

CONSOLIDATED FINANCIAL STATEMENTS

OF THE FINANCIAL YEAR 2012/2013

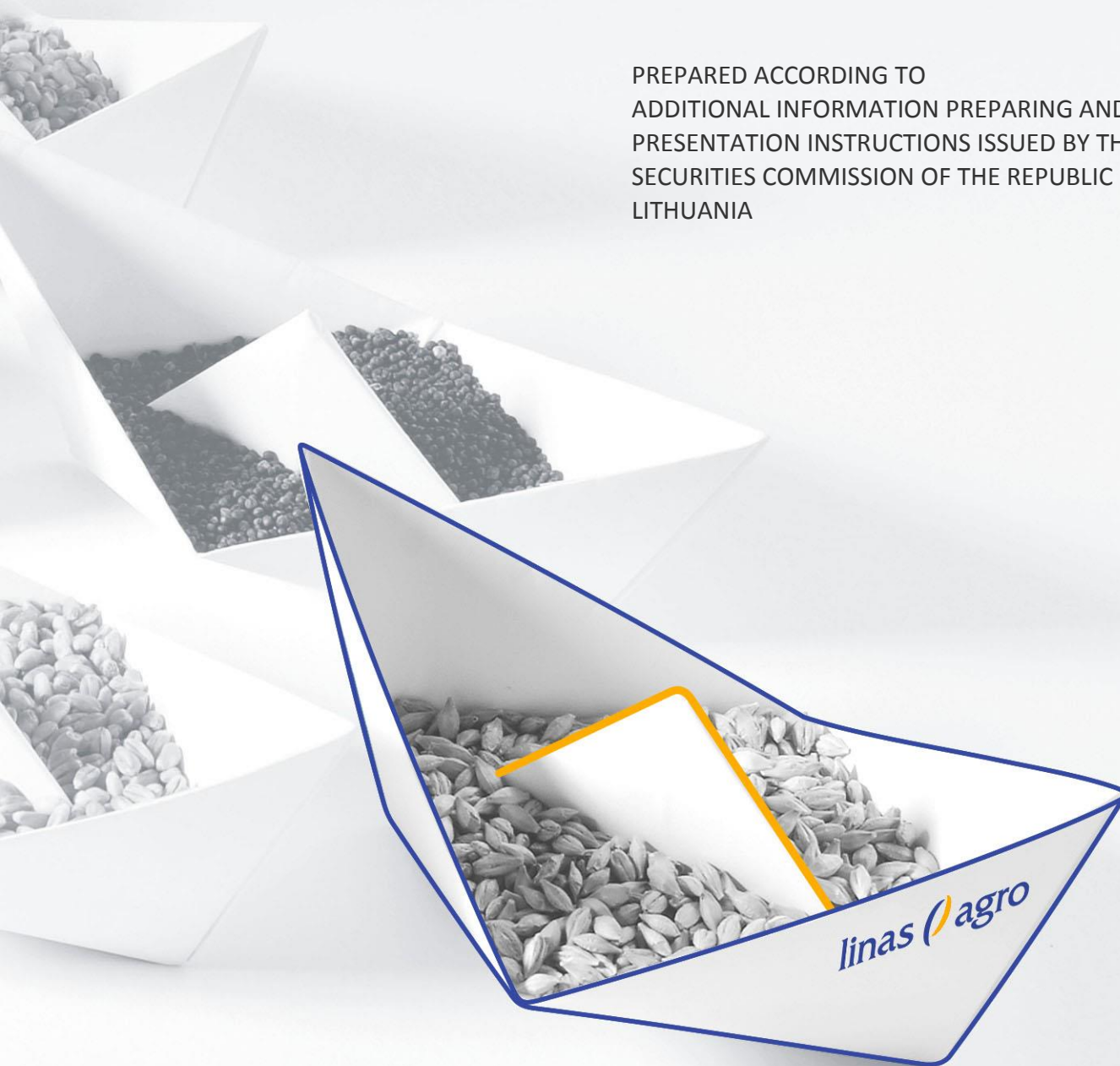
OF AB LINAS AGRO GROUP

(UNAUDITED)

FOR THE 12 MONTH PERIOD

ENDED 31 JUNE 2013

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

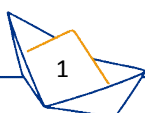


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 30 June 2013	As of 30 June 2012
ASSETS			
Non-current assets			
Intangible assets	5	1,002	612
Property, plant and equipment	6	196,468	122,256
Investment property	7	11,927	9,513
Animals and livestock		19,428	11,852
Non-current financial assets			
Investments into associates	8	-	286
Investments into joint ventures	8	-	29,887
Other investments	9	233	311
Prepayments for financial assets		8,873	
Non-current receivables		2,783	5,446
Non-current receivables from related parties	14	2,540	3,230
Total non-current financial assets		14,429	39,160
Deferred income tax asset		6,348	6,289
Total non-current assets		249,602	189,682
Current assets			
Crops		40,410	36,395
Inventories		167,713	136,947
Prepayments		9,073	16,407
Accounts receivable			
Trade receivables		273,595	190,888
Receivables from related parties	14	15,515	3,605
Income tax receivable		461	1,043
Other accounts receivable		28,531	17,579
Total accounts receivable		318,102	213,115
Other current assets		2,156	43,575
Cash and cash equivalents		34,240	54,768
Total current assets		571,694	501,207
Total assets		821,296	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 June 2013	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		(1,581)	-
Foreign currency translation reserve		(141)	(44)
Retained earnings		187,622	106,809
Total equity attributable to equity holders of the parent		433,836	351,251
Non-controlling interest		3,762	4,805
Total equity		437,598	356,056
Liabilities			
Non-current liabilities			
Grants and subsidies		14,350	11,855
Non-current borrowings	10	31,885	36,749
Finance lease obligations		5,390	2,568
Trade payables		648	1,263
Non-current payables to related parties		-	54
Deferred income tax liability		4,282	899
Other non-current liabilities		584	280
Total non-current liabilities		57,139	53,668
Current liabilities			
Current portion of non-current borrowings	10, 14	19,931	10,075
Current portion of finance lease obligations		2,446	1,067
Current borrowings	10	146,634	179,465
Trade payables		95,915	48,994
Payables to related parties	14	3,201	3,642
Income tax payable		7,136	12,812
Derivative financial instruments		2,790	7,572
Other current liabilities		48,506	17,538
Total current liabilities		326,559	281,165
Total equity and liabilities		821,296	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 June)**

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

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

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

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		-	-	-	-	-	-	75,334	75,334	1,522	76,856
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	75,334	75,334	1,522	76,856
Disposal of subsidiaries		-	-	-	-	-	3,126	109	3,235	(15,587)	(12,352)
Declared dividends by subsidiaries		-	-	-	-	-	-	-	-	(22)	(22)
Reserves made		-	-	-	250	1,600	-	(1,850)	-	-	-
Acquisition of minority interest		-	-	-	-	-	-	(5,144)	(5,144)	1,611	(3,533)
Balance as of 30 June 2012		158,940	-	79,545	4,401	1,600	(82)	92,379	336,783	4,116	340,899
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		-	-	-	-	-	-	86,967	86,967	637	87,604
Other comprehensive income		-	-	-	-	-	(97)	(4)	(101)	-	(101)
Total comprehensive income		-	-	-	-	-	(97)	86,963	86,866	637	87,503
Acquisition of minority interest		-	-	-	-	-	-	-	-	581	581
Declared dividends by Company		-	-	-	-	-	-	(4,500)	(4,500)	-	(4,500)
Declared dividends by subsidiaries		-	-	-	-	-	-	-	-	(36)	(36)
Reserves made		-	-	-	3,450	-	-	(3,450)	-	-	-
Acquisition of own shares		-	(1,581)	-	-	-	-	-	(1,581)	-	(1,581)
Acquisition of minority interest		-	-	-	-	-	-	1,800	1,800	(2,225)	(425)
Balance as of 30 June 2013		158,940	(1,581)	79,545	7,851	1,600	(141)	187,622	433,836	3,762	437,598

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

CONSOLIDATED STATEMENT OF CASH FLOW

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

(cont'd on the next page)

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

CONSOLIDATED STATEMENT OF CASH FLOW (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 Panevėžys, Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As of 30 June 2013 and as of 30 June 2012 the shareholders of the Company were:

	As of 30 June 2013		As of 30 June 2012	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	87,784,443	55.23%	86,081,551	54.16%
Skandinaviska Enskilda Banken AB (Sweden)	15,131,697	9.52%	23,094,969	14.53%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank (Estonia) Clients	9,824,712	6.18%	9,184,040	5.78%
Other shareholders (private and institutional investors)	29,149,551	18.34%	23,529,843	14.80%
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 June 2013 (LTL 1 each as of 30 June 2012) and were fully paid as of 30 June 2013 and as of 30 June 2012.

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

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

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

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

Changes in share capital during the year ended 30 June 2012

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

Changes in share capital during the year ended 30 June 2013

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

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2011/2012 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As of 30 June 2013 and as of 30 June 2012 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2013	30 June 2012	
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
UAB Jungtinė ekspedicija	Lithuania	100%	-	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	90%	-	Rent and management of agricultural purposes land
UAB Lineliai (former –UAB Labūnava 2)	Lithuania	100%	-	Rent and management of agricultural purposes land
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	97.72%	96.16%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.80%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	96.92%	96.76%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	87.23%	70.28%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė (former -UAB Edfermus 2)	Lithuania	100%	100%	Rent and management of agricultural purposes land
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.64%	-	Mixed agricultural activities
Noreikiškių ŽŪB	Lithuania	10%	-	Rent and management of agricultural purposes land

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

Investments into indirectly controlled subsidiaries (through UAB Dotnuvos projektai)

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

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

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

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

On 13 July 2012 the Group acquired 98.55% shares of Kėdainiai district Labūnavos ŽŪB for LTL 22,545 thousand from previous owners. After the share acquisition the Group directly controls 98.64% of the investee. The only unaudited financial information on the acquired subsidiary as at 30 June 2012 is available as at the date of the release of these financial statements and is presented below. Kėdainiai district Labūnavos ŽŪB is consolidated to the Group from 1 July 2012. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date	1 July 2012
Property, plant and equipment	24,288
Animals and livestock	5,718
Crops	9,456
Inventories	2,770
Prepayments and other current assets	2,058
Cash and cash equivalents	3,067
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. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

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

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

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

The only unaudited financial information on the acquired subsidiary as at 28 February 2013 is available as at the date of the release of these financial statements and is presented below. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date	1 March 2013
Carrying values	
Property, plant and equipment	201
Trade receivables and other current assets	917
Cash and cash equivalents	867
Total assets	1,985
Trade payables	(905)
Other liabilities	(285)
Total liabilities	(1,190)
Total identifiable net assets	795
Attributable to share acquired before	358
Attributable to new acquired share	437
Loss recognized on acquisition of subsidiary, recognised as Other expense	608
Purchase consideration	1,045
Less: cash acquired	867
Total purchase consideration, net of cash acquired	178

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

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

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

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

Changes in the Group during the year ended 30 June 2012

On 1 July 2011 the Group company Rosenkrantz A/S (registered and operating in Denmark) changed its name to Linas Agro A/S.

On 1 July 2011 the Group acquired additional 40% interest of the voting shares of Linas Agro, A/S increasing its ownership interest to 100%. Purchase price EUR 800 thousand (LTL 2,762 thousand equivalent) will be paid by schedule till 15 July 2014. The difference of LTL 7,129 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

As part of the purchase agreement a contingent consideration has been agreed with the previous owner of Linas Agro A/S. There will be additional cash payment to the previous owner amounting to maximum EUR 400 thousand (undiscounted). Contingent consideration is related to collection of doubtful Linas Agro A/S trade receivables. The due date of contingent consideration arrangement is 1 October 2014.

The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between EUR 0 and EUR 400 thousand. The fair value of the contingent consideration arrangement is EUR 173 thousand as at acquisition date. It was estimated using probability-weighted payout approach.

On 6 February 2012 the Company sold all shares of PC-JS UKRAGRO NPK. Differences between the sales consideration and the net assets disposed at the disposal date is the following:

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

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

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

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

4. SEGMENT INFORMATION

For management purpose the Group is organized into six operating segments based on their products and services as follows:

- the grains and oilseeds segment includes trade in wheat, rapeseed, barley and other grains and oilseeds;
- the feedstuffs segment includes trade in suncake and sunmeal, sugar beat pulp, soymeal, vegetable oil, rapecake and other feedstuffs;
- the agricultural inputs segment includes sales of fertilizers, seeds, plant protection products and other related products to agricultural produce growers;
- the farming segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- the machinery and equipment is a new segment of the company which includes wholesale and retail of new and used agricultural and forest machinery and spare parts, also projection and installation of grain cleaning, drying and storage facilities;
- the other products and services segment includes sales of biofuel, provision of elevator services and other products and services.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

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

1) Intersegment revenue is eliminated on consolidation.

4. SEGMENT INFORMATION (CONT'D)

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

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

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

Non-current assets	As of 30 June 2013	As of 30 June 2012
Lithuania	196,405	132,084
Latvia	7,751	118
Estonia	5,152	-
Denmark	89	179
	209,397	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	219	238	457
Acquisition of subsidiaries	39	122	
Write-offs	(2)	(100)	(102)
Balance as of 30 June 2013	2,063	430	2,493
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	106	22	128
Write-offs	(2)	-	(2)
Balance as of 30 June 2013	1,334	157	1,491
Net book value as of 30 June 2013	729	273	1,002
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	2,399	10,921	6,665	4,433	3,276	13,329	41,023
Acquisition of subsidiaries	4,097	25,880	18,744	4,694	1,404	2,247	57,066
Disposals and write-offs	(2)	(53)	(3,314)	(1,287)	(827)	(41)	(5,524)
Transfers to/from investment property	428	2,316	-	-	-	-	2,744
Reclassifications	1	13,328	5,913	19	128	(19,389)	-
Exchange differences	(3)	(26)	(3)	(9)	(9)	-	50
Balance as of 30 June 2013	17,681	149,916	87,160	14,814	13,723	7,821	291,114
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	-	9,293	9,840	2,088	1,221	-	22,442
Disposals and write-offs	-	(8)	(1,573)	(991)	(620)	-	(3,192)
Transfers from investment property	-	671	-	-	-	-	671
Exchange differences	-	(1)	2	-	-	-	1
Balance as of 30 June 2013	-	38,672	41,165	5,210	7,985	-	93,032
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	(27)	-	16	(3)	2	-	(12)
Transfer from investment property	8	1,128	-	-	-	-	1,136
Balance as of 30 June 2013	1	1,577	35	-	3	-	1,614
Net book value as of 30 June 2013	17,682	109,667	45,960	9,603	5,735	7,821	196,468
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	3,239	400	3,639
Acquisition of subsidiaries	456	-	456
Disposals and write-offs	(716)	-	(716)
Transfers to/from property, plant and equipment	(427)	(2,317)	(2,744)
Exchange differences	(7)	-	-
Balance as of 30 June 2013	10,773	1,380	12,153
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	-	107	107
Transfers from property, plant and equipment	-	(671)	(671)
Balance as of 30 June 2013	-	226	226
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
(Reversal) charge for the year	(86)	-	(86)
Transfer from property, plant and equipment	(8)	(1,128)	(1,136)
Balance as of 30 June 2013	-	-	-
Net book value as of 30 June 2013	10,773	1,154	11,927
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 June 2013 and as of 30 June 2012 the Group had investments into the following associates and joint ventures:

	Place of registration	Effective share held by the Group		Main activities
		As of 30 June 2013	As of 30 June 2012	
Associates				
UAB Jungtinė Ekspedicija	Lithuania	-	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 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 June 2013	As of 30 June 2012
Panevėžys district Ėriškių ŽŪB	24.97%	173	173
Other investments		60	138
		233	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 June 2013	As of 30 June 2012
Non-current borrowings		
Bank borrowings secured by the Group assets	31,742	35,393
Other non-current borrowings	143	1,356
	31,885	36,749
Current borrowings		
Current portion of non-current bank borrowings	19,908	8,765
Current portion of other non-current borrowings	-	1,310
Current bank borrowings secured by the Group assets	107,226	156,235
Factoring with recourse liability	34,106	21,511
Other current borrowings	5,325	1,719
	166,565	189,540
	198,450	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 12 month	2011/2012 12 month
Wages and salaries and social security	49,383	31,121
Change in allowance for and write-offs of receivables and prepayments	3,733	2,286
Consulting expenses	2,241	2,170
Depreciation and amortization	3,878	1,899
Other	20,348	11,392
	79,583	48,868

12. OTHER INCOME (EXPENSES)

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

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

Other (expenses)

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

13. COMMITMENTS AND CONTINGENCIES

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

Additional investments are required for cattle farms located in Panevėžys district Aukštadvario ŽŪB and Sidabravo ŽŪB due to stiffening environmental regulation in Lithuania. Incompliance with such regulations may result in significant fines. Total estimated investment value for modernization till compliance level with the environmental regulations set by the Republic of Lithuania amounts to LTL 1,300 thousand as of as of 30 June 2012. As of 30 June 2013 investments for implementation of environmental regulations are done.

Several companies of the Group (Biržai district Medeikių ŽŪB, Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB and Sidabravo ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of heavy duty agricultural equipment. Biržai district Medeikių ŽŪB is committed not to discontinue operations related to agriculture up to 2014, Kėdainiai district Labūnavos ŽŪB – up to 2015, Šakiai district Lukšių ŽŪB - up to 2015, Sidabravo ŽŪB – up to 2014. UAB Linas Agro Grūdų Centras KŪB, Karčemos Kooperatinė Bendrovė received grants from the European Union and National Paying Agency for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2018, Karčemos Kooperatinė Bendrovė – up to 2020. In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania amounting to LTL 15,225 thousand as of 30 June 2013 (LTL 10,145 thousand as of 30 June 2012).

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

14. RELATED PARTIES TRANSACTIONS

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 30 June 2013 and 30 June 2012 were as follows:

Members of the board of the Company:

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

14. RELATED PARTIES TRANSACTIONS (CONT'D)

Subsidiaries: list provided in Note 3.

Joint ventures (Note 8):

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

Associates (Note 8):

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

Akola ApS group companies:

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

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

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

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

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

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

As of 30 June 2013 non-current loans receivable from related parties are equal 3.7% and 3 month EURIBOR + 4.2% margin annual interest rate.

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were not past due as of 30 June 2013 and 30 June 2012.

15. SUBSEQUENT EVENTS

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

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

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