



# **AB LINAS AGRO GROUP**

## **CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS**

**FOR THE 9 MONTH PERIOD OF THE FY 2009-2010**

(UNAUDITED)

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

**CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD YEAR 2009/2010**

(all amounts are in LTL thousand unless otherwise stated)

**Statement of financial position**

	Notes	Group		Company	
		As of 31 March 2010	As of 30 June 2009	As of 31 March 2010	As of 30 June 2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	5	59	85	-	-
Property, plant and equipment	6	91,007	94,132	-	-
Investment property	7	8,436	8,176	602	604
Animals and livestock		7,231	6,502	-	-
Non-current financial assets					
Investments into subsidiaries		-	-	160,966	160,443
Investments into associates	8	335	207	132	132
Investments into joint ventures	8	21,754	21,561	5,602	5,602
Other investments	9	5,933	5,919	5,552	5,552
Non-current receivables		1,993	4,727	-	-
Non-current loans receivable from related parties		1,507	16,991	-	-
Total non-current financial assets		31,522	49,405	172,252	171,729
Deferred income tax asset		1,950	1,950	-	-
<b>Total non-current assets</b>		<b>140,205</b>	<b>160,250</b>	<b>172,854</b>	<b>172,333</b>
<b>Current assets</b>					
Crops		4,692	17,214	-	-
Inventories		79,072	63,918	-	-
Prepayments		24,815	17,380	-	23
Accounts receivable					
Trade receivables		87,023	98,128	-	1,164
Receivables from related parties		6,577	12,842	35,750	-
Other accounts receivable		7,275	8,339	91	116
Total accounts receivable		100,875	119,309	35,841	1,280
Financial instruments held for trading		-	967	-	-
Other short term assets		5,477	-	-	-
Cash and cash equivalents		56,950	8,190	40,749	23
<b>Total current assets</b>		<b>271,881</b>	<b>226,978</b>	<b>76,590</b>	<b>1,326</b>
<b>Total assets</b>		<b>412,086</b>	<b>387,228</b>	<b>249,444</b>	<b>173,659</b>

(cont'd on the next page)

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

**CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD YEAR 2009/2010**

(all amounts are in LTL thousand unless otherwise stated)

**Statement of financial position (cont'd)**

	Group Notes	Company			
		As of 31 March 2010	As of 30 June 2009	As of 31 March 2010	As of 30 June 2009
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share capital	1	158,940	41,000	158,940	41,000
Share premium	1	79,545	121,911	79,545	121,911
Legal reserve		4,100	10	4,100	10
Other reserve		-	-	-	8,691
Foreign currency translation reserve		301	(297)	-	-
Retained earnings		(3,105)	(18,657)	1,663	(1,636)
<b>Total equity attributable to equity holders of the parent</b>		<b>239,781</b>	<b>143,967</b>	<b>244,248</b>	<b>169,976</b>
<b>Minority interest</b>		<b>10,886</b>	<b>12,104</b>	-	-
<b>Total equity</b>		<b>250,667</b>	<b>156,071</b>	<b>244,248</b>	<b>169,976</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Grants and subsidies		11,022	11,810	-	-
Non-current borrowings	10	29,630	27,972	-	1,790
Finance lease obligations		1,910	2,308	-	-
Payables to related parties		-	-	-	97
Deferred income tax liability		1,752	1,871	-	-
<b>Total non-current liabilities</b>		<b>44,314</b>	<b>43,961</b>	-	<b>1,887</b>
<b>Current liabilities</b>					
Current portion of non-current borrowings	10	14,194	40,787	-	-
Current portion of finance lease obligations		817	1,138	-	-
Current borrowings	10	54,872	80,336	5,163	1,129
Trade payables		30,406	39,992	13	13
Payables to related parties		2,950	4,608	-	600
Advances received		557	232	-	-
Income tax payable		6,865	4,248	-	-
Provisions		170	5,433	-	-
Other current liabilities		6,274	10,422	20	54
<b>Total current liabilities</b>		<b>117,105</b>	<b>187,196</b>	<b>5,196</b>	<b>1,796</b>
<b>Total equity and liabilities</b>		<b>412,086</b>	<b>387,228</b>	<b>249,444</b>	<b>173,659</b>

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

**Statement of comprehensive income (for the period 1 July to 31 March)**

	Notes	Group		Company	
		2009/2010 9 month	2008/2009 9 month	2009/2010 9 month	2008/2009 9 month
Sales	4	724,792	959,662	19	19
Cost of sales	11	(676,636)	(904,711)	-	-
<b>Gross profit</b>		<b>48,156</b>	<b>54,951</b>	<b>19</b>	<b>19</b>
Operating (expenses)	12	(20,609)	(21,168)	(1,318)	(1,612)
Other operating income	13	2,247	5,115	130	331
Other operating (expenses)	13	(276)	(272)	(61)	(157)
<b>Operating profit (loss)</b>		<b>29,518</b>	<b>38,626</b>	<b>(1,291)</b>	<b>(1,419)</b>
Income from financing activities	14	1,866	1,754	119	11
(Expenses) from financing activities	14	(4,177)	(10,222)	(191)	(123)
Share of profit of associates		128	128	-	-
Share of profit of joint ventures		265	1,514	-	-
<b>Profit before tax</b>		<b>27,600</b>	<b>31,800</b>	<b>(1,302)</b>	<b>(1,531)</b>
Income tax		(6,552)	(7,869)	-	(4)
<b>Net profit</b>		<b>21,048</b>	<b>23,931</b>	<b>(1,302)</b>	<b>(1,535)</b>
<b>Other comprehensive income</b>					
Exchange differences on transaction of foreign operations		598	49	-	-
<b>Total comprehensive income for the period, net of tax</b>		<b>21,646</b>	<b>23,980</b>	<b>-</b>	<b>-</b>
<b>Profit attributable to:</b>					
The equity holders of the parent		20,295	19,912	(1,302)	(1,535)
Minority interest		753	4,019	-	-
		<b>21,048</b>	<b>23,931</b>	<b>(1,302)</b>	<b>(1,535)</b>
<b>Total comprehensive income attributable to:</b>					
The equity holders of the parent		20,893	19,961	(1,302)	(1,535)
Minority interest		753	4,019	-	-
		<b>21,646</b>	<b>2,980</b>	<b>(1,302)</b>	<b>(1,535)</b>

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

**CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD YEAR 2009/2010**

(all amounts are in LTL thousand unless otherwise stated)

**Statement of comprehensive income (for the period 1 January to 31 March)**

	Notes	Group		Company	
		2009/2010 3 <sup>rd</sup> Q	2008/2009 3 <sup>rd</sup> Q	2009/2010 3 <sup>rd</sup> Q	2008/2009 3 <sup>rd</sup> Q
Sales		170,435	209,864	6	19
Cost of sales		(167,346)	(195,932)	-	-
<b>Gross profit</b>		<b>3,089</b>	<b>13,932</b>	<b>6</b>	<b>19</b>
Operating (expenses)		(7,958)	(5,964)	(943)	(227)
Other operating income		1,574	2,055	38	203
Other operating (expenses)		53	(11)	(26)	(122)
<b>Operating profit (loss)</b>		<b>(3,242)</b>	<b>10,012</b>	<b>(925)</b>	<b>(127)</b>
Income from financing activities		411	660	113	3
(Expenses) from financing activities		(993)	(2,917)	(65)	(62)
Share of profit of associates		(7)	(28)	-	-
Share of profit of joint ventures		(1,013)	(2,014)	-	-
<b>Profit before tax</b>		<b>(4,844)</b>	<b>5,713</b>	<b>(877)</b>	<b>(186)</b>
Income tax		151	(1,651)	-	(4)
<b>Net profit</b>		<b>(4,693)</b>	<b>4,062</b>	<b>(877)</b>	<b>(190)</b>
<b>Other comprehensive income</b>					
Exchange differences on transaction of foreign operations		649	(103)	-	-
<b>Total comprehensive income for the period, net of tax</b>		<b>(4,044)</b>	<b>3,959</b>	<b>-</b>	<b>-</b>
<b>Profit attributable to:</b>					
The equity holders of the parent		(4,667)	2,694	(877)	(190)
Minority interest		(26)	1,368	-	-
		<b>(4,693)</b>	<b>4,062</b>	<b>(877)</b>	<b>(190)</b>
<b>Total comprehensive income attributable to:</b>					
The equity holders of the parent		(4,018)	2,591	(877)	(190)
Minority interest		(26)	1,368	-	-
		<b>(4,044)</b>	<b>3,959</b>	<b>(877)</b>	<b>(190)</b>

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

**CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD YEAR 2009/2010**

(all amounts are in LTL thousand unless otherwise stated)

**Statement of changes in equity**

Group	Equity attributable to equity holders of the parent								
	Notes	Share capital	Share premium	Legal reserve	Foreign currency translation reserve	Retained earnings	Subtotal	Minority interest	Total
<b>Balance as of 1 July 2008</b>		<b>86</b>	-	<b>10</b>	<b>(130)</b>	<b>121,848</b>	<b>121,814</b>	<b>10,361</b>	<b>132,175</b>
Change in foreign currency translation reserve		-	-	-	49	-	49	-	49
Net profit for the year		-	-	-	-	19,912	19,912	4,019	23,931
Total income and (expense) for the year		-	-	-	49	19,912	19,961	4,019	23,980
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)
Acquisition of minority interest		-	-	-	-	(677)	(677)	(1,307)	(1,984)
Minority interest arising on acquisition of subsidiaries		-	-	-	-	-	-	546	546
<b>Balance as of 31 March 2009</b>		<b>41,000</b>	<b>121,911</b>	<b>10</b>	<b>(81)</b>	<b>(26,859)</b>	<b>135,981</b>	<b>12,461</b>	<b>148,442</b>
<b>Balance as of 1 July 2009</b>		<b>41,000</b>	<b>121,911</b>	<b>10</b>	<b>(297)</b>	<b>(18,657)</b>	<b>143,967</b>	<b>12,104</b>	<b>156,071</b>
Change in foreign currency translation reserve		-	-	-	598	-	598	-	598
Net profit for the year		-	-	-	-	20,295	20,295	753	21,048
Total income and (expense) for the year		-	-	-	598	20,295	20,893	753	21,646
Issue of share capital		117,940	(38,113)	-	-	-	79,827	-	79,827
Reserves made		-	-	4,090	-	(4,090)	-	-	-
Share issue transaction costs		-	(4,253)	-	-	-	(4,253)	-	(4,253)
Payment of Landvesta 4,5,6 shares		-	-	-	-	(654)	(654)	-	(654)
Dividends declared by Rosenkrantz A/S		-	-	-	-	-	-	(1,971)	(1,971)
<b>Balance as of 31 March 2010</b>		<b>158,940</b>	<b>79,545</b>	<b>4,100</b>	<b>301</b>	<b>(3,105)</b>	<b>239,781</b>	<b>10,886</b>	<b>250,667</b>

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

## Statement of changes in equity

### Company

	Share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Total
<b>Balance as of 1 July 2008</b>	<b>86</b>	-	<b>10</b>	<b>4,440</b>	<b>4,251</b>	<b>8,787</b>
Net profit for the year	-	-	-	-	(1,535)	(1,535)
Issue of share capital	40,914	121,911	-	-	-	162,825
Reserves made	-	-	-	4,251	(4,251)	-
<b>Balance as of 31 March 2009</b>	<b>41,000</b>	<b>121,911</b>	<b>10</b>	<b>8,691</b>	<b>(1,535)</b>	<b>170,077</b>
<b>Balance as of 1 July 2009</b>	<b>41,000</b>	<b>121,911</b>	<b>10</b>	<b>8,691</b>	<b>(1,636)</b>	<b>169,976</b>
Net profit for the year	-	-	-	-	(1,302)	(1,302)
Issue of share capital	117,940	(38,113)	-	-	-	79,827
Share issue transaction costs	-	(4,253)	-	-	-	(4,253)
Reserves made	-	-	4,090	(8,691)	4,601	-
<b>Balance as of 31 March 2010</b>	<b>158,940</b>	<b>79,545</b>	<b>4,100</b>	-	<b>1,663</b>	<b>244,248</b>

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

## Statement of cash flows

Notes	Group		Company	
	31 March		31 March	
	2010	2009	2010	2009
<b>Cash flows from (to) operating activities</b>				
Net profit	21,048	23,931	(1,302)	(1,540)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortisation	6,289	5,675	2	2
Subsidies (amortisation)	(1,093)	(1,080)	-	-
Share of profit of associates and joint ventures	(393)	(1,642)	-	-
(Gain) on disposal of property, plant and equipment	(139)	(438)	(8)	(120)
Impairment of investments	12	-	-	-
Change in foreign currency translation reserve	598	49	-	-
Inventories write down to net realisable value	-	-	-	-
Change in accrued expenses	(1,977)	(581)	(33)	(207)
Change in deferred income tax	(119)	791	-	-
Current income tax expenses	6,552	7,869	-	3
Change in allowance for trade receivables	1,005	332	60	-
(Income) from change in value of financial instruments	967	-	-	-
Provision for onerous contracts	(5,263)	6,978	-	-
(Gain) loss from disposal of investments	-	(2,148)	-	55
Interest (income)	(1,866)	(1,754)	(83)	(11)
Interest expenses	4,177	10,222	191	123
	29,798	48,204	(1,173)	(1,695)
<b>Changes in working capital:</b>				
(Increase) decrease in biological assets	13,208	13,368	-	-
Decrease (increase) in inventories	(14,788)	19,202	-	(1)
(Increase) decrease in prepayments	(7,377)	9,882	23	(23)
Decrease (increase) in trade and other accounts receivable	18,019	(9,306)	(411)	(61)
Decrease (increase) in other current assets	-	-	-	-
(Decrease) increase in trade and other accounts payable	(13,090)	(20,051)	(529)	(1,327)
Income tax (paid)	(9,412)	(6,330)	-	(60)
<b>Net cash flows from (to) operating activities</b>	<b>16,358</b>	<b>54,969</b>	<b>(2,090)</b>	<b>(3,167)</b>

(cont'd on the next page)

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

**CONSOLIDATED AND PARENT COMPANY'S FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD YEAR 2009/2010**

(all amounts are in LTL thousand unless otherwise stated)

**Statement of cash flows (cont'd)**

Notes	Group		Company	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of intangible assets, property, plant and equipment and investment property	(5,159)	(19,796)	-	(11)
Proceeds from sale of intangible assets, property, plant and equipment and investment property	412	1,102	8	210
Acquisition of subsidiaries (less received cash balance in the Group)	(654)	(9,261)	-	(1,793)
Disposal of subsidiaries (less disposed cash balance in the Group)	-	(180)	-	1
(Acquisition) of minority interest and other investments	-	(7,529)	-	(5,545)
Proceeds from sales of other investments	-	197	-	-
Loans (granted)	(1,841)	(1,276)	(35,670)	-
Repayment of granted loans	17,929	4,388	-	-
Interest received	2,406	2,990	21	2
Dividends received	1,000	1,180	1,000	1,700
<b>Net cash flows (to) investing activities</b>	<b>14,093</b>	<b>(28,185)</b>	<b>(34,641)</b>	<b>(5,436)</b>
<b>Cash flows from (to) financing activities</b>				
Issue of share capital	75,575	5,623	75,574	5,623
Proceeds from loans	277,035	534,845	6,183	2,570
(Repayment) of loans	(309,915)	(550,655)	(3,939)	(200)
(Repayment) of bonds	(14,700)	-	-	-
Financial lease (payments)	(719)	(1,184)	-	-
Interest (paid)	(6,996)	(11,349)	(361)	(46)
Dividends (paid)	(1,971)	(2,898)	-	-
<b>Net cash flows (to) from financing activities</b>	<b>18,309</b>	<b>(25,618)</b>	<b>77,457</b>	<b>7,947</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>48,760</b>	<b>1,166</b>	<b>40,726</b>	<b>(656)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>8,190</b>	<b>7,826</b>	<b>23</b>	<b>732</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>56,950</b>	<b>8,992</b>	<b>40,749</b>	<b>76</b>
<b>Supplemental information of cash flows:</b>				
<b>Non-cash investing activity:</b>				
Property, plant and equipment acquisitions financed by finance lease	219	1,267	-	-
Property, plant and equipment acquisitions financed by grants and subsidies	70	917	-	-

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 St. 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 the following calendar year.

As of 31 March, 2010 and as of 30 June 2009 the shareholders of the Company were:

	As of 31 March 2010		As of 30 June 2009	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	87,641,551	55.14 %	32,795,190	79.99 %
Shareholders of Akola ApS:				
Darius Zubas	17,049,995	10.73 %	5,822,000	14.20 %
Vytautas Šidlauskas	6,003,521	3.78 %	2,055,034	5.01 %
Arūnas Zubas	480,281	0.30 %	163,888	0.40 %
Dainius Pilkauskas	480,281	0.30 %	163,888	0.40 %
Other private and institutional shareholders	47,284,769	29.75%	-	-
<b>Total</b>	<b>158,940,398</b>	<b>100.00 %</b>	<b>41,000,000</b>	<b>100.00 %</b>

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 31 March 2010 (LTL 1 each as of 30 June 2009) and were fully paid as of 31 March 2010 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 March 2010 and as of 30 June 2009.

All 158,940,398 ordinary shares of the Company are included into the Official List of NASDAQ OMX Vilnius stock exchange (ISIN Code of the shares is LT0000128092). Trading Code of the shares on NASDAQ OMX Vilnius stock exchange is LNA1L.

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.

On 20 November 2009 shareholders of the Company decided to increase the share capital from LTL 120,000 thousand to LTL 158,940 thousand by issuing 38,940,398 ordinary shares with a nominal value of LTL 1 each (in total LTL 38,940,398), subscription price LTL 2,05 each (in total LTL 79,827,816). The shareholder Akola ApS distributed 47,284,769 AB Linas Agro Group shares in an initial public offering (IPO) for LTL 2,05 per share; in total LTL 96,934 thousand were raised. The new issued share capital was fully paid by Akola ApS, and by-laws were registered on 17 February 2010. The excess of the subscription price over the nominal value of the shares amounting to LTL 38,113 thousand was recorded in share premium, net of issuance costs of LTL 4,253 thousand.

Trading of the shares on NASDAQ OMX Vilnius stock exchange started on 17 February 2010.

As of 31 March 2010 the number of employees of the Group was 511 (542 as of 30 June 2009). As of 31 March 2010 the number of employees of the Company was 9 (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 March, 2010 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 March 2010	As of 30 June 2009	
<b>Investments into directly controlled subsidiaries</b>				
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
<b>Investments into indirectly controlled subsidiaries (through AB Linas Agro)</b>				
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
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)</b>				
Medeikių ŽŪB	Lithuania	96.54 %	96.54 %	Growing and sale of crops
Lukšių ŽŪB	Lithuania	93.93 %	93.93 %	Growing and sale of crops and cattle growing, including milk production
Aukštadvario ŽŪB	Lithuania	65.35 %	65.35 %	Growing and sale of crops and cattle growing, including milk production
Sidabravo ŽŪB	Lithuania	55.90 %	55.90 %	Growing and sale of crops and cattle growing, including milk production

As of 31 March 2010, 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 March 2010	As of 30 June 2009	
<b>Associates</b>				
UAB Jungtinė ekspedicija	Lithuania	45.05 %	45.05 %	Expedition and representation services
<b>Joint ventures</b>				
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.

#### Changes in the Group during the 9 month period of the 2009/2010

During the 9 month period ended 31 March 2010 the Group increased the share capital in ZUB Landvesta 4, ZUB Landvesta 5 and ZUB Landvesta 6 for total amount LTL 654 thousand. The excess of the share of carrying values of net assets of respective companies over the acquisition price amounting to LTL 654 thousand arising on the acquisition was recognised directly in equity.

#### 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	Grains and oilseeds		Agricultural inputs	Farming	Other products and services	Adjustments and eliminations	Total
<b>2009 / 2010 9 month</b>							
<b>Revenue</b>							
From one client UAB Mestilla	80,380	-	-	-	892	-	81,272
Third parties	317,142	233,737	66,090	11,819	14,732	-	643,520
Intersegment	43	1,083	4,608	9,822	15,410	(30,966)	-
<b>Total revenue</b>	<b>397,565</b>	<b>234,820</b>	<b>70,698</b>	<b>21,641</b>	<b>31,034</b>	<b>(30,966)</b>	<b>724,792</b>

Group	Grains and oilseeds		Agricultural inputs	Farming	Other products and services	Adjustments and eliminations	Total
<b>2008/ 2009 9 month</b>							
<b>Revenue</b>							
From one client UAB Mestilla	106,872	9,231	-	-	938	-	117,041
Third parties	433,949	328,789	37,471	13,263	29,149	-	842,621
Intersegment	23	1,941	2,626	15,835	16,507	(36,932)	-
<b>Total revenue</b>	<b>540,844</b>	<b>339,961</b>	<b>40,097</b>	<b>29,098</b>	<b>46,594</b>	<b>(36,932)</b>	<b>959,662</b>

1) Intersegment revenues are eliminated on consolidation.

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

	<b>Financial year ended</b>	
	<b>2009/ 2010</b>	<b>2008/ 2009</b>
<b>Revenue from external customers</b>	<b>9 month</b>	<b>month</b>
Europe (except for Scandinavian countries, CIS and Lithuania)	166,137	212,308
Lithuania	178,770	207,986
Scandinavian countries	156,936	256,860
Africa	78,692	122,275
Asia	82,876	81,041
CIS	60,986	77,160
Other	395	2,032
	<b>724,792</b>	<b>959,662</b>

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

<b>Non-current assets</b>	<b>As of 31</b>	<b>As of 30 June</b>
	<b>March 2010</b>	<b>2009</b>
Lithuania	98,958	102,008
Denmark	391	199
Latvia	153	186
	<b>99,502</b>	<b>102,393</b>

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
<b>Cost:</b>			
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	3	-	3
Write-offs	(1)	-	(1)
Balance as of 31 March 2010	1,206	684	1,890
<b>Accumulated amortisation:</b>			
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	7	22	29
Write-offs	(1)	-	(1)
Balance as of 31 March 2010	1,190	641	1,831
<b>Net book value as of 31 March 2010</b>	<b>16</b>	<b>43</b>	<b>59</b>
<b>Net book value as of 30 June 2009</b>	<b>20</b>	<b>65</b>	<b>85</b>
<b>Net book value as of 30 June 2008</b>	<b>17</b>	<b>67</b>	<b>84</b>

**6 Property, plant and equipment**

Group	Other property, plant and equipment						Total
	Land	Buildings and structures	Machinery and equipment	Vehicles	Construction in progress		
<b>Cost:</b>							
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	125	179	281	220	3,334	448	4,587
Disposals and write-offs	-	(2)	(140)	(678)	(16)	-	(836)
Reclassifications	10	586	(49)	18	138	(1,165)	(462)
Balance as of 31 March 2010	6,012	73,067	47,054	5,819	11,280	326	143,558
<b>Accumulated depreciation:</b>							
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	-	2,995	3,033	548	648	-	7,224
Disposals and write-offs	-	(3)	(131)	(617)	(18)	-	(769)
Reclassifications	-	(29)	(31)	-	31	-	(29)
Balance as of 31 March 2010	-	17,973	25,261	3,263	5,441	-	51,938
<b>Impairment losses:</b>							
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
Charge for the year	-	(12)	-	-	-	-	(12)
Balance as of 31 March 2010	278	254	21	3	57	-	613
<b>Net book value as of 31 March 2010</b>	<b>5,734</b>	<b>54,840</b>	<b>21,772</b>	<b>2,553</b>	<b>5,782</b>	<b>326</b>	<b>91,007</b>
<b>Net book value as of 30 June 2009</b>	<b>5,599</b>	<b>57,028</b>	<b>24,551</b>	<b>2,924</b>	<b>2,987</b>	<b>1,043</b>	<b>94,132</b>
<b>Net book value as of 30 June 2008</b>	<b>4,897</b>	<b>38,418</b>	<b>25,553</b>	<b>2,928</b>	<b>2,433</b>	<b>3,503</b>	<b>77,732</b>

## 7 Investment property

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Group	Land	Buildings	Total
<b>Cost:</b>			
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)
Transfers from property, plant and equipment	-	405	405
Balance as of 31 March 2010	7,966	3,268	11,234
<b>Accumulated depreciation:</b>			
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	-	25	25
Balance as of 31 March 2010	-	552	552
<b>Impairment losses:</b>			
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 March 2010	857	1,389	2,246
<b>Net book value as of 31 March 2010</b>	<b>7,109</b>	<b>1,327</b>	<b>8,436</b>
<b>Net book value as of 30 June 2009</b>	<b>7,229</b>	<b>947</b>	<b>8,176</b>
<b>Net book value as of 30 June 2008</b>	<b>17,954</b>	<b>1,063</b>	<b>19,017</b>

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 March 2010 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 March 2010	As of 30 June 2009	
<b>Associates</b>				
UAB Jungtinė ekspedicija	Lithuania	45.05%	45.05%	Expedition and representation services
<b>Joint ventures</b>				
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.

Information on associates and joint ventures of the Group as of 31 March 2010 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
<b>Investments into associates</b>	335	283	4,139	187	1,121	-	564
UAB Jungtinė ekspedicija							
	<u>335</u>						
<b>Investments into joint ventures</b>							
UAB Kustodija	1,103	(978)	20,546	590	20,576	-	18,761
UAB Dotnuvos projektai	20,651	1,354	83,233	24,200	68,564	612	50,859
UAB Dotnuvos agroservisai	-	(1,222)	1,912	8,199	2,803	7,364	5,032
	<u>21,754</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
<b>Investments into associates</b>	207	252	6,193	222	1,059	44	777
UAB Jungtinė ekspedicija							
	<u>207</u>						
<b>Investments into joint ventures</b>							
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 agroservisai	-	(1,234)	3,693	8,868	3,545	9,513	3,072
	<u>21,561</u>						

9 Other investments

	Share held by the Group	As of 31 March 2010	As of 30 June 2009
ZAT UkrAgro NPK (Ukraine)	13.38%	5,545	5,545
ŽŪB Ėriškiai	24.97%	173	173
Other investments		215	201
		<u>5,933</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 March 2010	As of 30 June 2009	As of 31 March 2010	As of 30 June 2009
<b>Non-current borrowings</b>				
Bank borrowings secured by the Group assets	28,190	26,585	-	-
Bonds issued	-	-	-	-
Other non-current borrowings	1,440	1,387	-	1,790
	<u>29,630</u>	<u>27,972</u>	<u>-</u>	<u>1,790</u>
<b>Current borrowings</b>				
Current portion of non-current bank borrowings	12,317	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	46,508	75,425	-	-
Factoring with recourse liability	5,950	3,433	-	-
Other current borrowings	2,415	1,478	5,163	1,129
	<u>69,066</u>	<u>121,123</u>	<u>5,163</u>	<u>1,129</u>
	<u>98,696</u>	<u>149,095</u>	<u>5,163</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.

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

	Group		Company	
	As of 31 March 2010	As of 30 June 2009	As of 31 March 2010	As of 30 June 2009
Current borrowings	3.36 %	5.55%	8 %	8%
Non-current borrowings	3.44 %	4.71%	-	8%

As of 31 March 2010 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 March

2010 and 30 June 2009 UAB Linas Agro Konsultacijos pledged shares of Medeikių ŽŪB, Lukšių ŽŪB, Aukštadvario ŽŪB, Sidabravo ŽŪB, ŽŪB Ėriškiai 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 March 2010 AB Linas Agro complies with that ratio.

In addition, as of 31 March 2010 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 EBITDA level and rent income / total land value ratio.

The amounts of the loans as of 31 March 2010 are LTL 3,418 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 9 month	2008/09 9 month	2009/10 9 month	2008/09 9 month
Costs of inventories recognised as an expense	598,925	772,361	-	-
Logistics expenses	64,411	105,140	-	-
Wages and salaries and social security	7,251	7,622	-	-
Provision for onerous contracts	(5,104)	7,058	-	-
Depreciation and amortisation	4,674	3,814	-	-
Utilities expenses	1,801	2,665	-	-
Other	4,678	6,051	-	-
	<b>676,636</b>	<b>904,711</b>	-	-

**12 Operating expenses**

	Group		Company	
	2009/10 9 month	2008/09 9 month	2009/10 9 month	2008/09 9 month
Wages and salaries and social security	11,433	11,081	97	83
Consulting expenses	1,251	2,675	794	1,510
Depreciation and amortisation	1,078	795	-	-
Rent of administration and commercial premises and maintenance expenses	818	546	-	-
Rent of vehicles and maintenance expenses	557	940	-	-
Business trips	531	522	-	-
Stationery and office services	524	885	-	-
Bank fees	506	336	34	3
Telecommunications	288	480	-	-
Warehousing and insurance expenses	170	546	-	-
Taxes other than income tax	330	435	12	14
Representation expenses	311	371	-	-
Advertising expenses	482	185	170	2
Write-off bad debts and provisions for doubtful debts	1,372	-	60	-
Other	958	1,371	151	-
	<b>20,609</b>	<b>21,168</b>	<b>1,318</b>	<b>1,612</b>

**13 Other operating income (expenses)**

	Group		Company	
	2009/10 9 month	2008/09 9 month	2009/10 9 month	2008/09 9 month
<b>Other operating income</b>				
Currency exchange gain	1,303	1,568	-	-
Gain from disposal of investments into subsidiaries	-	2,148	-	-
Gain from disposal of property, plant and equipment	152	468	8	18
Rental income from investment property	403	440	122	116
Rental income from property, plant and equipment	251	151	-	54
Other operating income	138	340	-	143
	<b>2,247</b>	<b>5,115</b>	<b>130</b>	<b>331</b>
<b>Other operating (expenses)</b>				
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	107	119	31	32
Loss from disposal of property, plant and equipment	13	30	-	-
Direct operating expenses (including repairs and maintenance) arising on non rental-earning investment properties	124	89	30	30
Currency exchange loss	-	-	-	-
Other operating expenses	32	34	-	95
	<b>276</b>	<b>272</b>	<b>61</b>	<b>157</b>

#### 14 Income (expenses) from financing activities

	Group		Company	
	2009/10 9 month	2008/09 9 month	2009/10 9 month	2008/09 9 month
<b>Income from financing activities</b>				
Interest income	1,109	1,526	83	11
Income from overdue payments	720	206	-	-
Other income	37	22	36	-
	<b>1,866</b>	<b>1,754</b>	<b>119</b>	<b>11</b>
<b>(Expenses) from financing activities</b>				
Interest expenses	4,023	9,933	191	123
Discounting effect of non-interest bearing loans received	54	235	-	-
Expenses for overdue payments	100	54	-	-
	<b>4,177</b>	<b>10,222</b>	<b>191</b>	<b>123</b>

#### Commitments and contingencies

As of 31 March 2010 AB Linas Agro had several bank guarantee contracts signed in favour of NPA for the total amount LTL 13 thousand. No restrictions on AB Linas Agro assets are imposed according to these agreements.

As of 31 March 2010 the Group is committed to purchase property, plant and equipment for the total amount of LTL 8,810 thousand (LTL 409 thousand as of 30 June 2009).

As of 30 March 2010 AB Linas Agro and SC Klaipėda Stevedoring Company has signed long-term cooperation agreement on the expansion of the bulk grain terminal. AB Linas Agro takes part in a partial financing in total amount LTL 4,625 and has right to use silos warehouses of 40 thousand cubic meters and handle grain through the terminal for five years.

Additional investments are required for cattle farms located in Aukštadvario ŽŪB and Sidabravo ŽŪB 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 (Aukštadvario ŽŪB – LTL 650 thousand and Sidabravo ŽŪB – LTL 650 thousand).

As few Group companies (Lukšių ŽŪB, ŽŪB, Sidabravas, Aukštadvario ŽŪB and Medeikių ŽŪB) 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 March 2010 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 5,634 thousand as of 31 March 2010 (LTL 7,588 thousand as of 30 June 2009).

#### 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 March 2010 and 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 Jarmolavičius (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);  
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 9 month were as follows:

2009/2010			Receivables			Payables	Current loans borrowed
	Purchases	Sales	Trade receivables	Current loans receivable	Non-current loans receivable		
Shareholders	35	-	-	-	-	-	656
Joint ventures	17,827	1,351	382	-	-	2,832	-
Associates	5,108	-	-	-	-	118	-
Akola ApS group companies	4,758	82,454	3,415	2,780	1,507	-	970
	<b>27,728</b>	<b>83,805</b>	<b>3,797</b>	<b>2,780</b>	<b>1,507</b>	<b>2,950</b>	<b>1,626</b>

The Company's transactions with related parties in 2009/2010 9 month were as follows:

2009/2010			Receivables			Payables	Current loans borrowed
	Purchases	Sales	Trade receivables	Current loans receivable	Non-current loans receivable		
Shareholders	-	-	-	-	-	-	-
Joint ventures	-	-	-	-	-	-	-
Subsidiaries	259	212	80	35,670	-	-	5,163
Associates	-	-	-	-	-	-	-
Akola ApS group companies	-	-	-	-	-	-	-
	<b>259</b>	<b>212</b>	<b>80</b>	<b>35,670</b>	-	-	<b>5,163</b>

Annual interest rate of the Group's current loans receivable is 1 month EURIBOR + 4.1%. The non-current loan provided to Akola ApS amounting to LTL 17,223 thousand, 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 March 2010 and 30 June 2009.

## 16 Subsequent events

On 30 April 2010 the Group acquired 100% of UAB Lignineko share capital for LTL 1,900 thousand.