



**LINAS AGRO GROUP AB
CONSOLIDATED INTERIM
REPORT
FOR FY 2010/2011**

FOR 6 MONTHS PERIOD
ENDED DECEMBER 31, 2010





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1. REPORTING PERIOD OF THE REPORT

Financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year, therefore this report is prepared for the first six months of the financial year 2010/2011, and all the figures are stated as at 31 December 2010, unless otherwise indicated. AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as Group in this report.

2. REFERENCES AND OTHER EXPLANATORY NOTES ON THE INFORMATION DISCLOSED IN THE FINANCIAL STATEMENTS

All the financial data disclosed in interim six months financial report are presented in accordance with the International Standards on Auditing, unless otherwise indicated. Financial data is not audited.

3. COMPANY DETAILS

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

4. THE MAIN ACTIVITY

AB Linas Agro Group together with its subsidiaries and joint ventures is an integrated agribusiness developing Group of companies engaged in the production of and trade in agricultural produce, feed raw materials and other agriculture-related products. The Group consists of international trading companies Linas Agro, AB and Rosenkrantz A/S (Denmark), Latvian trade company Linas Agro, SIA, grain storage company UAB Linas Agro Grūdų centras KŪB that controls grain storages in Kėdainiai, Joniškis, Šiauliai and Vilkaviškis, a group of agricultural companies UAB Linas Agro Konsultacijos, Ukrainian based fertilizers production and trade company CJ-SC UKRAGRO NPK and other companies.



Together with partners, the controlling company owns seed production and agricultural machinery trade company Dotnuvos Projektai UAB, and plant protection products trade company Kustodija UAB, also logistics and spedition company Jungtine ekspedicija UAB.

The Group is the leading exporter of grains and secondary products of food industry in the Baltic countries and the leader in supplies of agricultural inputs (such as certified seeds, fertilizers and agricultural machinery) in Lithuania. The Group carries out its trading operations mostly through its Denmark-registered subsidiary Rosenkrantz A/S. The Group is a major grains and milk producer in Lithuania. In order to improve its operations, the Group has formed an extensive network of grain storages and logistics network for road, railway, and seaborne transportation.

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

The financial year of most of the companies of the Group begin on 1 July.

5. AGREEMENTS CONCLUDED WITH INTERMEDIARIES OF THE PUBLIC SECURITIES MARKET

On 11 November 2009, the Company signed the Issuer's Securities Accounting Management Agreement with AB Swedbank represented by the Securities Transactions Department (Code: 112029651; address: Konstitucijos ave. 20A, LT-03502 Vilnius).

6. AUTHORISED CAPITAL OF THE COMPANY

The size of authorized capital of the company has not changed since 17 February 2010.

On 31 December 2010, the authorized capital of the Company amounts to LTL 158,940,398.00 (one hundred and fifty-eight million, nine hundred and forty thousand, three hundred and ninety-eight litas). The authorized capital of the Company is divided into 158,940,398 ordinary registered non-certificated shares. The nominal value of one share is LTL 1.00 (one litas). The ISIN code of the share is LT0000128092.

Type of shares	Number of shares	Nominal value (LTL)	Total nominal value (LTL)	Portion in the authorised capital (%)
Ordinary registered shares	158,940,398	1	158,940,398	100
Total	158,940,398	–	158,940,398	100

All the shares of the Company are fully paid.



The company is not aware of any limitations of transfer of securities or other shareholders' agreements on limitation of transfer of securities and/or voting rights.

The Company's bodies have not issued any authorizations for the issue or redemption of the Company's shares.

7. INFORMATION ABOUT OWN SHARES OF THE COMPANY

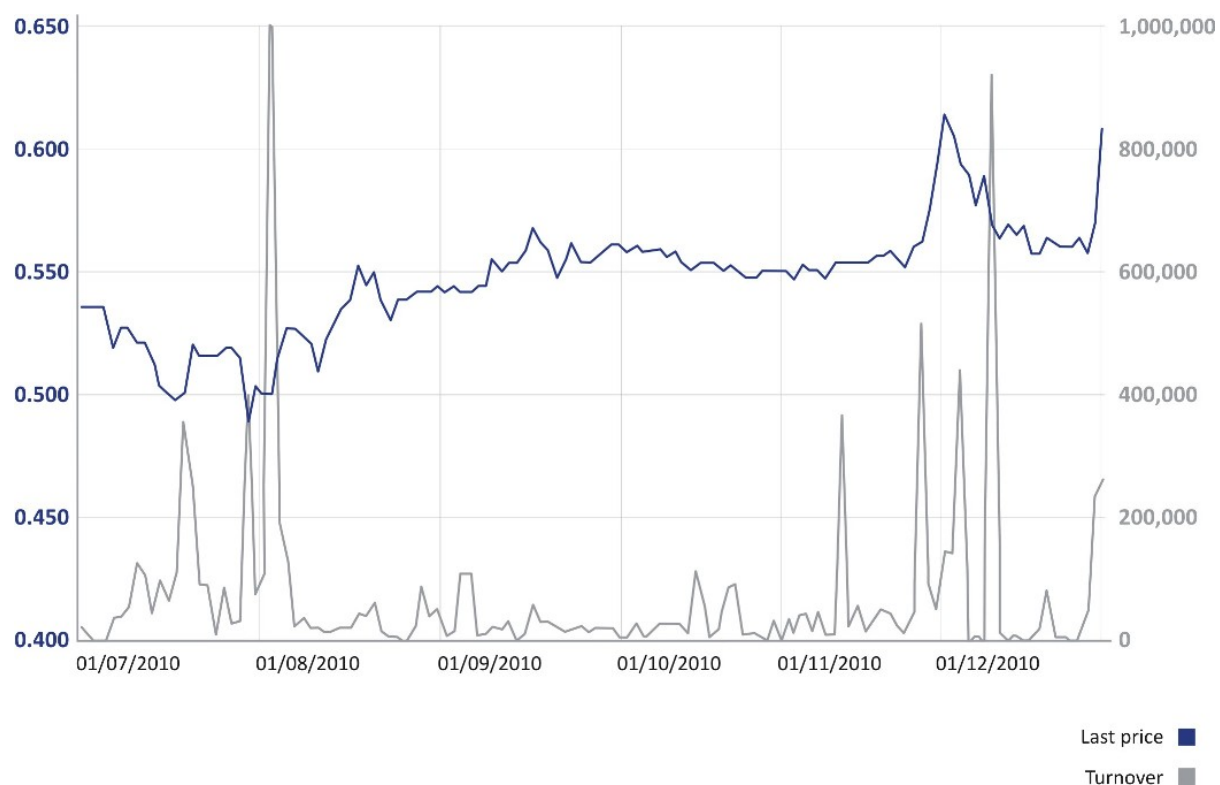
The Company and its subsidiaries have not acquired any shares of the Company, nor have they acquired or transferred any shares of the Company during the reporting period.

8. INFORMATION ABOUT TRADE IN THE COMPANY'S SECURITIES IN THE CONTROLLED MARKETS

All 158,940,398 ordinary registered shares of the Company were included in the Official List of NASDAQ OMX Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092). The ticker of the shares on NASDAQ OMX Vilnius Stock Exchange is LNA1L.

Trading in the Company's shares on NASDAQ OMX Vilnius Stock Exchange started on 17 February 2010.

AB LINAS AGRO GROUP SHARE PRICE AND TURNOVER



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



9. SHAREHOLDERS

According to the list of shareholders provided by AB Linus Agro Group securities account operator AB Swedbank (data for end of 31 December 2010), the number of Company's shareholders totaled 1,024 at the end of the reporting period

Shareholders controlling more than 5 % of Company's shares as at 31 December 2010:

Name of shareholder / company name, legal form, code, Office address	Number of shares held on the basis of the right of ownership	Portion in the authorized capital and voting rights	Portion of votes provided by shares held on the basis of the right of ownership	Portion of indirectly held votes
Akola ApS (limited liability legal company), code 25174879, Harbour House, Sundkrogsgade 21, 2100 Copenhagen, Denmark)	86,081,551	54.16%	54.16%	–
Skandinaviska Enskilda Banken AB (code 502032908101, Sergels Torg 2, 10640 Stokholm, Sweden)	24,103,841	15.17%	15.17%	–
Darius Zubas	17,049,995	10.73%	10.73%	–
Other shareholders (private and institutional investors)	31,705,011	19.94%	19.94%	–
Total	158,940,398	100.00%	100.00%	–

All shares issued by the Company grant equal rights to the Company's shareholders. Each ordinary share equals to one vote at General Meeting of Shareholders of the Company.

10. EMPLOYEES

As at 31 December 2010 AB Linus Agro Group and its subsidiaries had 722 employees or 204 employees more than as at 31 December 2009 (518 employees).

This increase is the result of acquiring 50% of shares of CJ-SC UKRAGRO NPK. As at 31 December 2010 Linus Agro Group AB owned 61.04% of shares, thus 201 employees of CJ-SC UKRAGRO NPK were included in the total number of employees of the Group

AB Linus Agro Group does not have any collective agreement.



11. MANAGEMENT BODIES

In accordance with the Articles of Association of AB Linus Agro Group, the managing bodies are the following:

- The General Meeting of Shareholders;
- The Board of the Company;
- The Head of the Company (Managing Director).

The Company does not have the Supervisory Board.

On 28 October 2010 Ordinary General Meeting of Shareholders was held.

The Head of the Company and the composition of the Board remained unchanged during the six months period of financial year 2010/2011 ended 31 December 2010.

THE BOARD OF THE COMPANY

The Board of the Company consists of seven members elected for a period of four years.

The members of the Board as of 31 December 2010:

Name	Position within the Board	Cadence starts	Cadence ends
Darius Zubas	Chairman of the Management Board	12 September 2008	12 September 2012
Vytautas Šidlauskas	Deputy Chairman of the Management Board	12 September 2008	12 September 2012
Andrius Pranckevičius	Member of the Management Board	12 September 2008	12 September 2012
Arūnas Jarmolavičius	Member of the Management Board	12 September 2008	12 September 2012
Arūnas Zubas	Member of the Management Board	12 September 2008	12 September 2012
Dainius Pilkauskas	Member of the Management Board	12 September 2008	12 September 2012
Tomas Tumėnas	Member of the Management Board	1 October 2008	12 September 2012



Darius Zubas (b. 1965) – Chairman of the Management Board and Managing Director of the Company, shareholder of the company – has 17,049,995 shares of the Company equal to 10.73% of all shares and votes of the Company. Graduated from Veterinary Academy of Lithuanian University of Health Sciences (former Lithuanian Veterinary Academy) in 1988 and obtained a diploma of Veterinarian. Darius Zubas has twenty one year of experience in strategic management and business organization. The main founder of AB Linus Agro Group. No records of conviction for crimes related to ownership, management procedures, finances. Shareholding and management in other companies: Chairman of the Management Board and Managing Director of AB Linus Agro; Chairman of the Management Board and shareholder of UAB MESTILLA – 8,457,703 shares equal to 14.3% of all shares and votes; shareholder of Akola ApS – 101,557,618 shares or 71% shares and votes; Chairman of the Management Board of Rosenkrantz A/S; shareholder of ŽŪB Dotnuvos Agroservisas – 300 Lt shares and votes or 0.015% shares and votes.

Vytautas Šidlauskas (b. 1963) – Member of the Management Board (Deputy Chairman of the Management Board), shareholder of the Company – owns 6,003,521 shares of the Company or 3.78% of all shares and votes of the Company. Graduated from Faculty of Chemistry of Kaunas University of Technology (former Kaunas Polytechnic Institute) in 1987 obtaining a diploma in Public Nutrition Technology and Management. He has twenty years of experience in business management. Has been employed with the Group since 1991. No records of conviction for crimes related to ownership, management procedures, finances. Shareholding and management in other companies: Managing Director of UAB Gerera; Member of the Management Board and Trade Director of AB Linus Agro; Member of the Management Board and shareholder of UAB MESTILLA – 2,978,065 shares or 5% of all shares and votes; shareholder of Akola ApS – owns 35,759,724 shares or 25% of all shares and votes; Member of the Management Board of Rosenkrantz A/S; shareholder of ŽŪB Dotnuvos Agroservisas – 170 Lt shares and votes or 0.009% shares and votes.

Dainius Pilkauskas (b. 1966) – Member of the Management Board, shareholder of the Company – owns 480,281 shares of the Company or 0.3 % of all shares and votes of the Company. He is a graduate of Veterinary Academy of Lithuanian University of Health Sciences (former Lithuanian Veterinary Academy) where in 1991 he obtained a diploma of Zoo Engineer. He is highly experienced in business management and business organization. Has been employed with the Group since 1991. No records of conviction for crimes related to ownership, management procedures, finances. Shareholding and management in other companies: Member of the Management Board and Trade Director for Baltic States of AB Linus Agro; shareholder of UAB MESTILLA – 238,245 shares or 0.4% of all shares and votes; shareholder of Akola ApS – 2,860,778 shares or 2% of all shares and votes; shareholder of ŽŪB Dotnuvos Agroservisas – 15 Lt shares and votes or 0.001% shares and votes.



Arūnas Zubas (b. 1962) – Member of the Management Board, shareholder of the Company – owns 480,281 shares of the Company or 0.3% of all shares and votes of the Company. Graduated from Kaunas University of Technology (former Kaunas Polytechnic Institute) in 1985 and holds a diploma in Chemical Technology. Arūnas Zubas has over twenty one year of experience in project, production and business management. He was employed with the Group from 1996 to 2005. No records of conviction for crimes related to ownership, management procedures, finances. Shareholding and management in other companies: Member of the Management Board of AB Linas Agro; Managing Director of UAB MESTILLA, a shareholder of UAB MESTILLA – 238,245 shares or 0.4 % of all shares and votes; a shareholder of Akola ApS – 2,860,778 shares or 2% of all shares and votes; shareholder of ŽŪB Dotnuvos Agroservisas – 15 Lt shares and votes or 0.001% shares and votes.

Andrius Pranckevičius (b. 1976) – Member of the Management Board and Deputy Managing Director. Does not own any shares of the Company. Is a graduate of Kaunas Technological University where in 1998 he obtained a bachelor's degree in Business Administration and, in 2000, master's degree in Marketing Management. He also took executive education programs in Harvard Business School, Wharton Business School, Stanford and Berkeley Business School (2004–2007) and program of leadership development in Harvard Business School (2009). He is highly experienced in project management, marketing, investment and finance. Joined the Group in 1999. No records of conviction for crimes related to ownership, management procedures, finances. Shareholding and management in other companies: Member of the Management Board and Deputy Managing Director of AB Linas Agro; the member of Presidium of the Lithuanian Association of Agricultural Companies; the member of Supervisory Board of AS Dotnuvos Projektai.

Tomas Tumėnas (b. 1972) – Member of the Management Board and Finance Director, shareholder of the Company – owns 1,500 shares of the Company or 0.001 % of all shares and votes of the Company. In 1995 obtained the diploma in Economics from Vilnius University and a certificate in International Business Economics from Aalborg University. Since 2007 he studies at Manchester Business School and expects to obtain MBA in finance. Tomas Tumėnas works in the spheres of investments and finance management for more than sixteen years. Has been employed with the Group since 2001. No records of conviction for crimes related to ownership, management procedures, finances. Shareholding and management in other companies: Member of the Management Board and Finance Director of AB Linas Agro; Director of UAB Baltic Fund Investments.

Arūnas Jarmolavičius (b. 1964) – Member of the Management Board and shareholder of the Company – owns 39,272 shares of the Company or 0.02% of all shares and votes of the Company. In 1991 graduated from Vilnius University and holds a diploma in Economics and Industry Planning. His experience in business, marketing and investments fields already counts for eighteen years. Has been employed with the



Group since 2001. No records of conviction for crimes related to ownership, management procedures, finances. Management in other companies: Member of the Management Board and Project Director of AB Linas Agro; Member of the Management Board of UAB MESTILLA; a person authorized to act on behalf of Akola ApS in Ukraine and Lithuania.

The Company has not granted any loans, guarantees or suretyships to the members of the Board that would ensure fulfillment of their obligations.

THE COMPANY MANAGEMENT

Company Management as of 31 December 2010:

Name and surname	Position	Employed since
Darius Zupas	Managing Director	1996-09-01
Andrius Pranckevičius	Deputy Managing Director	2009-11-19
Tomas Tumėnas	Finance Director	2009-11-19
Ramutė Masiokaitė	Chief Accountant	2009-11-19

The Management of the Company work under open-ended contracts of employment.

Information about Darius Zupas, Andrius Pranckevičius, and Tomas Tumėnas is provided in the chapter *THE BOARD OF THE COMPANY*.

Ramutė Masiokaitė (b. 1971) – Chief Accountant, shareholder of the Company – owns 670 shares of the Company or 0.0004% of all shares and votes of the Company. Graduated from Vilnius University in 1994 and acquired the qualifications of an economics, financial and credit specialist. She started her employment with the Group in 1998. Management in other companies: Finance Controller of AB Linas Agro. No records of conviction for crimes related to ownership, management procedures, finances.

The amount paid by the companies of the Group (AB Linas Agro Group, AB Linas Agro, UAB Gerera) to the members and the Management of the Board (eight persons) totaled 2,556 thousand LTL, i.e. approximately 320 thousand LTL to each, during the reporting period.

AUDIT COMMITTEE

The Ordinary General Meeting of the Company's Shareholders, held on 28 October 2010 formed the Company's Audit Committee of three members, elected the members and approved the Regulations of Activity of the Audit Committee. The members of the Committee are elected for the term of office of 4 (four) years. The elected members of the Committee began their service from the moment the General Meeting of the Company's Shareholders during which they had been elected was over.



THE MEMBERS OF AUDIT COMMITTEE as of 31 December 2010:

Andrius Drazdys – independent member of the Audit Committee. Term of office began on 28 October 2010, term of office ends on 27 October 2014. Does not own any shares of the Company. Employed at UAB Vilniaus margarino gamykla as a Chief Finance Officer.

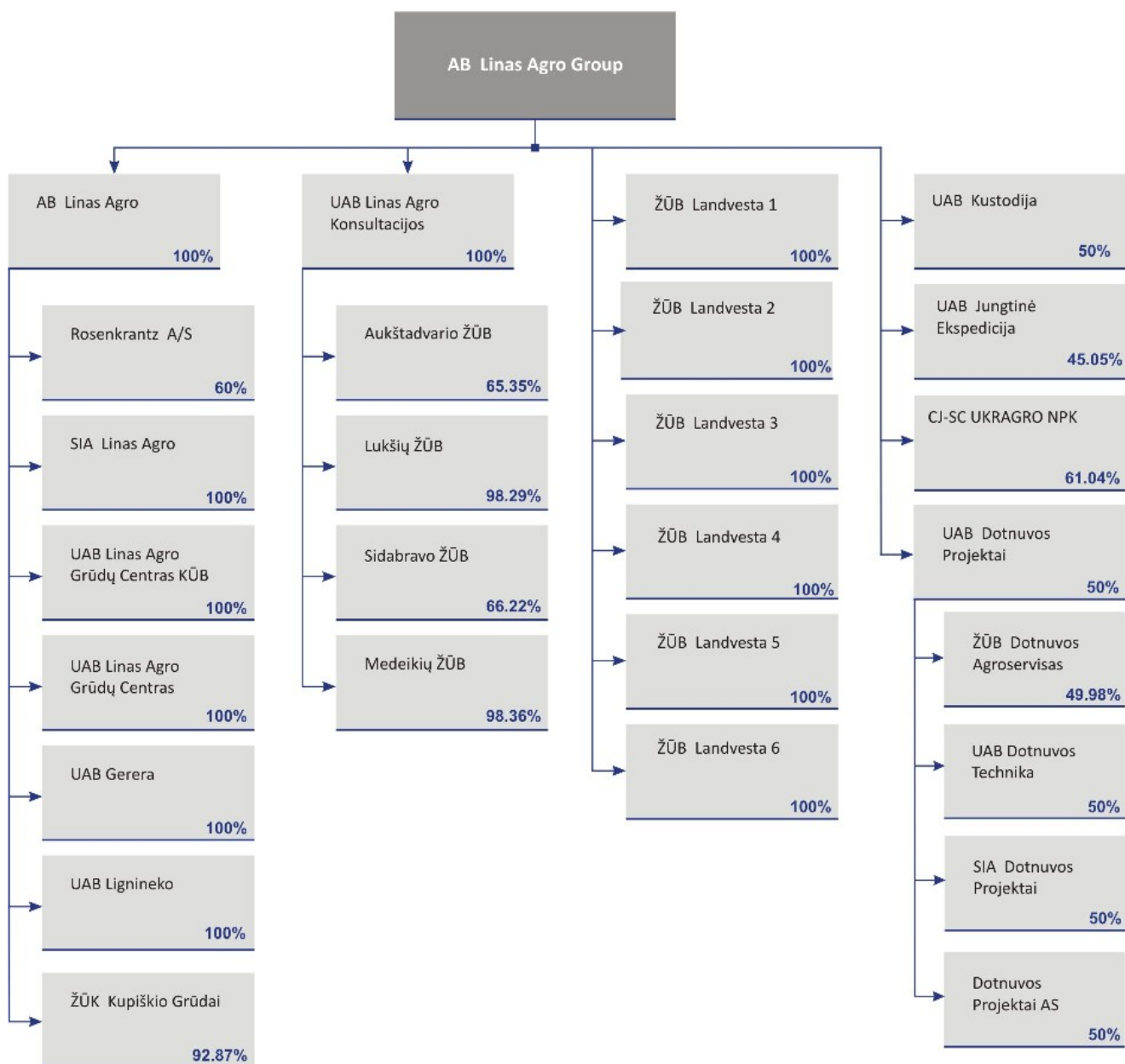
Artūras Pribušauskas – member of the Audit Committee. Term of office began on 28 October 2010, term of office ends on 27 October 2014. Treasury Manager of the Company and shareholder of the Company – owns 5,000 shares of the Company or 0.003% of all shares and votes of the Company. Also employed as a Treasury Manager at AB Linas Agro.

Kristina Prūšienė – member of the Audit Committee. Term of office began on 28 October 2010, term of office ends on 27 October 2014. Does not own any shares of the Company. Employed at AB Linas Agro as an Accountant.



12. INFORMATION ABOUT SECONDARY COMPANIES OF THE COMPANY

Summarized structure of AB Linas Agro Group





As of 31 December 2010, AB Linus Agro Group controlled, either directly or indirectly, the following companies:

Company name	Principal activities	Registration date, company code, company register	Contact data	Share of the stock held by the Group
AB Linus Agro	Agricultural products trading, grain and rapeseed contracting	1991-07-08, Code of legal entity 1473 28026, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 333, fax +370 45 507 444, e-mail info@linusagro.lt, www.linusagro.lt , www.rapsai.lt	100%
Rosenkrantz A/S	Wholesales trade of grains and oilseeds, feedstuffs and other similar products and services	1994-03-15, Code of legal entity CVR 17689037, register of the company–Danish Commerce and Companies Agency	Vinkel Allé 1, DK-9000 Aalborg, Denmark. Ph. +45 988 430 70, fax +45 988 440 07, e-mail rosenkrantz@rosenkrantz.dk, www.rosenkrantz.dk	60%
SIA Linus Agro	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs	2003-04-23, Code of legal entity 53603019011, Register of Enterprises of Republic of Latvia	Bauskas iela 2, Jelgava, LV-3001, Latvia. Ph. +371 630 840 24, fax +371 630 842 24, e-mail info@linusagro.lv	100%
UAB Linus Agro Grūdų centras	Management services	2002-07-05, Code of legal entity 148450944, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 365, fax +370 45 507 344, e-mail grudai@linusagro.lt	100%
UAB Linus Agro Grūdų centras KŪB	Grain processing and storage	2002-07-10, Code of legal entity 148451131, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 343, fax +370 45 507 344, e-mail grudu.centras@linusagro.lt	100%
UAB Gerera	Lease of real estate	1993-01-15, Code of legal entity 147676584, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 302, fax +370 45 507 499, e-mail gerera@linusagro.lt	100%
UAB Lignineko	Lignin biofuel production	1994-10-05, Code of legal entity 134231520, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 333, fax +370 45 507 444, e-mail info@lignineko.lt , www.linusagro.lt	100%
UAB Linus Agro Konsultacijos	Management of subsidiary farming companies	2003-06-23, Code of legal entity 248520920, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	The principal place of business: Kėdainių elevator, Žibuoklių g. 1A, Kėdainiai, LT-57130, Lithuania. The registered address: Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 688 674 29, fax +370 347 415 28, e-mail konsultavimas@linusagro.lt	100%
Panevėžys district Aukštadvario ŽŪB	Mixed agricultural activities	1993-03-09, Code of legal entity 168573274, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pirties g. 3, Aukštadvario vill., Panevėžys district, LT-38255, Lithuania. Ph./fax +370 45 592 651, e-mail aukstadvaris@linusagro.lt	65.35%



Company name	Principal activities	Registration date, company code, company register	Contact data	Share of the stock held by the Group
Sidabravo ŽŪB	Mixed agricultural activities	1993-04-20, Code of legal entity 171331516, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pergalės g. 1A, Sidabravas, Radviliškis district, LT-82251, Lithuania. Ph. +370 422 477 27, fax +370 422 476 18, e-mail sidabravas@linasagro.lt	66.22%
Šakiai district Lukšių ŽŪB	Mixed agricultural activities	1992-10-30, Code of legal entity 174317183, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Lukšių vill., Šakiai district, LT-71176, Lithuania. Ph. +370 345 442 88, fax +370 345 442 25, e-mail luksiai@linasagro.lt	98.29%
Biržai district Medeikių ŽŪB	Growing and sale of crop	1992-10-05, Code of legal entity 154771488, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Biržų g.32, Medeikių vill., Biržai district, LT-41462, Lithuania. Ph. +370 450 584 22, fax +370 450 584 12, e-mail medeikiai@linasagro.lt	98.36%
ŽŪB Landvesta 1	Rent and management of agricultural purposes land	2005-10-21, Code of legal entity 300501060, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 406, fax +370 45 507 404, e-mail info@landvesta.lt	100%
ŽŪB Landvesta 2	Rent and management of agricultural purposes land	2005-10-21, Code of legal entity 300501085, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 406, fax +370 45 507 404, e-mail info@landvesta.lt	100%
ŽŪB Landvesta 3	Rent and management of agricultural purposes land	2005-10-21, Code of legal entity 300501092, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 406, fax +370 45 507 404, e-mail info@landvesta.lt	100%
ŽŪB Landvesta 4	Rent and management of agricultural purposes land	2007-04-23, Code of legal entity 300709428, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 406, fax +370 45 507 404, e-mail info@landvesta.lt	100%
ŽŪB Landvesta 5	Rent and management of agricultural purposes land	2007-08-16, Code of legal entity 301019661, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 406, fax +370 45 507 404, e-mail info@landvesta.lt	100%
ŽŪB Landvesta 6	Rent and management of agricultural purposes land	2008-01-14, Code of legal entity 301520074, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143, Panevėžys, Lithuania. Ph. +370 45 507 406, fax +370 45 507 404, e-mail info@landvesta.lt	100%
UAB Kustodija	Sale of plant protection products	1995-07-18, Code of legal entity 123229863, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Laisvės pr. 117A, LT-06118 Vilnius, Lithuania. Ph. +370 5 230 1725, fax +370 5 230 1724, e-mail info@kustodija.lt, www.kustodija.lt	50%
UAB Dotnuvos Projektai	Sale of seeds, agricultural machinery	1996-03-05, Code of legal entity 261415970, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko g. 6, Akademija, 58351 Kėdainių district, Lithuania. Ph.+370 347 370 30, fax+370 347 370 40, e-mail info@dotnuvosprojektai.lt, www.dotnuvosprojektai.lt	50%



Company name	Principal activities	Registration date, company code, company register	Contact data	Share of the stock held by the Group
SIA DOTNUVOS PROJEKTAI	Sale of seeds, agricultural machinery	2010-04-26, Code of legal entity 43603041881, Register of Enterprises of Republic of Latvia	The principal place of business: Jūrmalas iela 13c, Pinki, Babītes novads, LV-2107, Latvia. The registered address: Bauskas iela 2, Jelgava, LV-3001, Latvia. Ph. +371 679 131 61, fax +371 677 602 52, e-mail info@dotnuvosprojekta.lv, www.dotnuvosprojekta.lv	50%
ŽŪB Dotnuvos agroservisas	Agricultural equipment maintenance and related services	2005-10-24, Code of legal entity 300153440, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko g. 6, Akademija, LT-58351 Kėdainių district, Lithuania. Ph. +370 347 770 16, fax +370 347 371 14, e-mail info@dotnuvosprojekta.lt, www.dotnuvosprojekta.lt	49.975%
DOTNUVOS PROJEKTAI AS	Sale of seeds, agricultural machinery	2010-11-11, Code of legal entity 12019737, Estonian Central Register of Securities, Eesti Väärtpaberikeskus AS	Vaksali 17, Viljandi, 71020 Estonia. Ph. +372 661 2800, fax +372 661 8004, e-mail info@dotnuvosprojekta.ee	50%
UAB Dotnuvos technika	Dormant	1998-05-11, Code of legal entity 161452398, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko g. 6, Akademija, LT-58351 Kėdainių district, Lithuania. Ph. +370 347 370 30, fax +370 347 370 40	50%
CJ-SC UKRAGRO NPK	Fertilizers production and trade	2002-03-28, Code of legal entity 31961067, Unified State Register of Legal Entities and Natural Persons-Entrepreneurs of Ukraine	The principal place of business: 19200 Silver Centr, bul. I. Lepse 4, 03680 Kiev, Ukraine. The registered address: Promyslova Ul. 1, Cherkassy region, Ukraine. Ph.+ 380 044 351 1597, fax + 380 044 351 1599, e-mail info@urozhai.ua, www.urozhai.ua	61.04%
UAB Jungtinė ekspedicija	Expedition and representation services	1998-02-17, Code of legal entity 141642963, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	The principal place of business: I. Kanto g. 12-3, LT-92235, Klaipėda, Lithuania. The registered address: Plytų g. 10 Klaipėda, Lithuania. Ph. +370 46 310 163, fax +370 46 312 529, e-mail info@je.lt, www.je.lt	45.05%
ŽŪK Kupiškio grūdai	Preparation and warehousing of grains for trade	1999-04-08, Code of legal entity 160189745, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Technikos g. 6, LT-40122 Kupiškis, Lithuania. Ph. +370 688 67477, fax +370 688 67 471, e-mail info@kupiskiogrūdai.lt	92.87%



13. INFORMATION ON ACTIVITY RESULTS OF THE COMPANY

Consolidated turnover of the Group rose 44% during July-December 2010 and totaled LTL 796 million. AB Linas Agro Group increased the trading volumes to 869 thousand tons, up 3.2% from 843 thousand tons in the same period of last season. The biggest turnover was in grains and oilseeds, amounting to LTL 419 million (51% of total sales), and agricultural inputs, amounting to LTL 237 million (28% of total sales). The increase in turnover is the result of growing sales volumes of fertilizers and higher worldwide prices of grains. However, due to especially unfavorable market situation, the consolidated non-audited profit of the Group before tax (EBT) totaled LTL 15.7 million and decreased 52% as compared to the respective prior period (LTL 32.4 million).

One of the major negative factors affecting profitability of the Group was an extremely rapid rise in worldwide agricultural commodity prices placing the Company at higher risk of breach of contracts by counterparties and generating unexpected loss. The UN's Food Price Index indicated sharp price rise throughout 2010 and reached its highest level since its records began in 1990 (it was 107). The index rose to 231 in December 2010, up 33% during the last six months of 2010. The increase in worldwide grain prices was different for each grain type, exceeding 55% on the average. The price increase of the Group's most important segment of wheat and rapeseed was respectively 88% and 55%. Another important factor that negatively impacted the profitability of the Group was very poor grain harvest in Lithuania and Latvia – decrease of 30% from the 2009/2010 season and non-standard quality of grains related to unfavorable weather conditions.

The above mentioned reasons caused the decline of gross profit of the Group from 8.1% to 5.3%, it totaled to LTL 42.2 million. Gross profit margin, regardless of unfavorable market conditions, is in line with industry average.

The major part of production is sold abroad, 70% of total sales. The main export regions are Europe (30%), CIS (25%), Asia (10%).

To control the risk of price fluctuations, the Group follows conservative risk management policy and hedges major part of its forward contracts at commodity exchange (NYSE Euronext). Under bullish market conditions, accounting losses from commodity exchange contracts grew correspondingly. Usually, such losses are compensated when commodities are sold in the physical market (spot market). However, the Group faced the risk of contract breach when part of the clients did not deliver their production at the contracted prices that were markedly lower than current market prices. Part of the above mentioned accounting losses caused by rising market is already included in the results of the reporting period.



Over the accounting period the Group's consolidated operating expenses totaled LTL 20.7 million, up 64% from LTL 12.6 million in the prior period. The increase is primarily due to consolidation effect of the Ukraine based company CJ-SC UKRAGRO NPK (LTL 4.9 million).

The major part of operating expenses included expenses related to the main activities: expenses for salaries and taxes totaled 6 % of all operating costs (LTL 12.9 million) and due to the above mentioned reason increased by 63% if compared with the same period in 2009/2010.

The performance of Group's joint-ventures UAB Dotnuvos Projektai, UAB Kustodija and UAB Jungtinė Ekspedicija was profitable. The net profit of the above-mentioned companies totaled almost LTL 3 million. UAB Dotnuvos Projektai continued its successful business expansion in the Baltic region with the establishment of its subsidiary company in Estonia. The newly established subsidiaries in Latvia and Estonia will add to company's sales volumes and profitability over the next few years.

KEY PERFORMANCE INDICATORS

	6 months of 2010/2011	6 months of 2009/2010
Sales, LTL	796,135,000	554,357,000
Gross profit, LTL	42,204,000	45,067,000
Segment operating profit (loss), LTL:		
Grains and oilseeds	(10,549,000)	18,150,000
Feedstuffs	3,387,000	2,004,000
Agricultural inputs	16,757,000	5,783,000
Farming	1,763,000	(1,564,000)
Other products and services	7,140,000	8,758,000
Net profit, attributable to the Group, LTL	12,851,000	24,962,000
Turnover, in tons	869,526	842,770

GRAINS AND OILSEEDS

Traditionally the largest business segment of the Group generated the sales of LTL 419 million during six months of the sales season (LTL 337 million in 2009/2010 season) and the operating losses totaled LTL 10,5 million. The biggest losses were recorded in wheat from the Baltic region and corn purchased in Serbia (LTL 5.3 million and LTL 2.9 million). Over 471 thousand tons of various grain crops were sold (551 thousand tons



in 2009/2010 season). The biggest volumes were recorded in rapeseed, wheat and barley. Losses were experienced due to wash-outs that the Group had to pay for failing to fulfill its obligations to the buyers. Commodities had to be repurchased because farmers and commercial enterprises, the suppliers of the Group, did not deliver the products or they were of non-standard quality. The quality was also affected by unfavorable weather conditions. To minimize its losses, the Group transferred part of the supplier's debts accumulated from contract breach to the following year. Losses are also expected to be covered by compensations from the suppliers and through legal proceedings in courts of arbitration and other courts.

It should be noted that the majority of losses is included in the first six months of this season, thus the second half of the year will be more profitable for this segment and the whole season will generate profitable results, because relatively cheap commodities will be sold in bullish market.

FEEDSTUFFS

The sales of feedstuffs reached LTL 124 million and operating profit totaled LTL 3.4 million. Total profitability of the segment was 8%, which is a positive result. Sales volumes totaled 118 thousand tons, down 42% from almost 204 thousand tons in the corresponding period last year. This was the result of decreased sales volumes of vegetable oil (32%) due to export bans for this product in Russia and Belarus. Growing demand for sugar beet pulp pellets in European markets increased sales volumes of this product almost six times to approximately 12 thousand tons.

AGRICULTURAL INPUTS

Growing grain prices favorably impacted sales volumes of agricultural inputs. This still remains one of the largest and most successful business segments. Over 75 thousand tons of fertilizers were sold in Lithuania and Latvia, almost twice as much as over the same period last year. Rising grain prices increased the prices of seeds, the turnover of which rose 20%. After acquisition of the Ukrainian fertilizer production and trade company CJ-SC UKRAGRO NPK at the beginning of the financial year, the segment's turnover totaled LTL 237 million (LTL 48.5 million last year) and sales volumes of fertilizers rose to 230 thousand tons. The rise reflects positive impact of the investments made, including newly purchased fertilizer warehouses in Lithuania. Over the reporting period CJ-SC UKRAGRO NPK opened the fourteenth regional distribution warehouse, which will allow to further increase annual sales volumes.

FARMING

Sales volumes of agricultural companies for the first six months increased from LTL 17 million to LTL 25 million due to growing grain prices and sales volumes in tons. The latter rose 8% from the last season up to 33 thousand tons. Due to higher grain and milk purchase prices, overall profitability of the segment reached



14%. Similar level of profitability is also expected during the second half of the financial year. Over the reporting period, the companies invested in new agricultural machinery, Šakiai district Lukšių ŽŪB rebuilt a cow-shed suitable for keeping 150 breeding heifers.

OTHER PRODUCTS AND SERVICES

Total sales revenue of this segment reached LTL 25 million, which was similar in the corresponding period in 2009/2010 season (LTL 25.9 million). It was mainly the revenue from Group's grain storage facilities. Overall profitability of the segment remained at the highest level and rose to 35%. First sales in lignin took place in October. The sales were successful and growth of sales volumes is expected over the second half of the financial year.

UAB Linas Agro Grūdų centras KŪB modernized wheat storage in Šiauliai. Modernization works included construction of a new grain dryer, renewal of grain acceptance pit, replacement of part of the transportation equipment and automation of equipment control system. Improvement and optimization of drying capacity will ensure better quality of grains and cut energy expenses.

FINANCIAL COSTS

Rising grain prices resulted in corresponding increase in the Group's demand for working capital. It was one of the main factors that impacted the increase of financial costs. Bank interest expenses increased from LTL 3.1 million to LTL 4.2 million.

CASH FLOW

Group's Cash flow from operating activities before the changes in working capital was LTL 22.9 million, as compared to LTL 33.6 million of the corresponding period of the prior financial year. Cash flow from operating activities after changes in working capital was minus LTL 105.1 million (minus LTL 31.5 million in 2009/2010 accordingly). This was the result of this season's sales activities that were dominated by increase in stock and debts. Group's cash balance at the end of the reporting season totaled LTL 22.8 million (LTL 14.3 million in 2009/2010).

14. SCOPE OF RISK AND MANAGEMENT THEREOF

14. 1. MARKET RISK

Market risk shall be understood as a risk to generate a profit lower than planned if the tone of market prices is unfavorable. This may happen if market price fell below the intervention prices (minimal purchase prices for grains established by state authorities) as it would prevent the Company from receiving surplus



profit. In a market situation when grain purchase prices fall due to certain reasons, intervention prices are used as a leverage to uphold a certain price level and thus to ensure guaranteed income to farmers. When intervention prices are higher than or identical to market prices, the companies of the Group sell the purchased grains to the agency and thus earn certain income which under regular market conditions would be lower than market prices. Starting from 2005, intervention prices are set by the EU and are calculated for two years in advance. The mechanism has not been applied so far; however, if intervention prices were applied, the Group would have been deprived of surplus profit.

In order to manage the price risk related to certain products, the Group concludes forward contracts on NYSE Euronext Paris SA. The Group trades in forwards in order to manage the price risk arising from purchasing rapeseeds and wheat from farmers. The Group has approved an internal trade risk management system and established the credit risk management committee which analyses trade transactions entered into by the company as well as their amounts and limits. A part of buyers (buyers' solvency risk) are insured with international insurance companies. The risk of price fluctuations is important.

14. 2. RISK RELATED TO ACTIVITIES OF CONTROLLED COMPANIES

The companies controlled by the Group are involved in trade in agricultural inputs, implementation of crop programs, warehousing of agricultural products and other activities. Although operations of a majority of controlled companies are profitable, negative changes in the markets, where the parent company and controlled companies operate, may affect its profitability. Managers in charge of corresponding activities constantly monitor and analyze the activities of companies controlled by the Group, essential transactions, provide budgets of activities of the controlled companies to the Group management and, correspondingly, control their execution and material changes.

14. 3. POLITICAL RISK

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group.

14. 4. SOCIAL RISK

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key employees of the Group will stay with the Group in the future. Loss of such employees or the Group's failure



to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group. Non-competition agreements are signed with some executives.

14.5. COUNTERPARTY RISK

The Group enters forward contracts with more than 1,700 clients who oblige to deliver production according to terms and conditions of the contract. As product prices are increasing, the risk of contract breach and failure to deliver production emerges. The bigger the difference between the contract price and the current market price on the day of delivery, the higher is the risk. This kind of risk is important throughout the whole season. To control the risk of contract performance, the Group checks the contracts, constantly analyzes and observes its clients, assesses possible losses and takes decisions to control the risk (e.g. setting limits on forward contracts before the start of each season, evaluation and assessment of the client's credit rating, capacity of cultivated land, etc.)

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

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended December 21, 2010, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

AB Linas Agro Group Notification about acquisition of voting rights	Notification about acquisition (disposal) of a block of shares	En, Lt	2010-12-01 09:00:33 EET
Linus Agro Group, AB notification about interim 3 month financial results of the financial year 2010-2011	Interim information	En, Lt	2010-11-22 09:00:30 EET
Procedure for the payout of dividends for the financial year ended 30 June 2010	Notification on material event	En, Lt	2010-10-29 09:49:35 EEST
AB Linas Agro Group notification about the Annual information of the financial year 2009/2010	Annual information	En, Lt	2010-10-29 09:48:36 EEST
Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 28 October 2010	Notification on material event	En, Lt	2010-10-29 09:45:35 EEST
Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	En, Lt	2010-10-06 17:15:32 EEST



AB Linas Agro Group sells a part of Ukrainian company's shares to its management	Other information	En, Lt	2010-10-04 09:00:30 EEST
CORRECTION: Linas Agro Group, AB notification about interim 12 month financial results of the financial year 2009-2010	Interim information	En	2010-08-30 11:56:31 EEST
Linas Agro Group, AB notification about interim 12 month financial results of the financial year 2009-2010	Interim information	En, Lt	2010-08-30 09:00:30 EEST
SEB Bank increased lending volume to PLC "Linus Agro Group" up to LTL 132 million	Other information	En, Lt	2010-08-16 09:00:30 EEST
Linas Agro Group, AB completed the takeover of Ukraine-based producer and trader of fertilizers	Notification on material event	En, Lt	2010-07-01 17:56:30 EEST
Inclusion of the stock exchange's newcomer into the list of OMX Baltic Benchmark index - a good sign to investors	Other information	En, Lt	2010-07-01 09:00:31 EEST

OTHER EVENTS OF THE REPORTING PERIOD

On 10 July 2010 AB Linas Agro increased share capital of UAB Lignineko LTL 500 thousand, from LTL 1,229.6 thousand to LTL 1,729.6 thousand.

On 13 July 2010 authorized capital of AB Linas Agro increased from LTL 7 million to LTL 31 million.

In July 2010 share capital of Medeikių ŽŪB increased from LTL 828 thousand to LTL 1,748 thousand.

In July–October 2010 Biržai district Medeikių ŽŪB AB Linas Agro has acquired additional 54.54% shares of ŽŪK Kupiškio grūdai for LTL 1,380 thousand. The effective share of ŽŪK Kupiškio grūdai owned by the Group increased to 92.87% (as of 30 June 2010 – 37.43%).

In August-September 2010 authorized capital of UAB Linas Agro Konsultacijos increased from LTL 2 million to LTL 3.1 million.

In August–December 2010 share capital of ŽŪB Landvesta 4 increased from LTL 295 thousand to LTL 355 thousand.

In September–October share capital of ŽŪB Landvesta 1 increased from LTL 102 thousand to LTL 201 thousand.

In September–December 2010 share capital of ŽŪB Landvesta 5 increased from LTL 197 thousand to LTL 391 thousand.



In December 2010 share capital of ŽŪB Landvesta 2 increased from LTL 102 thousand to LTL 199 thousand, share capital of ŽŪB Landvesta 6 increased from LTL 177 thousand to LTL 275 thousand.

In September–December 2010 UAB Linas Agro Konsultacijos acquired 225,772 shares or 4.36% of shares of Lukšiu ŽŪB from the non-controlling shareholders for LTL 136 thousand.

On 28 October 2010 Ordinary General Meeting of Shareholders of AB Linas Agro Group was held with the following outcomes: approval of the consolidated and the Company's set of financial statements for the financial year ended 30 June, 2010; distribution of the Company's profit and allocation of LTL 3,500,000 (EUR 1,013,670.06) for the payment of dividends (or LTL 0.022 (EUR 0.0063) for each share of the Company before tax); election of UAB Ernst & Young Baltic as Auditor of the Company, approval of formation of the Company's Audit Committee, election of its members and approval of the Regulations of its Activity.

On 11 November 2010 UAB Dotnuvos Projektai established its subsidiary in Estonia AS DOTNUVOS PROJEKTAI.

In December 2010 UAB Linas Agro Konsultacijos acquired 133,490 shares or 10.32% of shares of Sidabravo ŽŪB from the non-controlling shareholders.

On 30 December 2010 Linas Agro Group sold 381 shares or 2.34% of shares of CJ-SC UKRAGRO NPK to the management of CJ-SC UKRAGRO NPK.

16. PROCEDURE OF AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's Articles of Association shall be amended in accordance with the procedure provided for in the laws of the Republic of Lithuania. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law on Companies of the Republic of Lithuania.

17. INFORMATION ABOUT THE COMPLIANCE WITH THE COMPANY MANAGEMENT CODE

The Company complies with the company management procedures stipulated in the Law on Companies of the Republic of Lithuania. The Company complies with the essential management principles for the companies listed on NASDAQ OMX Vilnius. The managing bodies of the company are the General Meeting of Shareholders, the Board of the Company and the Head of the Company (Managing Director). The Company does not have the Supervisory Board. The Company's Board consists of seven members to be elected for a period of four years, but the Chairman of the Board is also the Head of the Company (Managing Director). In order to implement the recommendations of the Company Management Code, the Audit Committee of three members (including one independent member) was also established and formed in the General Meeting of Shareholders held on 28 October 2010.



18. SUBSEQUENT EVENTS

On 10 January 2011 AB Linus Agro Group sold 489 shares or 3% of shares of CJ-SC UKRAGRO NPK to the management of CJ-SC UKRAGRO NPK.