

AB LINAS AGRO GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 6 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 31 December 2012	As of 30 June 2012
ASSETS			
Non-current assets			
Intangible assets	5	692	612
Property, plant and equipment	6	185,704	122,256
Investment property	7	9,670	9,513
Animals and livestock		18,261	11,852
Non-current financial assets			
Investments into associates	8	310	286
Investments into joint ventures	8	-	29,887
Other investments	9	325	311
Non-current receivables		4,341	5,446
Non-current receivables from related parties	14	10,406	3,230
Total non-current financial assets		15,382	39,160
Deferred income tax asset		6,281	6,289
Total non-current assets		235,990	189,682
Current assets			
Crops		7,505	36,395
Inventories		398,292	136,947
Prepayments		11,075	16,407
Accounts receivable			
Trade receivables		215,820	190,888
Receivables from related parties	14	71,764	3,605
Income tax receivable		4,752	1,043
Other accounts receivable		24,257	17,579
Total accounts receivable		316,593	213,115
Other current assets		4,874	43,575
Cash and cash equivalents		57,598	54,768
Total current assets		795,937	501,207
Total assets		1,031,927	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 31 December 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		7,851	4,401
Reserve for own shares		1,600	1,600
Own shares		(1,595)	-
Foreign currency translation reserve		(82)	(44)
Retained earnings		168,836	106,809
Total equity attributable to equity holders of the parent		415,095	351,251
Non-controlling interest		3,442	4,805
Total equity		418,537	356,056
Liabilities			
Non-current liabilities			
Grants and subsidies		14,185	11,855
Non-current borrowings	10	43,302	36,749
Finance lease obligations		4,377	2,568
Trade payables		1,263	1,263
Non-current payables to related parties		-	54
Deferred income tax liability		2,398	899
Other non-current liabilities		566	280
Total non-current liabilities		66,091	53,668
Current liabilities			
Current portion of non-current borrowings	10, 14	9,519	10,075
Current portion of finance lease obligations		1,545	1,067
Current borrowings	10	404,565	179,465
Trade payables		79,764	48,994
Payables to related parties	14	1,260	3,642
Income tax payable		20,567	12,812
Derivative financial instruments		2,410	7,572
Other current liabilities		27,669	17,538
Total current liabilities		547,299	281,165
Total equity and liabilities		1,031,927	690,889

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





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 December)

	Notes	2012/2013 6 month	2011/2012 6 month
Sales	4	1,122,922	868,668
Cost of sales		(1,034,121)	(814,473)
Gross profit		88,801	54,195
Operating (expenses)	11	(39,862)	(27,313)
Other income	12	29,015	5,052
Other (expenses)	12	(963)	(247)
Operating profit		76,991	31,687
Income from financing activities		786	748
(Expenses) from financing activities		(4,313)	(5,271)
Share of profit of associates		24	128
Share of profit of joint ventures		4,093	1,104
Profit before tax		77,581	28,396
Income tax		(9,036)	(6,762)
Net profit		68,545	21,634
Attributable to:			
Equity holders of the parent		68,229	19,366
Non-controlling interest		316	2,268
		68,545	21,634
Basic and diluted earnings per share (LTL)		0.43	0.14
Net profit		68,545	21,634
Other comprehensive income			
Exchange differences on translation of foreign operations		(38)	4,175
Total comprehensive income		68,507	25,809
Attributable to:			
Equity holders of the parent		68,191	21,817
Non-controlling interest		316	3,992
		68,507	25,809

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		-	-	-	-	-	-	19,366	19,366	2,268	21,634
Other comprehensive income		-	-	-	-	-	2,451	-	2,451	1,724	4,175
Total comprehensive income		-	-	-	-	-	2,451	19,366	21,817	3,992	25,809
Acquisition of minority interest	3	-	-	-	-	-	-	(4,714)	(4,714)	938	(3,776)
Declared dividends		-	-	-	-	-	-	-	-	(21)	(21)
Reserves made		-	-	-	250	-	-	(250)	-	-	-
Reserves made		-	-	-	-	1,600	-	(1,600)	-	-	-
Balance as of 31 December 2011		158,940	-	79,545	4,401	1,600	(757)	36,732	280,461	21,500	301,961
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		-	-	-	-	-	-	68,229	68,229	316	68,545
Other comprehensive income		-	4	-	-	-	(38)	(4)	(38)	-	(38)
Total comprehensive income		-	-	-	-	-	(38)	68,225	68,191	316	68,507
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		-	(1,599)	-	-	-	-	-	(1,599)	-	(1,599)
Acquisition of minority interest		-	-	-	-	-	-	1,752	1,752	(2,224)	(472)
Balance as of 31 December 2012		158,940	(1,595)	79,545	7,851	1,600	(82)	168,836	415,095	3,442	418,537

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





CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2012/2013 6 month	2011/2012 6 month
Cash flows from (to) operating activities			
Net profit (loss)		68,545	21,634
Adjustments for non-cash items:			
Depreciation and amortization		9,228	5,453
Subsidies amortization		(887)	(716)
Share of profit of associates and joint ventures		(4,036)	(1,214)
(Gain) on disposal of property, plant and equipment		(496)	(87)
(Gain) from acquisition of subsidiaries	3	(26,970)	-
Loss (gain) from disposal of investments		-	(1,066)
Change in accrued expenses		(1,424)	4,007
Change in allowance for receivables and prepayments		1,446	1,956
Change in fair value of biological assets		(11)	110
Change in impairment of investments		(8)	23
Change in deferred income tax		1,066	1,171
Current income tax expenses		7,928	6,321
Expenses (income) from change in fair value of financial instruments		1,152	-
Change of provision for onerous contracts		-	(267)
Dividend (income)		(155)	(36)
Interest (income)		(786)	(748)
Interest expenses		4,313	5,271
		58,905	41,812
Changes in working capital:			
Decrease in biological assets		38,062	24,552
(Increase) in inventories		(201,946)	(48,604)
Decrease in prepayments		7,211	29,417
(Increase) in trade and other accounts receivable		(36,113)	54,372
(Increase) in restricted cash		1,381	(3,453)
Increase in trade and other accounts payable		(13,462)	(14,869)
Income tax (paid)		(1,949)	(5,576)
Net cash flows from (to) operating activities		(147,911)	77,651

(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 6 month	2011/2012 6 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(17,043)	(13,469)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		2,400	156
(Acquisition) of subsidiaries (less received cash balance in the Group)	3	(48,504)	-
(Acquisition) of non-controlling interests and other investments		(476)	(1,704)
Proceeds from reurchased of other investments		37,981	-
Disposal of joint venture		-	2,007
Loans (granted)		(1,445)	(370)
Repayment of granted loans		1,600	1,004
Interest received		1,205	930
Dividend received		155	36
Net cash flows (to) investing activities		(24,127)	(11,410)
Cash flows from (to) financing activities			
Proceeds from loans		263,977	198,352
(Repayment) of loans		(77,717)	(227,276)
(Acquisition) of own shares		(1,599)	-
Finance lease (payments)		(846)	(641)
Interest (paid)		(4,416)	(6,418)
Dividend (paid)		(4,531)	-
Net cash flows from (to) financing activities		174,868	(35,983)
Net increase (decrease) in cash and cash equivalents		2,830	30,258
Cash and cash equivalents at the beginning of the year		54,768	7,624
Cash and cash equivalents at the end of the year		57,598	37,882
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		1,345	484
Property, plant and equipment acquisitions financed by grants and subsidies		3,431	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 31 December 2012 and as of 30 June 2012 the shareholders of the Company were:

	As of 31 December 2012		As of 30 June 2012	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	87,670,551	55.16%	86,081,551	54.16%
Skandinaviska Enskilda Banken AB (Sweden)	14,906,061	9.38%	23,094,969	14.53%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank (Estonia) Clients	9,058,744	5.70%	9,184,040	5.78%
Other shareholders (private and institutional investors)	30,255,047	19.03%	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 31 December 2012 (LTL 1 each as of 30 June 2012) and were fully paid as of 31 December 2012 and as of 30 June 2012.

The Company hold 798,000 shares of the Company, percentage 0.50%. Subsidiaries and other related companies did not hold any shares of the Company as of 31 December 2012.

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 31 December 2012 the number of employees of the Group was 951 (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 31 December 2012

No changes in share capital occurred during the year ending 31 December 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 31 December 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
		31 December 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
UAB Dotnuvos projektai	Lithuania	100%	-	Trade of machinery and equipment, certified seeds.
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
UAB Labūnava 2	Lithuania	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	97.70%	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	96.76%	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
Kėdaniai 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
SIA BUVNIECIBAS DIZAINA GRUPA	Latvia	100%	-	Rent and management of buildings, premises
UAB Dotnuvos technika	Lithuania	100%	-	Not operating company

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

Karčemos KB	Lithuania	20%*	-	Preparation and warehousing of grains for trade
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*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.

Changes in the Group during the 6 month period ended 31 December 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 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. The fair values of the net assets acquired have not yet been assessed by the Group.





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

Acquisition date	1 October 2012
Carrying values	
Property, plant and equipment	47,038
Inventories	62,709
Prepayments and other current assets	69,828
Cash and cash equivalents	2,976
Total assets	182,551
Deferred tax liability	(41)
Grants and subsidies	(889)
Trade payables	(39,253)
Other liabilities	(68,374)
Total liabilities	(108,557)
Total identifiable net assets	73,994
Attributable to share acquired before	33,890
Attributable to new acquired share	40,104
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 12)	8,104
Purchase consideration	32,000
Less: cash acquired	2,976
Total purchase consideration, net of cash acquired	29,024

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

During the 6 month period, ended 31 December 2012 the Group acquired 0.02% Šakių district Lukšių ŽŪB share capital for 1 LTL thousand, 16.95% Sidabravo ŽŪB share capital for LTL 423 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 1 752 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognised within 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.



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

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 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, 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 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.

6 month period ended 31 December 2012	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
Revenue									
From one client UAB MESTILLA	77,906	-	-	-	9	-	-	-	77,915
Other third parties	505,058	317,564	130,867	18,422	51,028	22,068	-	-	1,045,007
Intersegment	-	1,426	4,982	31,694	6,207	32,970	-	(77,279) ¹⁾	-
Total revenue	582,964	318,990	135,849	50,116	57,244	55,038	-	(77,279)¹⁾	1,122,922
Results									
Operating expenses	3,611	4,548	3,662	6,513	4,552	3,839	13,137	-	39,862
Segment operating profit (loss)	18,769	18,379	8,805	16,634	9,721	17,439	(12,756)	-	76,991
6 month period ended 31 December 2011									
Revenue									
From one client UAB MESTILLA	88,228	38	-	-	-	72	-	-	88,337
Other third parties	273,290	142,242	340,014	11,842	-	12,943	-	-	780,331
Intersegment	-	1,430	4,577	16,220	-	17,255	-	(39,483) ¹⁾	-
Total revenue	361,518	143,710	344,591	28,062	-	30,270	-	(39,483)¹⁾	868,668
Results									
Operating expenses	5,509	2,259	8,487	2,178	-	1,893	6,987	-	27,313
Segment operating profit (loss)	3,307	6,140	22,073	(3,550)	-	9,385	(5,668)	-	31,687

1) Intersegment revenue is eliminated on consolidation.





4. SEGMENT INFORMATION (CONT'D)

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

Revenue from external customers	6 month period ended	
	31 December 2012	31 December 2011
Lithuania	282,960	212,781
Europe (except for Scandinavian countries, CIS and Lithuania)	255,875	144,430
Scandinavian countries	227,589	88,763
Africa	16,778	42,520
Asia	325,585	96,423
CIS	14,135	283,751
	1,122,922	868,668

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

Non-current assets	As of 31 December 2012	As of 30 June 2012
Lithuania	185,165	132,084
Latvia	6,312	118
Estonia	4,459	-
Denmark	79	179
	196,015	132,381

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
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	62	6	68
Acquisition of subsidiaries	36	38	74
Balance as of 31 December 2012	1,905	214	2,119
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	46	15	61
Write-offs	-	-	-
Balance as of 31 December 2012	1,276	151	1,427
Net book value as of 31 December 2012	629	63	692
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	309	1 715	1,867	1 693	544	6,592	12,720
Acquisition of subsidiaries	5,012	30,171	18,745	4,407	1 168	2 246	61,749
Disposals and write-offs	-	(145)	(1 645)	(150)	(110)	-	(2 050)
Transfers to/from investment property	186	-	-	-	-	-	186
Reclassifications	-	12 984	5,786	-	89	(18,810)	49
Exchange differences	(3)	(7)	-	(1)	-	-	(11)
Balance as of 31 December 2012	16,265	142,268	83,908	12,913	11,442	1,703	268,499
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	-	4,244	4,986	872	509	-	10,611
Disposals and write-offs	-	(68)	(882)	(168)	(399)	-	(1 517)
Balance as of 31 December 2012	-	32,893	37,000	4,817	7,494	-	82,204
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	-	124	-	17	-	149
Balance as of 31 December 2012	26	449	144	3	20	-	642
Net book value as of 31 December 2012							
	16,239	108,926	46,764	8,093	3,928	1,703	185,653
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	570	373	943
Acquisition of subsidiaries	13	-	13
Disposals and write-offs	(570)	-	(570)
Transfers to/from property, plant and equipment	(186)	-	(186)
Balance as of 31 December 2012	8,055	3,670	11,725
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	-	51	51
Balance as of 31 December 2012	-	841	841
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 31 December 2012	86	1,128	1,214
Net book value as of 31 December 2012	7,969	1,701	9,670
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 31 December 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 31 December 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%	Sale of seeds, agricultural machinery
Companies controlled by UAB Dotnuvos Projektai				
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 31 December 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	310	53	1,323	189	2,812	104	2,209

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 31 December 2012	As of 30 June 2012
Panevėžys district Ėriškių ŽŪB	24.97%	173	173
Other investments		152	138
		325	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 31 December 2012	As of 30 June 2012
Non-current borrowings		
Bank borrowings secured by the Group assets	41,911	35,393
Other non-current borrowings	1,391	1,356
	43,302	36,749
Current borrowings		
Current portion of non-current bank borrowings	8,199	8,765
Current portion of other non-current borrowings	1,321	1,310
Current bank borrowings secured by the Group assets	350,727	156,235
Factoring with recourse liability	38,525	21,511
Other current borrowings	15,312	1,719
	414,084	189,540
	457,386	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 6 month	2011/2012 6 month
Wages and salaries and social security	22,429	17,382
Consulting expenses	775	879
Depreciation and amortization	3,972	773
Other	12,686	8,279
	39,862	27,313





12. OTHER INCOME (EXPENSES)

	2012/2013 6 month	2011/2012 6 month
Other income		
Currency exchange gain	-	2,110
Rental income from investment property and property, plant and equipment	494	423
Gain from disposal of investment property and property, plant and equipment	513	88
Gain from disposal of joint venture	-	1,060
Gain from acquisition of subsidiaries (Note 3)	26,970	-
Other income	1,038	1,371
	29,015	5,052
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties	(116)	(193)
Loss from disposal of property, plant and equipment	(116)	(2)
Currency exchange loss	(702)	-
Other expenses	(29)	(52)
	(963)	(247)

13. COMMITMENTS AND CONTINGENCIES

As of 31 December 2012 the Group is committed to purchase property, plant and equipment for the total amount of LTL 1,598 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.

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, KB Karčena are 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 11,395 thousand as of 31 December 2012 (LTL 10,145 thousand as of 30 June 2012).

As of 31 December 2012 the Company signed the agreements for acquisition of the rest 54.95% of the voting shares of UAB Jungtinė ekspedicija increasing its ownership interest to 100%. Purchase price of LTL 1,045 thousand will be paid till the end of February. additional information on the associated acquired is presented in Note 8. The fair values of the net assets acquired have not yet been assessed by the Group.





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 31 December 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 (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.

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).

The Group's transactions with related parties in 6 month period ended 31 December 2012 were as follows:

2012 6 month	Purchases	Sales	Receivables			Payables	Current loans received
			Trade receivables	Current loans receivable	Non-current loans receivable		
Members of the board	13	-	-	-	-	-	656
Joint ventures	6,886	392	-	-	-	-	-
Associates	7,145	77	77	-	-	1,118	-
Akola ApS group companies	7,137	261	69,896	1,791	10,406	142	10,085
	21,181	730	69,973	1,791	10,406	1,260	10,741

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





14. RELATED PARTIES TRANSACTIONS (CONT'D)

As of 31 December 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 31 December 2012 and 30 June 2012.

15. SUBSEQUENT EVENTS

SIA BUVNIECIBAS DIZAINA GRUPA was affiliated to SIA DOTNUVOS PROJEKTAI by way of reorganisation on 15 January 2013.

On 17 January 2013 AB Linas Agro Group sold 7,028 units, of acquired own common shares, sale price of unit was LTL 2,04 for unit, total amount LTL 14 thousand.

On 18 January 2013 UAB Linas Agro Konsultacijos has signed credit agreement with AB DnB bank. Total credit limit is LTL 3 000 thousand.