| Finance lease (payments) | | (340) | (331) |
| Interest (paid) | | (1,740) | (3,707) |
| Net cash flows from (to) financing activities | | 141,173 | (14,282) |
| Net increase (decrease) in cash and cash equivalents | | 6,611 | 3,421 |
| Cash and cash equivalents at the beginning of the year | | 54,768 | 7,624 |
| Cash and cash equivalents at the end of the year | | 61,379 | 11,045 |
| Supplemental information of cash flows: | | | |
| Non-cash investing activity: | | | |
| Property, plant and equipment acquisitions financed by finance lease | | 530 | 188 |
| Property, plant and equipment acquisitions financed by grants and subsidies | | - | 383 |

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 September 2012 and as of 30 June 2012 the shareholders of the Company were:

| | As of 30 September 2012 | | As of 30 June 2012 | |
|--|----------------------------|----------------|--------------------------|----------------|
| | 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) | 15,782,392 | 9.93% | 23,094,969 | 14.53% |
| Darius Zubas | 17,049,995 | 10.73% | 17,049,995 | 10.73% |
| Swedbank (Estonia) Clients | 9,232,257 | 5.81% | 9,184,040 | 5.78% |
| Other shareholders (private and institutional investors) | 30,794,203 | 19.37% | 23,529,843 | 14.80% |
| 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 30 September 2012 (LTL 1 each as of 30 June 2012) and were fully paid as of 30 September 2012 and as of 30 June 2012. The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 30 September 2012 and 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 September 2012 the number of employees of the Group was 778 (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 September 2012

No changes in share capital occurred during the year ending 30 September 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 2011/2012 financial year.





3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As of 30 September 2012 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 September 2012 | 30 June 2012 | |
| 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 |
| Noreikiškių ŽŪB | Lithuania | 90% | - | Rent and management of agricultural purposes land |
| 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 |
| Linus 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 | 96.16% | 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 | 98.80% | 98.80% | Mixed agricultural activities |
| Panevėžys district Aukštadvario ŽŪB | Lithuania | 96.76% | 96.76% | Mixed agricultural activities |
| Sidabravo ŽŪB | Lithuania | 70.28% | 70.28% | Mixed agricultural activities |
| Užupės ŽŪB | Lithuania | 100% | 100% | Growing and sale of crops |
| UAB Edfermus 2 | Lithuania | 100% | 100% | Growing and sale of crops |
| Kėdianiai district Labūnavos ŽŪB | Lithuania | 98.64% | - | Mixed agricultural activities |
| UAB Labūnava 2 | Lithuania | 98.64% | - | Rent and management of agricultural purposes land |
| Noreikiškių ŽŪB | Lithuania | 10% | - | Rent and management of agricultural purposes land |
| Investments into indirectly controlled subsidiaries (through UAB Linas Agro grūdų centras KŪB) | | | | |
| Karčemos KB | Lithuania | 20%* | - | Preparation and warehousing of grains for trade |

*The Group indirectly controls 20% of shares of Karčemos KB, however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.





GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 3 month period ended 30 September 2012

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 |
| Total assets | 47,357 |
| Deferred tax liability | (691) |
| Grants and subsidies | (1,306) |
| Trade payables | (1,326) |
| Other liabilities | (1,297) |
| Total liabilities | (4,620) |
| Total identifiable net assets at fair value | 42,737 |
| Attributable to non-controlling interests | 582 |
| Attributable to the equity holders of the parent | 42,155 |
| Gain recognized on acquisition of subsidiary, recognised under Other income (Note 12) | 19,608 |
| Purchase consideration | 22,547 |
| Less: cash acquired | 3,067 |
| Total purchase consideration, net of cash acquired | 19,480 |

On 6 August the Company signed the agreement for the acquisition of additional 50% of the voting shares of UAB Dotnuvos projektai increasing its ownership interest to 100%. Purchase price of LTL 32,000 thousand was paid on 12 October 2012. The mentioned company will be consolidated to the Group from 1 October 2012. Additional information on the subsidiary acquired is presented in Note 8. The fair values of the net assets acquired have not yet been assessed by the Group.

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

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.





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

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:

| | 31 January 2012 |
|---|------------------------|
| 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 |
| Gain on disposal of subsidiary in the Group* | 62,010 |
| Cash disposed in the subsidiary | 20,995 |
| Sales price less cash disposed | 69,759 |

**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 Lukšų 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.

Acquisition of non-controlling interest in Šakiai district Lukšų 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 KB 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 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.

| 3 month period ended 30 September 2012 | Grains and oilseeds | Feedstuffs | Agricul- tural inputs | Farming | Other products and services | Not attributed to any specified segment | Adjustments and elimina- tions | Total |
|---|--------------------------------|-------------------|--------------------------------------|----------------|--|--|---|----------------|
| Revenue | | | | | | | | |
| From one client UAB MESTILLA | 216 | - | - | - | - | - | - | 216 |
| Other third parties | 119,672 | 129,918 | 61,127 | 9,664 | 18,071 | - | - | 338,452 |
| Intersegment | - | 571 | 3,789 | 17,092 | 23,121 | - | (44,573) ¹⁾ | - |
| Total revenue | 119,888 | 130,489 | 64,916 | 26,756 | 41,192 | - | (44,573)¹⁾ | 338,668 |
| Results | | | | | | | | |
| Operating expenses | 2,036 | 1,733 | 1,577 | 2,503 | 1,455 | 3,871 | - | 13,175 |
| Segment operating profit (loss) | (7,872) | 7,205 | 3,955 | 19,336 | 13,446 | (3,547) | - | 32,523 |
| 3 month period ended 30 September 2011 | | | | | | | | |
| | Grains and oilseeds | Feedstuffs | Agricul- tural inputs | Farming | Other products and services | Not attributed to any specified segment | Adjustments and elimina- tions | Total |
| Revenue | | | | | | | | |
| From one client UAB MESTILLA | 35,408 | 37 | - | - | - | - | - | 35,445 |
| Other third parties | 106,134 | 56,446 | 229,382 | 5,666 | 10,860 | - | - | 408,488 |
| Intersegment | - | 551 | 2,432 | 10,294 | 13,656 | - | (26,933) ¹⁾ | - |
| Total revenue | 141,542 | 57,034 | 231,814 | 15,960 | 24,516 | - | (26,933)¹⁾ | 443,933 |
| Results | | | | | | | | |
| Operating expenses | 1,285 | 1,157 | 4,569 | 1,238 | 1,002 | 2,446 | - | 11,697 |
| Segment operating profit (loss) | 175 | 1,824 | 16,345 | (2,918) | 7,918 | (2,405) | - | 20,939 |

1) Intersegment revenue is eliminated on consolidation.

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

| Revenue from external customers | 3 month period ended | |
|---|----------------------|-------------------|
| | 30 September 2012 | 30 September 2011 |
| Lithuania | 81,653 | 89,220 |
| Europe (except for Scandinavian countries, CIS and Lithuania) | 93,856 | 58,436 |
| Scandinavian countries | 93,746 | 37,868 |
| Africa | 9,664 | 24,684 |
| Asia | 54,772 | 33,784 |
| CIS | 4,977 | 199,941 |
| | 338,668 | 443,933 |





4. SEGMENT INFORMATION (CONT'D)

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

| Non-current assets | As of 30 September 2012 | As of 30 June 2012 |
|---------------------------|------------------------------------|-------------------------------|
| Lithuania | 160,323 | 132,084 |
| Denmark | 91 | 179 |
| Latvia | 221 | 118 |
| | 160,635 | 132,381 |

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 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 | 10 | - | 10 |
| Acquisition of subsidiaries | 1 | - | 1 |
| Balance as of 30 September 2012 | 1,818 | 170 | 1,988 |
| Accumulated amortization: | | | |
| 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 | 22 | 3 | 25 |
| Write-offs | - | - | - |
| Balance as of 30 September 2012 | 1,252 | 138 | 1,390 |
| Net book value as of 30 September 2012 | 566 | 32 | 598 |
| Net book value as of 30 June 2012 | 577 | 35 | 612 |
| Net book value as of 30 June 2011 | 333 | 33 | 366 |

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 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 | 24 | 713 | 1,841 | 443 | 192 | 5,632 | 8,845 |
| Acquisition of subsidiaries | 3,310 | 8,539 | 10,847 | 1,362 | (187) | 76 | 23,947 |
| Disposals and write-offs | - | - | (152) | (112) | (40) | - | (304) |
| Transfers to/from investment property | (69) | - | - | - | - | - | (69) |
| Reclassifications | - | 134 | 1,165 | - | 33 | 2,332 | - |
| Balance as of 30 September 2012 | 14,026 | 106,936 | 73,856 | 8,657 | 9,749 | 15,051 | 228,275 |
| Accumulated depreciation: | | | | | | | |
| 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 | - | 1,775 | 2,324 | 278 | 166 | - | 4,543 |
| Disposals and write-offs | - | - | (143) | (69) | (323) | - | (535) |
| Balance as of 30 September 2012 | - | 30,492 | 35,077 | 4,322 | 7,227 | - | 77,118 |
| Impairment losses: | | | | | | | |
| 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 | - | - | 1 | - | 2 | - | 3 |
| Transfer from investment property | 8 | - | - | - | - | - | 8 |
| Balance as of 30 September 2012 | 26 | 449 | 20 | 3 | 3 | - | 501 |
| Net book value as of 30 September 2012 | | | | | | | |
| | 14,000 | 75,995 | 38,759 | 4,332 | 2,519 | 15,051 | 150,656 |
| Net book value as of 30 June 2012 | | | | | | | |
| | 10,743 | 68,384 | 26,240 | 2,848 | 2,366 | 11,675 | 122,256 |
| Net book value as of 30 June 2011 | | | | | | | |
| | 6,873 | 71,335 | 22,699 | 3,316 | 3,738 | 15,247 | 123,208 |





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 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 | 335 | - | 335 |
| Disposals and write-offs | (570) | - | (570) |
| Transfers to/from property, plant and equipment | 69 | - | 69 |
| Balance as of 30 September 2012 | 8,062 | 3,297 | 11,359 |
| Accumulated depreciation: | | | |
| 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 | - | 24 | 24 |
| Balance as of 30 September 2012 | - | 814 | 814 |
| Impairment losses: | | | |
| 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 |
| Transfer to property, plant and equipment | (8) | - | (8) |
| Balance as of 30 September 2012 | 86 | 1,128 | 1,214 |
| Net book value as of 30 September 2012 | 7,976 | 1,355 | 9,331 |
| Net book value as of 30 June 2012 | 8,134 | 1,379 | 9,513 |
| Net book value as of 30 June 2011 | 7,539 | 1,473 | 9,012 |

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 September 2012 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 September 2012 | As of 30 June 2012 | |
| Associates | | | | |
| UAB Jungtinė Ekspedicija | Lithuania | 45.05% | 45.05% | Expedition and ship's agency services |
| 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 |

Information on associates and joint ventures of the Group as of 30 September 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 | 270 | (36) | 605 | 202 | 1,972 | 100 | 1,475 |
| Investments into joint ventures | | | | | | | |
| UAB Dotnuvos Projektai (consolidated) | 33,898 | 8,023 | 72,583 | 35,645 | 140,284 | 8,967 | 99,490 |

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 |
|--|-----------------------------|--|---------------|--------------------|----------------|-------------------------|---------------------|
| Investments into associates | | | | | | | |
| UAB Jungtinė Ekspedicija | 286 | 1 | 4,416 | 235 | 1,269 | 100 | 769 |
| Investments into joint ventures | | | | | | | |
| 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 September 2012 | As of 30 June 2012 |
|--------------------------------|----------------------------|----------------------------|-----------------------|
| Panevėžys district Ėriškių ŽŪB | 24.97% | 173 | 173 |
| Other investments | | 161 | 138 |
| | | 334 | 311 |

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 30 September 2012 | As of 30 June 2012 |
|---|----------------------------|-----------------------|
| Non-current borrowings | | |
| Bank borrowings secured by the Group assets | 38,545 | 35,393 |
| Other non-current borrowings | 1,356 | 1,356 |
| | 39,901 | 36,749 |
| Current borrowings | | |
| Current portion of non-current bank borrowings | 6,772 | 8,765 |
| Current portion of other non-current borrowings | 1,325 | 1,310 |
| Current bank borrowings secured by the Group assets | 273,927 | 156,235 |
| Factoring with recourse liability | 35,972 | 21,511 |
| Other current borrowings | 11,719 | 1,719 |
| | 329,715 | 189,540 |
| | 369,616 | 226,289 |

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

11. OPERATING EXPENSES

| | 2012/2013 1 Q | 2011/2012 1 Q |
|--|------------------|------------------|
| Wages and salaries and social security | 6,606 | 7,290 |
| Consulting expenses | 283 | 276 |
| Depreciation and amortization | 1,710 | 384 |
| Other | 4,576 | 3,747 |
| | 13,175 | 11,697 |





12. OTHER INCOME (EXPENSES)

| | 2012/2013 | 2011/2012 |
|--|---------------|--------------|
| | 1 Q | 1 Q |
| Other income | | |
| Currency exchange gain | 400 | 757 |
| Rental income from investment property and property, plant and equipment | 227 | 147 |
| Gain from disposal of investment property and property, plant and equipment | 290 | 51 |
| Gain from acquisition of subsidiary (Note 3) | 19,608 | - |
| Other income | 855 | 240 |
| | 21,380 | 1,195 |
| Other (expenses) | | |
| Direct operating expenses arising on rental and non-rental earning investment properties | (129) | (118) |
| Loss from disposal of property, plant and equipment | (7) | - |
| Currency exchange loss | (38) | - |
| Loss recognized on acquisition of subsidiary (Note 3) | - | (15) |
| Other expenses | 8 | (9) |
| | (166) | (142) |

13. COMMITMENTS AND CONTINGENCIES

As of 30 September 2012 the Group is committed to purchase property, plant and equipment for the total amount of LTL 1,692 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 650 thousand as of 30 September 2012 (LTL 1,300 thousand as of 30 June 2012).

A few Group companies (Biržų district Medeikių ŽŪB, Šakiai district Lukšių ŽŪB and Sidabravo ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Biržų district Medeikių ŽŪB is committed not to discontinue operations related to agricultural up to 2014, Šakiai district Lukšių ŽŪB - up to 2015, Sidabravo ŽŪB – up to 2014. 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 10,145 thousand as of 30 September 2012 (LTL 10,145 thousand as of 30 June 2012).



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 September 2012 and 30 June 2012 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.

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;
AS Dotnuvos projektai ;
UAB Kustodija (till 19 October 2011).

Associates (Note 8):

UAB Jungtinė ekspedicija.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
UAB MESTILLA (same ultimate controlling shareholders);
PAT 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 (Arūnas Jarmolavičius is a director of this company).



14. RELATED PARTIES TRANSACTIONS (CONT'D)

The Group's transactions with related parties in 3 month period ended 30 September 2012 were as follows:

| 2012 1 Q | Purchases | Sales | Receivables | | | Payables | Current loans received |
|---------------------------|-----------|-------|-------------------|--------------------------|------------------------------|----------|------------------------|
| | | | Trade receivables | Current loans receivable | Non-current loans receivable | | |
| Members of the board | 7 | - | - | - | - | - | 663 |
| Joint ventures | 6,886 | 392 | 23 | - | - | 6,430 | - |
| Associates | 2,324 | - | - | - | - | 1,024 | - |
| Akola ApS group companies | 3,204 | 490 | 4,238 | 2,183 | 1,812 | 4,275 | 10,026 |
| | 12,421 | 882 | 4,261 | 2,183 | 1,812 | 11,729 | 10,689 |

* 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 September 2012 and as of 30 June 2012 annual interest rate of the Group's loans borrowed is fixed 7%. Non-current loans receivable from related parties are equal 3.7% and 3 month EURIBOR + 2.45% 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 September 2012 and 30 June 2012.

15. SUBSEQUENT EVENTS

On 12 October 2012 AB Linas Agro Group spent LTL 32 million to acquire 50% shares of UAB Dotnuvos Projektai from other shareholders - natural persons, and took over the management of the company. Additional information on the subsidiary acquired is presented in Note 8. The fair values of the net assets acquired have not yet been assessed by the Group.

On 25 October 2012 the Annual General Meeting of the Shareholders of the Company approved financial statement of the year 2011/2012, profit (loss) distribution of the financial year 2011/2012.

On 23 November 2012 the Company paid approved LTL 4,500 thousand dividends for the financial year ended on 30 June 2012.

