

CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 and No. 20 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and submission of Periodical and Additional Information of the Lithuanian Securities Commission, we, Darius Zubas, General Director of AB Linas Agro Group and Tomas Tumėnas, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, information provided in this AB Linas Agro Group 2009-2010 interim Consolidated Report for the first six months of the financial year 2009-2010 is correct and accurately describes company's business and development and the common consolidated corporate status including the principal risks and uncertainties.

AB Linas Agro Group Managing Director Darius Zubas



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AB Linas Agro Group Finance Director Tomas Tumėnas

25 March 2010



A handwritten signature in black ink, appearing to be "Tomas Tumėnas", written over a horizontal dotted line.

AB LINAS AGRO GROUP

CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR
THE 6 MONTH PERIOD OF THE YEAR 2009/2010
(UNAUDITED)

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

Balance sheets

	Notes	Group		Company	
		As of 31 December 2009	As of 30 June 2009	As of 31 December 2009	As of 30 June 2009
ASSETS					
Non-current assets					
Intangible assets	5	66	85	-	-
Property, plant and equipment	6	91,384	94,132	-	-
Investment property	7	8,043	8,176	603	604
Animals and livestock		6,770	6,502	-	-
Non-current financial assets					
Investments into subsidiaries		-	-	160,443	160,443
Investments into associates	8	342	207	131	132
Investments into joint ventures	8	22,791	21,561	5,602	5,602
Other investments	9	5,930	5,919	5,552	5,552
Non-current receivables		1,908	4,727	-	-
Non-current loans receivable from related parties		17,223	16,991	-	-
Total non-current financial assets		48,194	49,405	171,728	171,729
Deferred income tax asset		2,065	1,950	-	-
Total non-current assets		156,522	160,250	172,331	172,333
Current assets					
Crops		4,281	17,214	-	-
Inventories		88,665	63,918	-	-
Prepayments		8,599	17,380	-	23
Accounts receivable					
Trade receivables		110,862	98,128	10	1,164
Receivables from related parties		8,069	12,842	1,171	-
Other accounts receivable		9,601	8,339	148	116
Total accounts receivable		128,532	119,309	1,329	1,280
Financial instruments held for trading		-	967	-	-
Other short term assets		3,218	-	-	-
Cash and cash equivalents		14,315	8,190	1,579	23
Total current assets		247,610	226,978	2,908	1,326
Total assets		404,132	387,228	175,239	173,659

(cont'd on the next page)

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

Balance sheets (cont'd)

	Notes	Group		Company	
		As of 31 December 2009	As of 30 June 2009	As of 31 December 2009	As of 30 June 2009
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	1	120,000	41,000	120,000	41,000
Share premium	1	42,911	121,911	42,911	121,911
Legal reserve		4,100	10	4,100	10
Other reserve		-	-	-	8,691
Foreign currency translation reserve		(348)	(297)	-	-
Retained earnings		2,215	(18,657)	2,539	(1,636)
Total equity attributable to equity holders of the parent		168,878	143,967	169,550	169,976
Minority interest		10,912	12,104	-	-
Total equity		179,790	156,071	169,550	169,976
Liabilities					
Non-current liabilities					
Grants and subsidies		11,380	11,810	-	-
Non-current borrowings	10	25,504	27,972	-	1,790
Finance lease obligations		2,048	2,308	-	-
Payables to related parties		-	-	-	97
Deferred income tax liability		1,771	1,871	-	-
Total non-current liabilities		40,703	43,961	-	1,887
Current liabilities					
Current portion of non-current borrowings	10	16,122	40,787	-	-
Current portion of finance lease obligations		948	1,138	-	-
Current borrowings	10	86,551	80,336	5,664	1,129
Trade payables		59,201	39,992	12	13
Payables to related parties		5,203	4,608	-	600
Advances received		1,173	232	-	-
Income tax payable		8,293	4,248	-	-
Provisions		827	5,433	-	-
Other current liabilities		5,321	10,422	13	54
Total current liabilities		183,639	187,196	5,689	1,796
Total equity and liabilities		404,132	387,228	175,239	173,659

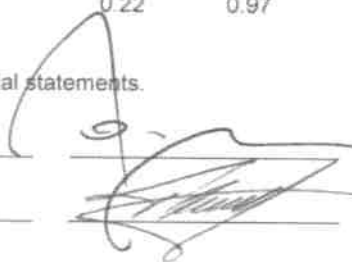
The accompanying notes are an integral part of these financial statements.

Managing Director	Darius Zubas		8 March 2010
Finance Director	Tomas Tumėnas		8 March 2010

Income statements

	Notes	Group		Company	
		2009/2010 6 month	2008/2009 6 month	2009/2010 6 month	2008/2009 6 month
Sales	4	554,357	749,798	13	-
Cost of sales	11	(509,290)	(708,779)	-	-
Gross profit		45,067	41,019	13	-
Operating (expenses)	12	(12,651)	(15,204)	(375)	(1,385)
Other operating income	13	673	3,060	92	128
Other operating (expenses)	13	(329)	(261)	(35)	(35)
Operating profit		32,760	28,614	(305)	(1,292)
Income from financing activities	14	1,455	1,094	6	8
(Expenses) from financing activities	14	(3,184)	(7,305)	(126)	(61)
Share of profit of associates		135	156	-	-
Share of profit of joint ventures		1,278	3,528	-	-
Profit before tax		32,444	26,087	(425)	(1,345)
Income tax		(6,703)	(6,218)	-	-
Net profit		25,741	19,869	(425)	(1,345)
Attributable to:					
The equity holders of the parent		24,962	17,218	(425)	(1,345)
Minority interest		779	2,651	-	-
		25,741	19,869	(425)	(1,345)
Basic and diluted earnings per share (LTL)		0.22	0.97	(0.004)	(0.066)

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



_____ Managing Director	_____ Darius Zubas		_____ 8 March 2010
_____ Finance Director	_____ Tomas Tumėnas		_____ 8 March 2010

Consolidated statements of changes in equity

Group

Notes	Equity attributable to equity holders of the parent							Total
	Share capital	Share premium	Legal reserve	Foreign currency translation reserve	Retained earnings	Subtotal	Minority interest	
Balance as of 1 July 2008	86	-	10	(130)	121,848	121,814	10,361	132,175
Change in foreign currency translation reserve	-	-	-	152	-	152	-	152
Net profit for the year	-	-	-	-	17,218	17,218	2,651	19,869
Total income and (expense) for the year	-	-	-	152	17,218	17,370	2,651	20,021
Issue of share capital	40,914	121,911	-	-	(157,202)	5,623	-	5,623
Payment for Rosenkrantz A/S shares	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Dividends declared by Rosenkrantz A/S	-	-	-	-	(1,740)	(1,740)	(1,158)	(2,898)
Minority interest arising on acquisition of subsidiaries	-	-	-	-	-	-	546	546
Balance as of 31 December 2008	41,000	121,911	10	22	(28,876)	134,067	12,400	146,467
Balance as of 1 July 2009	41,000	121,911	10	(297)	(18,657)	143,967	12,104	156,071
Change in foreign currency translation reserve	-	-	-	(51)	-	(51)	-	(51)
Net profit for the year	-	-	-	-	24,962	24,962	779	25,741
Total income and (expense) for the year	-	-	-	(51)	24,962	24,911	779	25,690
Issue of share capital	79,000	(79,000)	-	-	-	-	-	-
Reserves made	-	-	4,090	-	(4,090)	-	-	-
Dividends declared by Rosenkrantz A/S	-	-	-	-	-	-	(1,971)	(1,971)
Balance as of 31 December 2009	120,000	42,911	4,100	(348)	2,215	168,878	10,912	179,790

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

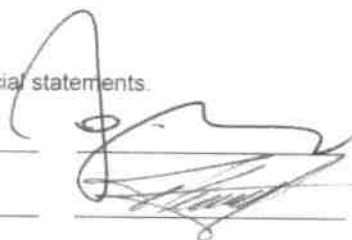
Managing Director	Darius Zubas		8 March 2010
Finance Director	Tomas Tumenas		8 March 2010

Statements of changes in equity

Company

Notes	Share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Total
Balance as of 1 July 2008	86	-	10	4,440	4,251	8,787
Net profit for the year	-	-	-	-	(1,345)	(1,345)
Issue of share capital	40,914	121,911	-	-	-	162,825
Balance as of 31 December 2008	41,000	121,911	10	4,440	2,906	170,267
Balance as of 1 July 2009	41,000	121,911	10	8,691	(1,636)	169,976
Net profit for the year	-	-	-	-	(425)	(425)
Issue of share capital	79,000	(79,000)	-	-	-	-
Reserves made	-	-	4,090	(8,691)	4,601	-
Balance as of 31 December 2009	120,000	42,911	4,100	-	2,540	169,551

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

Managing Director	Darius Zubas		8 March 2010
Finance Director	Tomas Tumėnas		8 March 2010

Cash flow statements

Notes	Group		Company	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Cash flows from (to) operating activities				
Net profit	25,741	19,869	(425)	(1,345)
Adjustments for non-cash items:				
Depreciation and amortisation	4,859	4,902	1	1
Subsidies (amortisation)	(1,571)	(1,303)	-	-
Share of profit of associates and joint ventures	(1,365)	(3,684)	-	-
(Gain) on disposal of property, plant and equipment	(133)	(317)	-	-
Impairment of investments	(11)	-	-	-
Change in foreign currency translation reserve	(51)	152	-	-
Inventories write down to net realisable value	(685)	-	-	-
Change in accrued expenses	2,180	-	-	-
Change in deferred income tax	(216)	(65)	-	-
Current income tax expenses	6,743	-	-	-
(Income) from change in value of financial instruments	967	-	-	-
Provision for onerous contracts	(4,606)	6,389	-	-
Interest (income)	(1,455)	(1,096)	(6)	(14)
Interest expenses	3,184	7,305	126	61
	33,581	32,152	(304)	(1,297)
Changes in working capital:				
(Increase) decrease in biological assets	12,665	11,714	-	-
Decrease (increase) in inventories	(24,061)	19,621	-	-
(Increase) decrease in prepayments	8,781	15,045	23	(23)
Decrease (increase) in trade and other accounts receivable	(6,404)	(25,966)	(49)	1,421
Decrease (increase) in other current assets	(315)	(2,565)	-	-
(Decrease) increase in trade and other accounts payable	12,893	(7,847)	(739)	(1,438)
Income tax (paid)	(5,601)	5,584	-	-
Net cash flows from (to) operating activities	31,539	47,738	(1,069)	(1,337)

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

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Cash flow statements (cont'd)

	Group		Company	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Cash flows from (to) investing activities				
(Acquisition) of intangible assets, property, plant and equipment and investment property	(924)	(19,379)	-	(12)
Proceeds from sale of intangible assets, property, plant and equipment and investment property	390	317	-	-
Acquisition of subsidiaries (less received cash balance in the Group)	-	(9,161)	-	(1,793)
Disposal of subsidiaries (less disposed cash balance in the Group)	-	-	-	-
(Acquisition) of minority interest and other investments	-	(5,776)	-	(5,545)
Proceeds from sales of other investments	-	195	-	160
Loans (granted)	-	(700)	-	-
Repayment of granted loans	-	-	-	-
Interest received	1,223	1,094	6	8
Dividends received	-	-	-	-
Net cash flows (to) investing activities	689	(33,410)	6	(7,182)
Cash flows from (to) financing activities				
Issue of share capital	-	5,623	-	5,623
Proceeds from loans	186,765	362,398	5,684	2,595
(Repayment) of loans	(192,412)	(371,209)	(2,940)	(10)
(Repayment) of bonds	(14,700)	-	-	-
Financial lease (payments)	(601)	(947)	-	-
Interest (paid)	(3,184)	(7,305)	(125)	(63)
Dividends (paid)	(1,971)	(2,898)	-	-
Net cash flows (to) from financing activities	(26,103)	(14,338)	2,619	8,145
Net increase (decrease) in cash and cash equivalents	6,125	(10)	1,556	(374)
Cash and cash equivalents at the beginning of the year	8,190	7,826	23	732
Cash and cash equivalents at the end of the year	14,315	7,816	1,579	358
Supplemental information of cash flows:				
Non-cash investing activity:				
Property, plant and equipment acquisitions financed by finance lease	151	943	-	-
Property, plant and equipment acquisitions financed by grants and subsidies	1,141	391	-	-

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

Managing Director	Darius Zubas		25 March 2010
Finance Director	Tomas Tumėnas		25 March 2010

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,
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 the following calendar year.

As of 31 December, 2009 and as of 30 June 2009 the shareholders of the Company were:

	As of 31 December 2009		As of 30 June 2009	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	95,985,922	79.99 %	32,795,190	79.99 %
Darius Zubas	17,049,995	14.20 %	5,822,000	14.20 %
Vytautas Šidlauskas	6,003,521	5.01 %	2,055,034	5.01 %
Arūnas Zubas	480,281	0.40 %	163,888	0.40 %
Dainius Pilkauskas	480,281	0.40 %	163,888	0.40 %
Total	120,000,000	100.00 %	41,000,000	100.00 %

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 31 December 2009 (LTL 1 each as of 30 June 2009) and were fully paid as of 31 December and as of 30 June 2009. The Company, its subsidiaries and other related parties did not hold any shares of the Company as of 31 December and as of 30 June 2009.

On 30 October 2009 AB Linas Agro Group share capital was increased by issuing 79,000 thousand ordinary shares with the par value of LTL 1 each (in total LTL 79,000 thousand), which was fully paid from the share premium. The new share capital and by-laws were registered on 19 November 2009.

As of 31 December 2009 the number of employees of the Group was 518 (542 as of 30 June 2009). As of 31 December 2009 the number of employees of the Company was 7 (4 as of 30 June 2009).

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 2008/2009 season.

3 Group structure and changes in the Group

As of 31 December, 2009 and as of 30 June 2009 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Share of the stock held by the Group		Main activities
		As of 31 December 2009	As of 30 June 2009	
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

AB LINAS AGRO GROUP
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(all amounts are in LTL thousand unless otherwise stated)

					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

Investments into indirectly controlled subsidiaries (through AB Linas Agro)

SIA Linas Agro	Latvia	100 %	100 %		Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Gerera	Lithuania	100 %	100 %		Lease of real estate
UAB Linas Agro Grūdų Centras	Lithuania	100 %	100 %		Management services
UAB Linas Agro Grūdų Centras KUB	Lithuania	100 %	100 %		Preparation and warehousing of grains for trade
Rosenkrantz A/S	Denmark	60 %	60 %		Wholesale trade of grains and oilseeds, feedstuffs and other similar products and services
ŽŪK Kupiškio Grūdai	Lithuania	37.43 %	37,43 %		Preparation and warehousing of grains for trade

Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)

ŽŪB Medeikiai	Lithuania	96.54 %	96.54 %		Growing and sale of crops
ŽŪB Lukšiai	Lithuania	93.93 %	93.93 %		Growing and sale of crops and cattle growing, including milk production
ŽŪB Aukštadvaris	Lithuania	65.35 %	65.35 %		Growing and sale of crops and cattle growing, including milk production
ŽŪB Sidabravas	Lithuania	55.90 %	55.90 %		Growing and sale of crops and cattle growing, including milk production

As of 31 December, 30 June 2009 the Group and Company had investments into the following associates and joint ventures:

	Place of registration	Share of the stock held by the Group		Main activities
		As of 31 December 2009	As of 30 June 2009	
Associates				
UAB Jungtinė ekspedicija	Lithuania	45.05 %	45.05 %	Expedition and representation services
Joint ventures				
UAB Kustodija	Lithuania	50.00 %	50.00 %	Sale of plant protection products
UAB Dotnuvos technika	Lithuania	50.00 %	50.00 %	Dormant
UAB Dotnuvos projektai	Lithuania	50.00 %	50.00 %	Sale of seeds, agricultural machinery
UAB Dotnuvos agroservisai	Lithuania	49.98 %	49.98 %	Agricultural equipment maintenance and related services

UAB Dotnuvos agroservisai is controlled by UAB Dotnuvos projektai; therefore, is accounted for as an investment into joint venture.

There were not changes in the Group during the 6 month period of the 2009/2010.

AB LINAS AGRO GROUP
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(all amounts are in LTL thousand unless otherwise stated)

4 Segment information

For management purpose, the Group is organised into four 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, soybean and soymeal, vegetable oil, rapeseed and other feedstuffs;
- the agricultural inputs segment includes sales of fertilisers, seeds, plant protection products and other related products to farmers;
- the farming segment includes production of milk, grain, feed and other raw materials. 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 on an arm's length basis in a manner similar to transactions with third parties.

Group							
Financial year ended 31 December 2009	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Adjust- ments and elimina- tions	Total
Revenue							
From one client UAB Mestilla	82,744	-	-	-	188	-	82,932
Third parties	242,684	164,042	44,351	7,520	12,828	-	471,425
Intersegment	-	710	3,491	9,425	-	(13,626) ¹⁾	-
Total revenue	325,428	164,752	47,842	16,945	13,016	(13,626)	554,357

Group							
Financial year ended 31 December 2008	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Adjust- ments and elimina- tions	Total
Revenue							
From one client UAB Mestilla	105,356	-	-	-	210	-	105,566
Third parties	321,486	265,781	30,635	10,650	15,680	-	644,232
Intersegment	-	-	1,016	15,003	-	(16,019) ¹⁾	-
Total revenue	426,842	265,781	31,651	25,653	15,890	(16,019)	749,798

1) Intersegment revenues are eliminated on consolidation.

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

Revenue from external customers	Financial year ended	
	31 December 2009	31 December 2008
Europe (except for Scandinavian countries, CIS and Lithuania)	137,032	133,947
Lithuania	147,056	185,044
Scandinavian countries	110,391	184,258
Africa	41,424	110,048
Asia	77,553	80,076
CIS	40,291	56,213
Other	610	212
	554,357	749,798

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

Non-current assets	As of 31 December 2009	As of 30 June 2009
Lithuania	98,911	102,008
Denmark	417	199
Latvia	164	186
	<u>99,492</u>	<u>102,393</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 2008	1,191	725	1,916
Additions	14	20	34
Write-offs	(1)	(61)	(62)
Balance as of 30 June 2009	1,204	684	1,888
Additions	2	3	5
Write-offs	(1)	(4)	(5)
Balance as of 31 December 2009	<u>1,205</u>	<u>683</u>	<u>1,888</u>
Accumulated amortisation:			
Balance as of 30 June 2008	1,174	658	1,832
Charge for the year	11	22	33
Write-offs	(1)	(61)	(62)
Balance as of 30 June 2009	1,184	619	1,803
Charge for the year	5	15	20
Write-offs	(1)	-	(1)
Balance as of 31 December 2009	<u>1,188</u>	<u>634</u>	<u>1,822</u>
Net book value as of 31 December 2009	<u>17</u>	<u>49</u>	<u>66</u>
Net book value as of 30 June 2009	<u>20</u>	<u>65</u>	<u>85</u>
Net book value as of 30 June 2008	<u>17</u>	<u>67</u>	<u>84</u>

AB LINAS AGRO GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(all amounts are in LTL thousand unless otherwise stated)

6 Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress	Total
Cost:							
Balance as of 30 June 2008	4,897	49,334	45,364	6,199	6,600	3,503	115,897
Additions	1,467	15,478	2,233	835	971	1,799	22,783
Acquisition of subsidiary	-	2,321	2,518	12	519	-	5,370
Disposals and write-offs	-	(164)	(2,097)	(787)	(133)	(113)	(3,294)
Transfers to investment property	(487)	-	-	-	-	-	(487)
Reclassifications	-	5,335	(1,056)	-	(133)	(4,146)	-
Balance as of 30 June 2009	5,877	72,304	46,962	6,259	7,824	1,043	140,269
Additions	137	142	706	149	692	303	2,129
Disposals and write-offs	-	(2)	(132)	(659)	(3)	-	(796)
Reclassifications	-	166	(49)	(9)	148	(241)	15
Balance as of 31 December 2009	6,014	72,610	47,487	5,740	8,661	1,105	141,617
Accumulated depreciation:							
Balance as of 30 June 2008	-	10,916	19,810	3,271	4,111	-	38,108
Charge for the year	-	3,671	4,277	738	791	-	9,477
Disposals and write-offs	-	(18)	(1,339)	(677)	(39)	-	(2,073)
Reclassifications	-	441	(358)	-	(83)	-	-
Balance as of 30 June 2009	-	15,010	22,390	3,332	4,780	-	45,512
Charge for the year	-	1,991	2,045	360	430	-	4,826
Disposals and write-offs	-	(2)	(122)	(603)	(3)	-	(730)
Reclassifications	-	-	(31)	-	31	-	-
Balance as of 31 December 2009	-	16,999	24,282	3,089	5,238	-	49,608
Impairment losses:							
Balance as of 30 June 2008	-	-	1	-	56	-	57
Charge for the year	278	266	20	3	1	-	568
Balance as of 30 June 2009	278	266	21	3	57	-	625
Balance as of 31 December 2009	278	266	21	3	57	-	625
Net book value as of 31 December 2009	5,736	55,345	23,184	2,648	3,366	1,105	91,384
Net book value as of 30 June 2009	5,599	57,028	24,551	2,924	2,987	1,043	94,132
Net book value as of 30 June 2008	4,897	38,418	25,553	2,928	2,433	3,503	77,732

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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 2008	18,158	2,863	21,021
Additions	681	-	681
Disposals	(284)	-	(284)
Disposals of subsidiaries	(10,956)	-	(10,956)
Transfers from property, plant and equipment	487	-	487
Balance as of 30 June 2009	8,086	2,863	10,949
Additions	82	-	82
Disposals	(202)	-	(202)
Balance as of 31 December 2009	7,966	2,863	10,829
Accumulated depreciation:			
Balance as of 30 June 2008	-	411	411
Charge for the year	-	116	116
Balance as of 30 June 2009	-	527	527
Charge for the year	-	13	13
Balance as of 31 December 2009	-	540	540
Impairment losses:			
Balance as of 30 June 2008	204	1,389	1,593
Charge for the year	857	-	857
Disposals of subsidiaries ((204)	-	(204)
Balance as of 30 June 2009	857	1,389	2,246
Balance as of 31 December 2009	857	1,389	2,246
Net book value as of 31 December 2009	7,109	934	8,043
Net book value as of 30 June 2009	7,229	947	8,176
Net book value as of 30 June 2008	17,954	1,063	19,017

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 balance sheet dates using the comparable prices method.

8 Investments into associates and joint ventures

As of 31 December and 30 June 2009 the Group had investments into the following associates and joint ventures:

	Place of registration	Share of the stock held by the Group		Main activities
		As of 31 December 2009	As of 30 June 2009	
Associates				
UAB Jungtinė Ekspedicija	Lithuania	45.05%	45.05%	Expedition and representation services
Joint ventures				
UAB Kustodija	Lithuania	50.00%	50.00%	Sale of plant protection products
UAB Dotnuvos technika	Lithuania	50.00%	50.00%	Dormant
UAB Dotnuvos projektai	Lithuania	50.00%	50.00%	Sale of seeds, agricultural machinery
UAB Dotnuvos agroservisas	Lithuania	49.98%	49.98%	Agricultural equipment maintenance and related services

UAB Dotnuvos agroservisas is controlled by UAB Dotnuvos projektai; therefore, is accounted for as an investment into joint venture.

Information on associates and joint ventures of the Group as of 31 December 2009 were as follows:

	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	342	299	3,074	197	1,148	-	629
	<u>342</u>						
Investments into joint ventures							
UAB Kustodija	1,596	8	14,564	568	14,588	-	11,659
UAB Dotnuvos projektai	21,195	2,454	58,007	25,163	63,284	2,540	43,516
UAB Dotnuvos agroservisas	-	(1,264)	5,583	8,386	2,913	7,843	3,046
	<u>22,791</u>						

Information on associates and joint ventures of the Group as of 30 June 2009 were as follows:

	Investment at equity method	Profit (loss) for the reporting year	Sales revenue	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Investments into associates							
UAB Jungtinė ekspedicija	207	252	6,193	222	1,059	44	777
	<u>207</u>						
Investments into joint ventures							
UAB Kustodija	1,592	(527)	31,498	552	28,304	105	25,568
UAB Dotnuvos projektai	19,969	9,439	146,846	26,303	75,205	3,294	58,275
UAB Dotnuvos agroservisas	-	(1,234)	3,693	8,868	3,545	9,513	3,072
	<u>21,561</u>						

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9 Other investments

	Share held by the Group	As of 31 December 2009	As of 30 June 2009
ZAT UkrAgro NPK (Ukraine)	13.38%	5,545	5,545
ŽŪB Ėriškiai	24.97%	173	173
Other investments		212	201
		<u>5,930</u>	<u>5,919</u>

The investment into ŽŪB Ėriškiai is not classified as an associate and therefore not accounted for using the equity method because the Group does not have the ability to exercise significant influence and voting rights in the company and it is managed by other shareholders.

10 Borrowings

	Group		Company	
	As of 31 December 2009	As of 30 June 2009	As of 31 December 2009	As of 30 June 2009
Non-current borrowings				
Bank borrowings secured by the Group assets	24,082	26,585	-	-
Bonds issued	-	-	-	-
Other non-current borrowings	1,422	1,387	-	1,790
	<u>25,504</u>	<u>27,972</u>	-	<u>1,790</u>
Current borrowings				
Current portion of non-current bank borrowings	14,246	22,112	-	-
Bonds issued	-	14,700	-	-
Accumulated bonds interest	-	1,124	-	-
Current portion of other non-current borrowings	1,876	2,851	-	-
Current bank borrowings secured by the Group assets	81,465	75,425	-	-
Factoring with recourse liability	3,643	3,433	-	-
Other current borrowings	1,443	1,478	5,663	1,129
	<u>102,673</u>	<u>121,123</u>	<u>5,663</u>	<u>1,129</u>
	<u>128,177</u>	<u>149,095</u>	<u>5,663</u>	<u>2,919</u>

AB Linas Agro repaid the bonds and annual interest amount 21 July 2009.

In 2006/2007 ŽŪB Landvesta 1 received non-current interest free loans totally amounting to LTL 1,400 thousand from minority shareholders. These loans were discounted to their fair value using 8 % discount rate. The discounting effect amounting to LTL 648 thousand was accounted for directly in equity, minority interest caption. Discount unwinding effect is accounted for under finance expenses caption.

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

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Weighted average effective interest rates of borrowings outstanding at the year-end:

	Group		Company	
	As of 31 December 2009	As of 30 June 2009	As of 31 December 2009	As of 30 June 2009
Current borrowings	3,70%	5,55%	4,57%	8%
Non-current borrowings	3,62%	4,71%	-	8%

As of 31 December 2009 and 30 June 2009 property, plant and equipment, investment property, biological assets, inventories, prepayments, trade receivables and bank accounts were pledged to banks as collateral for the loans. Also as of as of 31 December 2009 and 30 June 2009 and 2008 UAB Linas Agro Konsultacijos pledged shares of ŽŪB Medeikiai, ŽŪB Lukšiai, ŽŪB Aukštadvaris, ŽŪB Sidabravas, ŽŪB Eriškiai and ŽŪB Žibartoniai to banks as a collateral for the loans.

Compliance with the covenants of the borrowings agreements

As of 30 June 2009 AB Linas Agro did not comply with the covenant of one non-current borrowing agreement to maintain liquidity ratio (total current assets / total current liabilities) not less than 1.2. The amount of the loan as of 30 June 2009 is LTL1,160 thousand. As of 31 December 2009 AB Linas Agro complies with that ratio.

In addition, as of 31 December 2009 ŽŪB Landvesta 1 and ŽŪB Landvesta 2 did not comply with the covenants of non-current borrowings agreements requiring to keep not less than LTL 78 thousand and LTL 212 thousand, respectively, in bank accounts and did not reach the required EB/TDA level and rent income / total land value ratio. The amounts of the loans as of 31 December 2009 are LTL 3,487 thousand and LTL 1,270 thousand, respectively. (as of 30 June 2009 are LTL 3,625 thousand and LTL 1,350 thousand, respectively).

According to the borrowing agreements mentioned above, if the companies do not comply with the covenants, the lender has a right to demand full or partial repayment of the loan. Therefore, the loans were classified as current in these financial statements.

11 Cost of sales

	Group		Company	
	2009/10 6 month	2008/09 6 month	2009/10 6month	2008/09 6 month
Costs of inventories recognised as an expense	457,083	614,841	-	-
Logistics expenses	50,362	80,369	-	-
Wages and salaries and social security	2,359	2,225	-	-
Provision for onerous contracts	(4,519)	6,389	-	-
Depreciation and amortisation	1,918	1,795	-	-
Utilities expenses	1,263	2,087	-	-
Other	824	1,073	-	-
	509,290	708,779	-	-

12 Operating expenses

	Group		Company	
	2009/10 6 month	2008/09 6 month	2009/10 6 month	2008/09 6 month
Wages and salaries and social security	7,933	7,424	75	59
Consulting expenses	550	1,995	218	1,311
Depreciation and amortisation	679	911	-	-
Rent of administration and commercial premises and maintenance expenses	420	395	-	-
Rent of vehicles and maintenance expenses	429	661	-	-
Business trips	359	399	-	-

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Stationery and office services	380	608	-	-
Bank fees	357	241	33	2
Telecommunications	204	360	-	-
Warehousing and insurance expenses	136	655	-	-
Taxes other than income tax	229	250	49	9
Representation expenses	245	307	-	-
Advertising expenses	163	129	-	-
Other	567	869	-	4
	<u>12,651</u>	<u>15,204</u>	<u>375</u>	<u>1,385</u>

13 Other operating income (expenses)

	Group		Company	
	2009/10 6 month	2008/09 6 month	2009/10 6 month	2008/09 6 month
Other operating income				
Currency exchange gain	-	2,186	-	-
Gain from disposal of property, plant and equipment	93	342	8	-
Rental income from investment property	257	230	78	77
Rental income from property, plant and equipment	139	237	6	38
Other operating income	184	65	-	13
	<u>673</u>	<u>3,060</u>	<u>92</u>	<u>128</u>
Other operating (expenses)				
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	79	121	17	17
Loss from disposal of property, plant and equipment	13	25	-	-
Direct operating expenses (including repairs and maintenance) arising on non rental-earning investment properties		19	17	17
Currency exchange loss	133	-	1	-
Other operating expenses	104	96	-	1
	<u>329</u>	<u>261</u>	<u>35</u>	<u>35</u>

14 Income (expenses) from financing activities

	Group		Company	
	2009/10 6 month	2008/09 6 month	2009/10 6 month	2008/09 6 month
Income from financing activities				
Interest income	916	1,051	6	8
Income from overdue payments	539	43	-	-
	<u>1,455</u>	<u>1,094</u>	<u>6</u>	<u>8</u>
(Expenses) from financing activities				
Interest expenses	3,083	7,295	126	61
Discounting effect of non-interest bearing loans received	35	6	-	-
Expenses for overdue payments	66	4	-	-
	<u>3,184</u>	<u>7,305</u>	<u>126</u>	<u>61</u>

Commitments and contingencies

As of 31 December 2009 AB Linas Agro had several bank guarantee contracts signed in favour of NPA for the total amount LTL 15 thousand. No restrictions on AB Linas Agro assets are imposed according to these agreements.

As of 31 December 2009 the Group is committed to purchase property, plant and equipment for the total amount of LTL 3,816 thousand (LTL 409 thousand as of 30 June 2009).

Additional investments are required for cattle farms located in ŽŪB Aukštadvaris and ŽŪB Sidabravas due to increasing environmental regulation in Lithuania. Incompliance with such regulations may result in significant fines.

Total estimated investment value for modernisation till compliance level with the environmental regulations set by the Republic of Lithuania amounts to LTL 1,300 thousand (ŽŪB Aukštadvaris – LTL 650 thousand and ŽŪB Sidabravas – LTL 650 thousand).

As few Group companies (ŽŪB Lukšiai, ŽŪB, Sidabravas, ŽŪB Aukštadvaris and ŽŪB Medeikiai) received grants from the EU and NPA mostly for acquisition of agricultural heavy duty equipment. These companies are committed not to discontinue operations related to agriculture for up to 5 years as of 31 December and 30 June 2009.

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 5,087 thousand (LTL 7,588 thousand as of 30 June 2009).

As of 30 June 2009 the Company is a party to an agreement with the shareholders of UAB Dotnuvos projektai according to which the Company is obliged to purchase 20% of UAB Dotnuvos projektai shares from the other shareholders if the Company's shares are listed on a stock exchange till 31 December 2009. The share purchase price is not specified in the agreement.

AB Linas Agro is a party to the Shareholders' agreement with the minority shareholder of Rosenkrantz A/S. According to the agreement AB Linas Agro has an option to acquire the shares from minority if certain conditions are met. As of 31 December and 30 June 2009 the intrinsic value of the option was negative; therefore, the option was not accounted for.

15 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 Group for the years ended 31 December, 30 June 2009 were as follows (unless otherwise stated):

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

Joint ventures:

UAB Dotnuvos projektai (joint venture of the Company);
ŽŪB Dotnuvos agroservisas (related through management of joint venture);
UAB Kustodija (joint venture of the Company);

Associates:

UAB Jungtinė ekspedicija (associate of the Company);
ŽŪK Kupiškio grūdai (associate of the Company till 1 July 2008; from 1 July 2008 subsidiary in the Group).

Akola ApS group companies:

Akola ApS (Denmark) (same ultimate shareholders);
UAB Mestilla (same ultimate shareholders);
Agrotrade ApS (Denmark), in liquidation status (same ultimate shareholders, related till 30 June 2008);
OOO Ukrkalyj (Ukraine), in liquidation status (same ultimate shareholders);
OAO Rajagrohim (Ukraine) (same ultimate shareholders);
ZAT UkrAgro NPK (Ukraine) (same ultimate shareholders).

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

15 Related parties transaction (cont'd)

The Group's transactions with related parties in 2009/2010 6 month were as follows:

2009/2010	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current loans borrowed
			Trade receivables	Current loans receivable			
Shareholders	71	-	-	-	-	-	656
Joint ventures	11,748	801	1,050	-	-	2,463	-
Associates	4,002	-	-	-	-	219	-
Akola ApS group companies	1,861	82,321	4,008	3,011	17,223	2,521	970
	17,682	83,123	5,058	3,011	17,223	5,203	1,626

The Company's transactions with related parties in 2009/2010 6 month were as follows:

2009/2010	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current loans borrowed
			Trade receivables	Current loans receivable			
Shareholders	-	-	-	-	-	-	-
Joint ventures	-	-	1,000	-	-	-	-
Subsidiaries	-	-	11	-	-	-	5,664
Associates	-	-	-	-	-	-	-
Akola ApS group companies	-	-	160	-	-	-	-
	-	-	1,171	-	-	-	5,664

Annual interest rate of the Group's current loans receivable is 1 m EURIBOR + 4.1%. The non-current loan provided to Akola ApS amounting to LTL 17,223 thousand bears 6m EURIBOR + 1.5% annual interest rate. On 17 February 2010 Akola Aps repaid the debt by the non-current loan agreement to AB Linas Agro in total amount LTL 15,700 thousand.

Transactions with related parties include sales and purchases of goods and services 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 2009 and 30 June 2009.

16 Subsequent events

AB Linas Agro Group implemented the initial public offering of the shares on 25 January-February 5, 2010. 47,284,769 Company's shares have been distributed to the investors for LTL 2.05 per share; in total LTL 96,934 thousand were raised.

On February 17 2010 AB Linas Agro Group shares was launched on NASDAQ OMX Vilnius stock exchange.

On 17 February 2010 AB Linas Agro Group share capital was increased by issuing 38,940,398 ordinary shares with the par value of LTL 1 each (in total LTL 38,940,398), which was fully paid by the main shareholder Akola, Aps. The new share capital and by-laws were registered on 17 February 2010.

On 17 February 2010 Akola Aps repaid the debt by the non-current loan agreement to AB Linas Agro in total amount LTL 15,700 thousand.