

AB LINAS AGRO GROUP

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE 6 MONTH PERIOD OF THE YEAR
2011/2012 (UNAUDITED)**

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





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | As of 31 December 2011 | As of 30 June 2011 |
|--|-------|------------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 5 | 625 | 366 |
| Property, plant and equipment | 6 | 136,993 | 123,208 |
| Investment property | 7 | 9,087 | 9,012 |
| Animals and livestock | | 13,905 | 14,007 |
| Non-current financial assets | | | |
| Investments into associates | 8 | 457 | 347 |
| Investments into joint ventures | 8 | 26,886 | 25,821 |
| Other investments | 9 | 305 | 365 |
| Prepayments for financial assets | 9 | - | 2,223 |
| Non-current receivables | | 5,781 | 10,317 |
| Non-current receivables from related parties | 16 | 1,359 | 1,359 |
| Total non-current financial assets | | 34,788 | 40,432 |
| Deferred income tax asset | | 5,852 | 8,797 |
| Total non-current assets | | 201,250 | 195,822 |
| Current assets | | | |
| Crops | | 5,393 | 29,682 |
| Inventories | | 178,188 | 128,226 |
| Prepayments | | 20,256 | 49,674 |
| Accounts receivable | | | |
| Trade receivables | | 120,702 | 160,768 |
| Receivables from related parties | 16 | 8,310 | 3,899 |
| Other accounts receivable | | 10,682 | 29,257 |
| Total accounts receivable | | 139,694 | 193,924 |
| Other current assets | | 6,189 | 5,284 |
| Cash and cash equivalents | | 37,882 | 7,624 |
| Total current assets | | 387,602 | 414,414 |
| Total assets | | 588,852 | 610,236 |

(cont'd on the next page)

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

| | Notes | As of 31 December 2011 | As of 30 June 2011 |
|--|--------|------------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Share capital | 1 | 158,940 | 158,940 |
| Share premium | 1 | 79,545 | 79,545 |
| Legal reserve | | 4,401 | 4,151 |
| Reserve for own shares | | 1,600 | - |
| Foreign currency translation reserve | | (757) | (3,208) |
| Retained earnings | | 36,732 | 23,930 |
| Total equity attributable to equity holders of the parent | | 280,461 | 263,358 |
| Non-controlling interest | | 21,500 | 16,591 |
| Total equity | | 301,961 | 279,949 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Grants and subsidies | | 8,961 | 9,473 |
| Non-current borrowings | 10 | 29,410 | 28,295 |
| Finance lease obligations | | 1,875 | 1,789 |
| Deferred income tax liability | | 839 | 2,613 |
| Other non-current liabilities | | 3,701 | 2,329 |
| Total non-current liabilities | | 44,786 | 44,499 |
| Current liabilities | | | |
| Current portion of non-current borrowings | 10, 16 | 15,170 | 14,814 |
| Current portion of finance lease obligations | | 798 | 1,028 |
| Current borrowings | 10 | 150,109 | 180,884 |
| Trade payables | | 41,409 | 47,280 |
| Payables to related parties | 16 | 3,249 | 5,482 |
| Income tax payable | | 4,489 | 2,933 |
| Derivative financial instruments | | - | 618 |
| Other current liabilities | | 26,881 | 32,749 |
| Total current liabilities | | 242,105 | 285,788 |
| Total equity and liabilities | | 588,852 | 610,236 |

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



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 December)

| | Notes | 2011/2012 | 2010/2011 |
|---|-------|---------------|---------------|
| | | 6 month | 6 month |
| Sales | 4 | 868,668 | 796,135 |
| Cost of sales | 11 | (814,473) | (753,931) |
| Gross profit | | 54,195 | 42,204 |
| Operating (expenses) | 12 | (27,313) | (20,734) |
| Other income | 13 | 5,052 | 619 |
| Other (expenses) | 13 | (247) | (4,728) |
| Operating profit | | 31,687 | 17,361 |
| Income from financing activities | 14 | 748 | 1,094 |
| (Expenses) from financing activities | 14 | (5,271) | (4,217) |
| Share of profit of associates | | 128 | 56 |
| Share of profit of joint ventures | | 1,104 | 1,368 |
| Profit before tax | | 28,396 | 15,662 |
| Income tax | | (6,762) | (2,835) |
| Net profit | | 21,634 | 12,827 |
| Attributable to: | | | |
| Equity holders of the parent | | 19,366 | 12,851 |
| Non-controlling interest | | 2,268 | (24) |
| | | 21,634 | 12,827 |
| Basic and diluted earnings per share (LTL) | | 0.14 | 0.08 |
| Net profit | | 21,634 | 12,827 |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | 4,175 | (2,278) |
| Total comprehensive income | | 25,809 | 10,549 |
| Attributable to: | | | |
| Equity holders of the parent | | 21,817 | 11,412 |
| Non-controlling interest | | 3,992 | (863) |
| | | 25,809 | 10,549 |

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



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 October to 31 December)

| | Notes | 2011/2012 | 2010/2011 |
|---|-------|---------------|----------------|
| | | 2 Q | 2 Q |
| Sales | 4 | 424,735 | 417,242 |
| Cost of sales | 11 | (402,123) | (405,161) |
| Gross profit | | 22,612 | 12,081 |
| Operating (expenses) | 12 | (15,616) | (10,807) |
| Other income | 13 | 3,857 | 8 |
| Other (expenses) | 13 | (105) | (1,095) |
| Operating profit | | 10,748 | 187 |
| Income from financing activities | 14 | 373 | 648 |
| (Expenses) from financing activities | 14 | (2,018) | (2,283) |
| Share of profit of associates | | 45 | 17 |
| Share of profit of joint ventures | | (29) | (512) |
| Profit before tax | | 9,119 | (1,943) |
| Income tax | | (2,583) | (142) |
| Net profit | | 6,536 | (2,085) |
| Attributable to: | | | |
| Equity holders of the parent | | 5,954 | (2,201) |
| Non-controlling interest | | 582 | 116 |
| | | 6,536 | (2,085) |
| Basic and diluted earnings per share (LTL) | | 0.04 | (0.014) |
| Net profit | | 6,536 | (2,085) |
| Other comprehensive income | | | |
| Exchange differences on translation of foreign operations | | 2,080 | 632 |
| Total comprehensive income | | 8,616 | (1,453) |
| Attributable to: | | | |
| Equity holders of the parent | | 7,198 | (1,793) |
| Non-controlling interest | | 1,418 | 340 |
| | | 8,616 | (1,453) |

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Notes | Equity attributable to equity holders of the parent | | | | | | | Non-controlling interest | Total |
|--|---|---------------|---------------|---------------------------------------|--------------------------------------|-------------------|----------------|--------------------------|----------------|
| | Share capital | Share premium | Legal reserve | Reserve for acquisition of own shares | Foreign currency translation reserve | Retained earnings | Subtotal | | |
| Balance as of 1 July 2010 | 158,940 | 79,545 | 4,100 | - | (133) | 8,079 | 250,531 | 12,817 | 263,348 |
| Net profit for the year | - | - | - | - | - | 12,851 | 12,851 | (24) | 12,827 |
| Other comprehensive income | - | - | - | - | (1,439) | - | (1,439) | (839) | (2,278) |
| Total comprehensive income | - | - | - | - | (1,439) | 12,851 | 11,412 | (863) | 10,549 |
| Dividends declared by Rosenkrantz A/S | - | - | - | - | - | - | - | (611) | (611) |
| Dividends declared by Company | - | - | - | - | - | (3,500) | (3,500) | - | (3,500) |
| Minority interest arising on acquisition of subsidiaries | - | - | - | - | - | - | - | 10,918 | 10,918 |
| Reserves made | - | - | (51) | - | - | (51) | - | - | - |
| Acquisition of minority interest | - | - | - | - | - | 596 | 596 | (2,987) | (2,391) |
| Balance as of 31 December 2010 | 158,940 | 79,545 | 4,151 | - | (1,572) | 17,975 | 259,039 | 19,274 | 278,313 |
| Balance as of 1 July 2011 | 158,940 | 79,545 | 4,151 | - | (3,208) | 23,930 | 263,358 | 16,591 | 279,949 |
| Net profit for the year | - | - | - | - | - | 19,366 | 19,366 | 2,268 | 21,634 |
| Other comprehensive income | - | - | - | - | 2,451 | - | 2,451 | 1,724 | 4,175 |
| Total comprehensive income | - | - | - | - | 2,451 | 19,366 | 21,817 | 3,992 | 25,809 |
| Acquisition of minority interest | - | - | - | - | - | (4,714) | (4,714) | 938 | (3,776) |
| Declared dividends | - | - | - | - | - | - | - | (21) | (21) |
| Reserves made | - | - | 250 | - | - | (250) | - | - | - |
| Reserves made | - | - | - | 1,600 | - | (1,600) | - | - | - |
| Balance as of 31 December 2011 | 158,940 | 79,545 | 4,401 | 1,600 | (757) | 36,732 | 280,461 | 21,500 | 301,961 |

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



CONSOLIDATED STATEMENT OF CASH FLOW

| | Notes | 2011/2012 6 month | 2010/2011 6 month |
|--|-------|----------------------|----------------------|
| Cash flows from (to) operating activities | | | |
| Net profit (loss) | | 21,643 | 12,827 |
| Adjustments for non-cash items: | | | |
| Depreciation and amortization | | 5,453 | 5,227 |
| Subsidies amortization | | (716) | (741) |
| Share of profit of associates and joint ventures | | (1,214) | (1,424) |
| (Gain) on disposal of property, plant and equipment | | (87) | (89) |
| Loss from acquisition of subsidiary | 3 | - | 670 |
| Loss (gain) from disposal of investments | | (1,066) | 253 |
| Change in accrued expenses | | 4,007 | 802 |
| Change in allowance for receivables and prepayments | | 1,956 | 406 |
| Change in inventories write down to net realizable value | | - | (25) |
| Change in fair value of biological assets | | 110 | (2,272) |
| Change in impairment of investments | | 23 | (22) |
| Change in deferred income tax | | 1,171 | (2,210) |
| Current income tax expenses | | 6,321 | 4,803 |
| Expenses (income) from change in fair value of financial instruments | | - | 3,910 |
| Change of provision for onerous contracts | | (267) | - |
| Change in foreign currency translation reserve | | - | (2,279) |
| Dividend (income) | | (36) | |
| Interest (income) | | (748) | (1,094) |
| Interest expenses | | 5,271 | 4,217 |
| | | 41,812 | 22,959 |
| Changes in working capital: | | | |
| Decrease in biological assets | | 24,552 | 13,337 |
| (Increase) in inventories | | (48,604) | (44,302) |
| Decrease in prepayments | | 29,417 | (9,917) |
| (Increase) in trade and other accounts receivable | | 54,372 | (64,538) |
| (Increase) in restricted cash | | (3,453) | (20,621) |
| Increase in trade and other accounts payable | | (14,869) | (799) |
| Income tax (paid) | | (5,576) | (1,203) |
| Net cash flows from (to) operating activities | | 77,651 | (105,084) |

(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 | 2011/2012 6 month | 2010/2011 6 month |
|--|-------|----------------------|----------------------|
| Cash flows from (to) investing activities | | | |
| (Acquisition) of intangible assets, property, plant and equipment and investment property | | (13,469) | (6,537) |
| Proceeds from sale of intangible assets, property, plant and equipment and investment property | | 156 | 320 |
| Acquisition of subsidiaries (less received cash balance in the Group) | 3 | - | 7,657 |
| Disposal of subsidiaries | | - | 477 |
| (Acquisition) of non-controlling interests and other investments | | (1,704) | (2,390) |
| Disposal of joint venture | | 2,007 | - |
| Loans (granted) | | (370) | (150) |
| Repayment of granted loans | | 1,004 | 7,879 |
| Interest received | | 930 | 738 |
| Dividend received | | 36 | - |
| Net cash flows (to) investing activities | | (11,410) | 7,994 |
| Cash flows from (to) financing activities | | | |
| Proceeds from loans | | 198,352 | 448,353 |
| (Repayment) of loans | | (227,276) | (353,403) |
| Finance lease (payments) | | (641) | (542) |
| Interest (paid) | | (6,418) | (4,455) |
| Dividends (paid) to non-controlling shareholders | | - | (611) |
| Dividends (paid) to shareholders of the Company | | - | (3,500) |
| Net cash flows from (to) financing activities | | (35,983) | 85,842 |
| Net increase (decrease) in cash and cash equivalents | | 30,258 | (11,248) |
| Cash and cash equivalents at the beginning of the year | | 7,624 | 34,014 |
| Cash and cash equivalents at the end of the year | | 37,882 | 22,766 |
| Supplemental information of cash flows: | | | |
| Non-cash investing activity: | | | |
| Property, plant and equipment acquisitions financed by finance lease | | 484 | 452 |
| Property, plant and equipment acquisitions financed by grants and subsidies | | 383 | 734 |

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. On 12 September 2008 the Company changed its name from UAB Agriveta to AB Linas Agro Group and the legal form from private to public limited liability company.

The address of its registered office is as follows:

Smėlynės Str. 2C
Panevėžys
Lithuania

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

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

As of 31 December and as of 30 June 2011 the shareholders of the Company were:

| | As of 31 December 2011 | | As of 30 June 2011 | |
|--|------------------------|------------|-----------------------|------------|
| | Number of shares held | Percentage | Number of shares held | Percentage |
| Akola ApS (Denmark) | 86,081,551 | 54.16% | 86,081,551 | 54.16% |
| Skandinaviska Enskilda Banken AB (Sweden) | 22,774,330 | 14.33% | 21,221,849 | 13.35% |
| Darius Zubas | 17,049,995 | 10.73% | 17,049,995 | 10.73% |
| Swedbank (Estonia) Clients | 11,063,527 | 6.96% | 9,816,217 | 6.18% |
| Other shareholders (private and institutional investors) | 21,970,995 | 13.82% | 24,770,786 | 15.58% |
| Total | 158,940,398 | 100.00% | 158,940,398 | 100.00% |

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 31 December 2011 (LTL 1 each as of 30 June 2011) and were fully paid as of 31 December and as of 30 June 2011. The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 31 December and as of 30 June 2011.

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

As of 31 December 2011 the number of employees of the Group was 803 (775 as of 30 June 2011).

Changes in share capital during the year ended 30 June 2011

No changes in share capital occurred during the year ending 30 June 2011.

Changes in share capital during the year ended 31 December 2011

No changes in share capital occurred during the year ending 31 December 2011.

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 2010/2011 financial year.



3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As of 31 December and as of 30 June 2011 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

| | Place of registration | Effective share of the stock held by the Group | | Main activities |
|--|-----------------------|--|--------------|--|
| | | 31 December 2011 | 30 June 2011 | |
| Investments into directly controlled subsidiaries | | | | |
| AB Linas Agro | Lithuania | 100% | 100% | Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs |
| UAB Linas Agro Konsultacijos | Lithuania | 100% | 100% | Management of the subsidiaries engaged in agriculture |
| ŽŪB Landvesta 1 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 2 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 3 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 4 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 5 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| ŽŪB Landvesta 6 | Lithuania | 100% | 100% | Rent and management of agricultural purposes land |
| PC-JS UKRAGRO NPK | Ukraine | 58.04% | 58.04% | Manufacturing of fertilizers, wholesale of grains and oilseeds |

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 |
| Linas 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 | 95.71% | 92.88% | Preparation and warehousing of grains for trade |
| Biržai district Medeikių ŽŪB | Lithuania | 98.39% | 98.36% | Growing and sale of crops |
| Šakiai district Lukšių ŽŪB | Lithuania | 98.69% | 98.37% | Mixed agricultural activities |
| Panevėžys district Aukštadvario ŽŪB | Lithuania | 96.03% | 65.35% | Mixed agricultural activities |
| Sidabravo ŽŪB | Lithuania | 66.22% | 66.22% | Mixed agricultural activities |
| Užupės ŽŪB | Lithuania | 100% | 70% | Growing and sale of crops |
| UAB Edfermus 2 | Lithuania | 100% | - | Growing and sale of crops |



3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

Changes in the Group during the year ended 30 June 2011

On 1 July 2010 the Company acquired additional 50% shares of PC-JS UKRAGRO NPK for EUR 3,694 thousand (LTL 12,757 thousand equivalent) from UAB Arvi ir Ko. After the share acquisition the Group directly controlled 63.38% of the investee. The mentioned company is consolidated to the Group from 1 July 2010.

At the acquisition date the fair value was higher than the carrying value of the net assets by LTL 9,029 thousand representing the differences on non-current assets. 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 2010 |
|--|--------------------|
| Non-current assets | 16,442 |
| Inventories | 46,735 |
| Prepayments and other current assets | 27,676 |
| Cash and cash equivalents | 7,407 |
| Total assets | 98,260 |
| Deferred tax liability | (3,090) |
| Interest bearing financial liabilities | (54,445) |
| Trade payables | (8,417) |
| Other current liabilities | (4,488) |
| Total liabilities | (70,440) |
| Total identifiable net assets at fair value | 27,820 |
| Attributable to non-controlling interests | 10,188 |
| Attributable to the equity holders of the parent | 17,632 |
| Acquisition date fair value of initially held equity interest | 3,414 |
| Cost | (5,545) |
| Group (loss) on remeasuring to fair value the initially held equity interest | (2,131) |
| Consideration transferred | 12,757 |
| Fair value of initially held equity interest | 3,414 |
| Total fair value of investment | 16,171 |
| Gain from a bargain purchase | 1,461 |
| Group (loss) on remeasuring to fair value the initially held equity interest | (2,131) |
| (Loss) recognized on acquisition of subsidiary, recognised under Other (expenses) | (670) |
| Purchase consideration* | 12,757 |
| Less: cash acquired | 7,407 |
| Total purchase consideration, net of cash acquired | 5,350 |
| Revenue for the year ended 30 June 2011 | 356,027 |
| Profit for the year ended 30 June 2011 | 11,786 |

**As at 30 June 2010 the Company had a payment amounting to LTL 12,757 thousand made for the acquired additional 50% shares of PJ-SC UKRAGRO NPK.*



3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of the value of the net identifiable assets acquired.

The acquisition resulted in LTL 1,461 thousand gain. The entity is not listed and no active market for fair value estimation exists. The sales price of the shares was determined by the previous equity interest holders. The gain from transaction resulted due to the fact that the sales price of the business was determined based on the historic EBITDA, which was relatively low due to the economic slowdown in the year, preceding to the acquisition.

On 27 July 2010 Biržai district Medeikių ŽŪB has acquired additional 36.36% shares of ŽŪK KUPIŠKIO GRŪDAI for LTL 920 thousand. On 18 October 2010 AB Linas Agro has acquired additional 18.18% shares of ŽŪK KUPIŠKIO GRŪDAI for LTL 460 thousand. After the acquisition the effective share of ŽŪK KUPIŠKIO GRŪDAI owned by the Group increased to from 37.24% to 92.88%. The difference of LTL 303 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity due to the below mentioned reasons.

On 1 July 2008 the Group companies signed a shareholders' agreement with the members of ŽŪK KUPIŠKIO GRŪDAI. The total shareholding of the members that entered into the agreement is 63.63%. According to the clauses of the agreement AB Linas Agro obtained control over ŽŪK KUPIŠKIO GRŪDAI's operations and financial decisions and as a result of the agreement of the other shareholders to transfer their rights to appoint the board of directors. AB Linas Agro was able to appoint the chairman and the majority of the board members of ŽŪK KUPIŠKIO GRŪDAI and, therefore, the mentioned company is consolidated to the Group from 1 July 2008. After the above described acquisition the shareholder agreement was terminated (as at 7 October 2010), however, the control remained within the Group and investment remained consolidated.

As at 30 December 2010 and 10 January 2011 the Company sold 2.34% and 3% of PJ-SC UKRAGRO NPK shares for LTL 477 thousand and LTL 612 thousand, respectively, to the management of PJ-SC UKRAGRO NPK. For the Group consolidation purposes the difference of LTL 577 thousand between the considerations received and the carrying value of the interest disposed has been recognised within equity.

In addition, AB Linas Agro Group entered to the Shareholders' agreement with the non-controlling shareholders of its subsidiary. According to the agreement AB Linas Agro Group has an obligation to acquire the shares from the non-controlling shareholders, if put option is exercised. The Group has accounted the financial liability amounting to LTL 1,953 thousand under other non-current liabilities as at 30 June 2011 in relation to this and accounted for the difference of LTL 109 thousand between the liability and the derecognised non-controlling interest in equity.

On 6 April 2011 UAB Linas Agro Konsultacijos together with other shareholders established new subsidiary Užupės ŽŪB. The total share capital of the company is LTL 10 thousand. The effective share of the stock held by the Group is 70%.

During the year ended 30 June 2011 the Group acquired 4.44% of Šakiai district Lukšių ŽŪB share capital for LTL 139 thousand, 10.32% of Sidabravo ŽŪB share capital for LTL 53 thousand. All the shares were acquired from the non-controlling shareholders. UAB Linas Agro Konsultacijos increased Biržai district Medeikių ŽŪB share capital by LTL 920 thousand. Due to the changes in the shareholders of Biržai district Medeikių ŽŪB the effective Group ownership increased from 96.54% to 98.36%. The difference of LTL 828 thousand between the consideration transferred and the carrying value of the interests acquired has been recognised within equity.

Changes in the Group during the 6 month period ended 31 December 2011

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.



3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

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.

During the 6 month period ended 31 December 2011 the Group acquired 0.32% of Šakiai district Lukšių ŽŪB share capital for LTL 10 thousand, 0.03% Biržai district Medeikių ŽŪB share capital for LTL 1 thousand, 30.68% Panevėžys district Aukštadvario ŽŪB share capital for LTL 140 thousand, 30% Užupės ŽŪB share capital for LTL 3 thousand, 100% Edfermus 2 UAB share capital for LTL 10 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 2,413 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

4. SEGMENT INFORMATION

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

- the grains and oilseeds segment includes trade in wheat, rapeseed, barley and other grains and oilseeds;
- the feedstuffs segment includes trade in suncake and sunmeal, sugar beat pulp, soymeal, vegetable oil, rapeseed and other feedstuffs;
- the agricultural inputs segment includes sales of fertilizers, seeds, plant protection products and other related products to agricultural produce growers;
- the farming segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- the other products and services segment includes sales of biofuel, provision of elevator services and other products and services.

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

| 6 month period ended 31 December 2011 | Grains and oilseeds | Feedstuffs | Agricul- tural inputs | Farming | Other products and services | Not attributed to any specified segment | Adjust- ments and elimina- tions | Total |
|--|------------------------|----------------|-----------------------------|---------------|--------------------------------------|---|---|----------------|
| Revenue | | | | | | | | |
| From one client UAB MESTILLA | 88,228 | 38 | - | - | 72 | - | - | 88,337 |
| Other third parties | 273,290 | 142,242 | 340,014 | 11,842 | 12,943 | - | - | 780,331 |
| Intersegment | - | 1,430 | 4,577 | 16,220 | 17,255 | - | (39,483) ¹⁾ | - |
| Total revenue | 361,518 | 143,710 | 344,591 | 28,062 | 30,270 | - | (39,483)¹⁾ | 868,668 |
| Results | | | | | | | | |
| Operating expenses | 5,509 | 2,259 | 8,487 | 2,178 | 1,893 | 6,987 | - | 27,313 |
| Segment operating profit (loss) | 3,307 | 6,140 | 22,073 | (3,550) | 9,385 | (5,668) | - | 31,687 |
| 6 month period ended 31 December 2010 | | | | | | | | |
| Revenue | | | | | | | | |
| From one client UAB MESTILLA | 11,860 | 13 | - | - | 125 | - | - | 119,998 |
| Other third parties | 299,666 | 123,515 | 231,815 | 11,122 | 10,019 | - | - | 676,137 |
| Intersegment | - | 875 | 4,812 | 13,630 | 14,838 | - | (34,155) ¹⁾ | - |
| Total revenue | 419,526 | 124,403 | 236,627 | 24,752 | 24,982 | - | (34,155)¹⁾ | 796,135 |
| Results | | | | | | | | |
| Operating expenses | 4,773 | 3,010 | 5,752 | 1,811 | 1,784 | 3,604 | - | 20,734 |
| Segment operating profit (loss) | (8,390) | 4,177 | 17,230 | 1,763 | 7,147 | (4,566) | - | 17,361 |

1) Intersegment revenue is eliminated on consolidation.



4. SEGMENT INFORMATION (cont'd)

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

| | 6 month period ended | |
|---|----------------------|---------------------|
| | 31 December 2011 | 31 December 2010 |
| Revenue from external customers | | |
| Lithuania | 212,781 | 241,531 |
| Europe (except for Scandinavian countries, CIS and Lithuania) | 144,430 | 162,681 |
| Scandinavian countries | 88,763 | 70,947 |
| Africa | 42,520 | 46,755 |
| Asia | 96,423 | 77,664 |
| CIS | 283,751 | 196,557 |
| | <u>868,668</u> | <u>796,135</u> |

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

| | As of 31 December 2011 | As of 30 June 2011 |
|-----------|------------------------------|--------------------------|
| | Non-current assets | |
| Lithuania | 123,561 | 113,730 |
| Ukraine | 22,807 | 18,444 |
| Denmark | 152 | 207 |
| Latvia | 185 | 205 |
| | <u>146,705</u> | <u>132,586</u> |

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.



5. INTANGIBLE ASSETS

| | Software | Other intangible assets | Total |
|--|------------|----------------------------|------------|
| Cost: | | | |
| Balance as of 30 June 2010 | 1,343 | 201 | 1,544 |
| Additions | 170 | 17 | 187 |
| Acquisition of subsidiaries | 57 | - | 57 |
| Write-offs | (50) | (60) | (110) |
| Exchange differences | (8) | (1) | (9) |
| Balance as of 30 June 2011 | 1,512 | 157 | 1,669 |
| Additions | 312 | - | 312 |
| Write-offs | - | - | - |
| Exchange differences | 2 | - | 2 |
| Balance as of 31 December 2011 | 1,826 | 157 | 1,983 |
| Accumulated amortization: | | | |
| Balance as of 30 June 2011 | 1,179 | 124 | 1,303 |
| Charge for the year | 47 | 5 | 52 |
| Write-offs | - | - | - |
| Exchange differences | - | 2 | 2 |
| Balance as of 31 December 2011 | 1,226 | 131 | 1,357 |
| Net book value as of 31 December 2011 | 599 | 26 | 625 |
| Net book value as of 30 June 2011 | 333 | 33 | 366 |
| Net book value as of 30 June 2010 | 156 | 38 | 194 |

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 2010 | 6,381 | 79,102 | 46,948 | 5,561 | 9,140 | 2,388 | 149,520 |
| Additions | 190 | 3,291 | 5,748 | 1,252 | 666 | 15,394 | 26,541 |
| Acquisition of subsidiaries | 249 | 13,221 | 671 | 874 | 1,035 | 335 | 16,385 |
| Disposals and write-offs | (13) | (420) | (370) | (527) | (518) | (205) | (2,053) |
| Transfers to/from investment property | 156 | - | - | - | - | - | 156 |
| Reclassifications | - | 2,797 | (299) | 26 | - | (2,524) | - |
| Exchange differences | (40) | (2,006) | (97) | (137) | (168) | (141) | (2,589) |
| Balance as of 30 June 2011 | 6,923 | 95,985 | 52,601 | 7,049 | 10,155 | 15,247 | 187,960 |
| Additions | 2,043 | 3,505 | 6,032 | 852 | 321 | 4,804 | 17,557 |
| Acquisition of subsidiaries | 194 | - | - | - | - | - | 194 |
| Disposals and write-offs | - | (6) | (60) | (100) | (8) | - | (174) |
| Transfers to/from investment property | 164 | - | - | - | - | - | 164 |
| Reclassifications | - | 14,028 | 4,636 | - | 208 | (18,872) | - |
| Exchange differences | 23 | 1,912 | 394 | 131 | 130 | (271) | 2,319 |
| Balance as of 31 December 2011 | 9,347 | 115,424 | 63,603 | 7,932 | 10,806 | 908 | 208,020 |
| Accumulated depreciation: | | | | | | | |
| Balance as of 30 June 2010 | - | 19,068 | 25,915 | 3,120 | 5,594 | - | 53,697 |
| Charge for the year | - | 5,355 | 4,238 | 914 | 1,235 | - | 11,742 |
| Disposals and write-offs | - | (182) | (249) | (293) | (389) | - | (1,113) |
| Exchange differences | - | (39) | (21) | (11) | (24) | - | (95) |
| Balance as of 30 June 2011 | - | 24,202 | 29,883 | 3,730 | 6,416 | - | 64,231 |
| Charge for the year | - | 2,925 | 2,374 | 447 | 480 | - | 6,226 |
| Disposals and write-offs | - | (6) | (60) | (97) | (7) | - | (170) |
| Reclassifications | - | - | (459) | - | 459 | - | - |
| Exchange differences | - | 101 | 56 | 26 | 36 | - | 219 |
| Balance as of 31 December 2011 | - | 27,222 | 31,794 | 4,107 | 7,384 | - | 70,506 |
| Impairment losses: | | | | | | | |
| Balance as of 30 June 2010 | 206 | 266 | 19 | 4 | 2 | - | 497 |
| (Reversal) charge for the year | (156) | 182 | - | (1) | (1) | - | 24 |
| Balance as of 30 June 2011 | 50 | 448 | 19 | 3 | 1 | - | 521 |
| (Reversal) charge for the year | - | - | - | - | - | - | - |
| Balance as of 31 December 2011 | 50 | 448 | 19 | 3 | 1 | - | 521 |
| Net book value as of 31 December 2011 | 9,297 | 87,755 | 31,790 | 3,822 | 3,421 | 908 | 136,993 |
| Net book value as of 30 June 2011 | 6,873 | 71,335 | 22,699 | 3,316 | 3,738 | 15,247 | 123,208 |
| Net book value as of 30 June 2010 | 6,175 | 59,768 | 21,014 | 2,437 | 3,544 | 2,388 | 95,326 |



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 2010 | 7,674 | 3,297 | 10,971 |
| Additions | 263 | - | 263 |
| Transfers from property, plant and equipment | (156) | - | (156) |
| Balance as of 30 June 2011 | 7,781 | 3,297 | 11,078 |
| Additions | 351 | - | 351 |
| Disposals | (64) | - | (64) |
| Transfers to/from property, plant and equipment | (164) | - | (164) |
| Balance as of 31 December 2011 | 7,904 | 3,297 | 11,201 |
| Accumulated depreciation: | | | |
| Balance as of 30 June 2010 | - | 593 | 593 |
| Charge for the year | - | 103 | 103 |
| Balance as of 30 June 2011 | - | 696 | 696 |
| Charge for the year | - | 48 | 48 |
| Transfers to/from property, plant and equipment | - | - | - |
| Balance as of 31 December 2011 | - | 744 | 744 |
| Impairment losses: | | | |
| Balance as of 30 June 2010 | 591 | 1,389 | 1,980 |
| Charge for the year | (349) | (261) | (610) |
| Balance as of 30 June 2011 | 242 | 1,128 | 1,370 |
| Balance as of 31 December 2011 | 242 | 1,128 | 1,370 |
| Net book value as of 31 December 2011 | 7,662 | 1,425 | 9,087 |
| Net book value as of 30 June 2011 | 7,539 | 1,473 | 9,012 |
| Net book value as of 30 June 2010 | 7,083 | 1,315 | 8,398 |

The Group's management considers that the difference between the carrying value and fair value of investment property is not significant. Fair value has been determined based on valuations performed by independent valuers at near reporting date using the comparable prices method.



8. INVESTMENTS INTO ASSOCIATES AND JOINT VENTURES

As of 31 December and as of 30 June 2011 the Group had investments into the following associates and joint ventures:

| | Place of registration | Effective share held by the Group | | Main activities |
|---|-----------------------|-----------------------------------|--------------------|---|
| | | As of 31 December 2011 | As of 30 June 2011 | |
| Associates | | | | |
| UAB Jungtinė Ekspedicija | Lithuania | 45.05% | 45.05% | Expedition and ship's agency services |
| Joint ventures | | | | |
| UAB Dotnuvos Projektai | Lithuania | 50.00% | 50.00% | Sale of seeds, agricultural machinery |
| Companies controlled by UAB Dotnuvos Projektai | | | | |
| UAB Dotnuvos Technika | Lithuania | 50.00% | 50.00% | Dormant |
| SIA DOTNUVOS PROJEKTAI | Latvia | 50.00% | 50.00% | Sale of seeds, agricultural machinery |
| AS Dotnuvos Projektai | Estonia | 50.00% | 50.00% | Sale of seeds, agricultural machinery |
| UAB Dotnuvos Agroservisas | Lithuania | - | 49.98% | Agricultural equipment maintenance and related services |

Information on associates and joint ventures of the Group as of 31 December 2011 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 | 457 | 244 | 2,893 | 130 | 2,050 | - | 1,167 |
| | <u>457</u> | | | | | | |
| Investments into joint ventures | | | | | | | |
| UAB Dotnuvos Projektai (consolidated) | 26,886 | 2,131 | 87,334 | 37,176 | 86,653 | 4,631 | 65,108 |
| | <u>26,886</u> | | | | | | |

Information on associates and joint ventures of the Group as of 30 June 2011 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 | 347 | 139 | 4,315 | 166 | 1,112 | - | 507 |
| | <u>347</u> | | | | | | |
| Investments into joint ventures | | | | | | | |
| UAB Kustodija | 1,802 | (83) | 38,787 | 689 | 30,220 | 102 | 27,204 |
| UAB Dotnuvos Projektai (consolidated) | 25,821 | 9,823 | 176,194 | 35,689 | 133,218 | 5,413 | 111,851 |
| | <u>27,623</u> | | | | | | |
| Classified as held for sale | (1,802) | | | | | | |
| | <u>25,821</u> | | | | | | |



9. OTHER INVESTMENTS

Other investments of the Group consist of:

| | Share held by the Group | As of 31 December 2011 | As of 30 June 2011 |
|--------------------------------|-------------------------------|------------------------------|-----------------------|
| Panevėžys district Ėriškių ŽŪB | 24.97% | 173 | 173 |
| Other investments | | 131 | 192 |
| | | 304 | 365 |

The investment into Panevėžys district Ėriškių ŽŪB is not classified as an associate and therefore not accounted for using the equity method because the Group does not have voting rights in the company and does not have the ability to exercise significant influence.

10. BORROWINGS

| | As of 31 December 2011 | As of 30 June 2011 |
|---|------------------------------|--------------------------|
| Non-current borrowings | | |
| Bank borrowings secured by the Group assets | 28,343 | 27,228 |
| Other non-current borrowings | 1,067 | 1,067 |
| | 29,410 | 28,295 |
| Current borrowings | | |
| Current portion of non-current bank borrowings | 13,128 | 12,814 |
| Current portion of other non-current borrowings (Note 16) | 2,042 | 2,000 |
| Current bank borrowings secured by the Group assets | 134,711 | 160,109 |
| Factoring with recourse liability | 13,748 | 18,894 |
| Other current borrowings | 1,650 | 1,881 |
| | 165,279 | 195,698 |
| | 194,689 | 223,993 |

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

11. COST OF SALES

| | 2011/2012 6 month | 2010/2011 6 month |
|---|----------------------|----------------------|
| Cost of inventories recognized as an expense | 755,872 | 689,828 |
| Logistics expenses | 44,622 | 50,047 |
| Wages and salaries and social security | 7,185 | 7,557 |
| Depreciation | 3,977 | 3,520 |
| Utilities expenses | 2,296 | 1,849 |
| (Income) expense from change in fair value of biological assets | 110 | (2,272) |
| Other | 411 | 3,402 |
| | 814,473 | 753,931 |



12. OPERATING EXPENSES

| | 2011/2012 | 2010/2011 |
|--|------------------|------------------|
| | 6 month | 6 month |
| Wages and salaries and social security | 17,382 | 12,961 |
| Consulting expenses | 879 | 545 |
| Depreciation and amortization | 773 | 870 |
| Other | 8,279 | 6,358 |
| | <u>27,313</u> | <u>20,734</u> |

13. OTHER INCOME (EXPENSES)

| | 2011/2012 | 2010/2011 |
|--|------------------|------------------|
| | 6 month | 6 month |
| Other income | | |
| Currency exchange gain | 2,110 | - |
| Rental income from investment property and property, plant and equipment | 423 | 461 |
| Gain from disposal of investment property and property, plant and equipment | 88 | 98 |
| Gain from disposal of joint venture | 1,060 | - |
| Other income | 1,371 | 60 |
| | <u>5,052</u> | <u>619</u> |
| Other (expenses) | | |
| Direct operating expenses arising on rental and non-rental earning investment properties | (193) | (118) |
| Loss from disposal of property, plant and equipment | (2) | (9) |
| Currency exchange loss | - | (3,577) |
| Loss recognized on acquisition of subsidiary (Note 3) | - | (670) |
| Loss recognized on disposal of subsidiary (Note 3) | - | (253) |
| Other expenses | (52) | (101) |
| | <u>(247)</u> | <u>(4,728)</u> |

14. INCOME (EXPENSES) FROM FINANCING ACTIVITIES

| | 2011/2012 | 2010/2011 |
|---|------------------|------------------|
| | 6 month | 6 month |
| Income from financing activities | | |
| Interest income | 720 | 842 |
| Income from overdue payments | 28 | 252 |
| | <u>748</u> | <u>1,094</u> |
| (Expenses) from financing activities | | |
| Interest expenses | (5,271) | (4,217) |
| | <u>(5,271)</u> | <u>(4,217)</u> |



15. COMMITMENTS AND CONTINGENCIES

As of 31 December 2011 the Group is committed to purchase property, plant and equipment for the total amount of LTL 395 thousand (LTL 9,960 thousand as of 30 June 2011).

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 (Panevėžys district Aukštadvario ŽŪB – LTL 650 thousand and Sidabravo ŽŪB – LTL 650 thousand).

A few Group companies (Šakiai district Lukšių ŽŪB and Sidabravo ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Šakiai district Lukšių ŽŪB is committed not to discontinue operations related to agriculture up to 2015, Sidabravo ŽŪB – up to 2013. UAB Linas Agro Grūdų Centras KŪB received grant from the European Union and National Paying Agency for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2015. In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania amounting to LTL 4,157 thousand as of 31 December 2011 (LTL 2,854 thousand as of 30 June 2011).

16. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the years ended 31 December and 30 June 2011 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
Vytautas Šidlauskas;
Dainius Pilkauskas;
Arūnas Zubas;
Andrius Pranckevičius;
Arūnas Jarmolavičius;
Tomas Tumėnas (member of the board from 1 October 2008).

Subsidiaries:

List provided in Note 3;

Joint ventures (Note 8):

UAB Dotnuvos Projektai;
ŽŪB Dotnuvos agroservisas“ (till 28 December 2011, reorganized);
UAB Dotnuvos Technika;
SIA DOTNUVOS PROJEKTAI (related from 26 April 2010);
AS Dotnuvos projektai (related from 11 November 2010);
UAB Kustodija (till 19 October 2011).

Associates (Note 8):

UAB Jungtinė Ekspedicija.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
UAB MESTILLA (same ultimate controlling shareholders);
OOO Ukrkalyj (Ukraine), in liquidation status (same ultimate controlling shareholders);
PJ-SC UKRAGRO NPK (Ukraine) (same ultimate controlling shareholders, subsidiary since 1 July 2010);

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



16. RELATED PARTIES TRANSACTIONS (cont'd)

The Group's transactions with related parties in 6 month period ended 31 December, 2011 were as follows:

| | Purchases | Sales | Receivables | | | Payables | Current loans received |
|---------------------------|-----------|--------|-------------------|--------------------------|------------------------------|----------|------------------------|
| | | | Trade receivables | Current loans receivable | Non-current loans receivable | | |
| Members of the board | 23 | - | - | - | - | - | 679 |
| Joint ventures | 6,117 | 826 | 23 | - | - | 2,498 | - |
| Associates | 4,749 | 72 | 72 | - | - | 550 | - |
| Akola ApS group companies | 7,580 | 94,671 | 6,127 | 2,087 | 1,359 | 201 | 691 |
| | 18,469 | 95,569 | 6,223 | 2,087 | 1,359 | 3,249 | 1,370 |

* 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 31 December and as of 30 June 2011 annual interest rate of the Group's loans borrowed and non-current loans receivable from related parties are fixed and equal to 7% and 8%, respectively. Current loans receivable from related parties bear 1m EURIBOR + 4.1% margin annual interest rate.

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

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

Terms and conditions of the financial assets and liabilities:

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

The Group's receivables from related parties were not past due as of 31 December and 30 June 2011.

17. SUBSEQUENT EVENTS

As of 6 February 2012 Company sold 58.04% of shares of the PJ-SC UKRAGRO NPK for LTL 90.505 thousand.