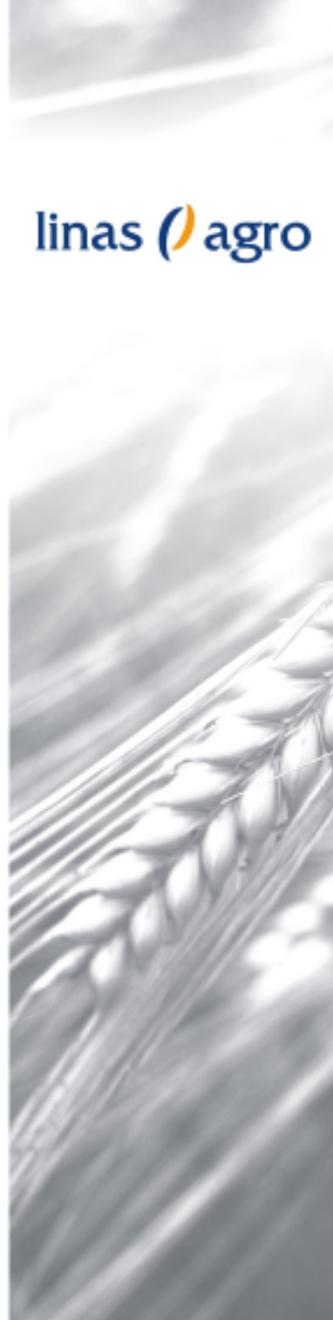


AB LINAS AGRO GROUP  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE 12 MONTH PERIOD  
OF FY 2010/2011  
(UNAUDITED)

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 30 June 2011	As of 30 June 2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5	373	194
Property, plant and equipment	6	123,207	95,326
Investment property	7	8,983	8,398
Animals and livestock		14,007	9,534
<b>Non-current financial assets</b>			
Investments into associates	8	347	284
Investments into joint ventures	8	25,819	22,888
Other investments	9	365	5,884
Prepayments for financial assets	9	-	12,757
Non-current receivables		9,382	7,614
Non-current receivables from related parties	16	1,359	1,303
Total non-current financial assets		37,272	50,730
Deferred income tax asset		8,149	1,897
<b>Total non-current assets</b>		<b>191,991</b>	<b>166,079</b>
<b>Current assets</b>			
Crops		29,682	17,786
Inventories		129,758	62,785
Prepayments		50,565	19,530
<b>Accounts receivable</b>			
Trade receivables		166,949	121,152
Receivables from related parties	16	3,284	6,930
Other accounts receivable		28,515	18,721
Total accounts receivable		198,748	146,803
Other current assets		3,443	1,304
Cash and cash equivalents		7,624	34,014
<b>Total current assets</b>		<b>419,820</b>	<b>282,222</b>
<b>Total assets</b>		<b>611,811</b>	<b>448,301</b>

(cont'd on the next page)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

	Notes	As of 30	
		June 2011	As of 30 June 2010
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	1	158,940	158,940
Share premium	1	79,545	79,545
Legal reserve		4,151	4,100
Foreign currency translation reserve		(3,361)	(133)
Retained earnings		24,013	8,079
<b>Total equity attributable to equity holders of the parent</b>		<b>263,288</b>	<b>250,531</b>
<b>Non-controlling interest</b>		<b>16,014</b>	<b>12,817</b>
<b>Total equity</b>		<b>279,302</b>	<b>263,348</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Grants and subsidies		9,473	10,557
Non-current borrowings	10	28,165	26,805
Finance lease obligations		1,789	1,578
Deferred income tax liability		3,283	1,372
Provisions		483	-
<b>Total non-current liabilities</b>		<b>43,193</b>	<b>40,312</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	10,16	15,024	15,045
Current portion of finance lease obligations		1,028	928
Current borrowings	10	180,887	94,749
Derivative financial instruments		-	3,091
Trade payables		52,308	14,142
Payables to related parties	16	5,376	3,112
Income tax payable		3,416	1,415
Other current liabilities		31,277	12,159
<b>Total current liabilities</b>		<b>289,316</b>	<b>144,641</b>
<b>Total equity and liabilities</b>		<b>611,811</b>	<b>448,301</b>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (for the period 1 July to 30 June)

	Notes	2010/2011 12 month	2009/2010 12 month
Sales	4	1,356,127	834,116
Cost of sales	11	(1,272,977)	(763,775)
<b>Gross profit</b>		<b>83,150</b>	<b>70,341</b>
Operating (expenses)	12	(65,660)	(32,079)
Other income	13	4,903	1,585
Other (expenses)	13	(4,519)	(163)
<b>Operating profit</b>		<b>17,874</b>	<b>39,684</b>
Income from financing activities	14	2,121	2,808
(Expenses) from financing activities	14	(8,362)	(5,179)
Share of profit of associates		63	122
Share of profit of joint ventures		4,738	2,553
<b>Profit before tax</b>		<b>16,434</b>	<b>39,988</b>
Income tax		3,186	(6,478)
<b>Net profit</b>		<b>19,620</b>	<b>33,510</b>
<b>Attributable to:</b>			
Equity holders of the parent		21,131	30,826
Non-controlling interest		(1,511)	2,684
		19,620	33,510
Basic and diluted earnings per share (LTL)		0.12	0.30
<b>Net profit</b>		<b>19,620</b>	<b>33,510</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(5,089)	164
<b>Total comprehensive income</b>		<b>14,531</b>	<b>33,674</b>
<b>Attributable to:</b>			
Equity holders of the parent		17,903	30,990
Non-controlling interest		(3,372)	2,684
		14,531	33,674

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (for the period 1 April to

June 30 )

	Notes	2010/2011 4 <sup>rd</sup> Q	2009/2010 4 <sup>rd</sup> Q
Sales		215,933	109,324
Cost of sales		(194,921)	(87,139)
<b>Gross profit</b>		<b>21,012</b>	<b>22,185</b>
Operating (expenses)		(25,503)	(11,470)
Other income		3,898	(662)
Other (expenses)		976	113
<b>Operating profit</b>		<b>383</b>	<b>10,166</b>
Income from financing activities		513	942
(Expenses) from financing activities		(1,365)	(1,002)
Share of profit of associates		1	(6)
Share of profit of joint ventures		3,959	2,288
<b>Profit before tax</b>		<b>3,491</b>	<b>12,388</b>
Income tax		4,900	74
<b>Net profit</b>		<b>8,391</b>	<b>12,462</b>
<b>Attributable to:</b>			
Equity holders of the parent		8,661	10,531
Non-controlling interest		(270)	1,931
		8,391	12,462
Basic and diluted earnings per share (LTL)		0.05	0.08
<b>Net profit</b>		<b>8,391</b>	<b>12,462</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(854)	(434)
<b>Total comprehensive income</b>		<b>7,537</b>	<b>12,028</b>
<b>Attributable to:</b>			
Equity holders of the parent		8,019	10,097
Non-controlling interest		(482)	1,931
		<b>7,537</b>	<b>12,028</b>

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	Foreign currency translation reserve	Retained earnings			Subtotal
<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>
Net profit for the year		-	-	-	-	30,826	30,826	2,684	33,510
Other comprehensive income		-	-	-	164	-	164	-	164
Total comprehensive income		-	-	-	164	30,826	30,990	2,684	33,674
Issue of share capital		117,940	(38,113)	-	-	-	79,827	-	79,827
Transfer to legal reserve		-	-	4,090	-	(4,090)	-	-	-
Share issue transaction costs		-	(4,253)	-	-	-	(4,253)	-	(4,253)
Dividends declared by Rosenkrantz A/S		-	-	-	-	-	-	(1,971)	(1,971)
<b>Balance as of 30 June 2010</b>		<b>158,940</b>	<b>79,545</b>	<b>4,100</b>	<b>(133)</b>	<b>8,079</b>	<b>250,531</b>	<b>12,817</b>	<b>263,348</b>
<b>Balance as of 1 July 2010</b>		<b>158,940</b>	<b>79,545</b>	<b>4,100</b>	<b>(133)</b>	<b>8,079</b>	<b>250,531</b>	<b>12,817</b>	<b>263,348</b>
Net profit for the year						21,131	21,131	(1,511)	19,620
Other comprehensive income					(3,228)		(3,228)	(1,861)	(5,089)
Total comprehensive income					(3,228)	21,131	17,903	(3,372)	14,531
Dividends declared by Rosenkrantz A/S								(611)	(611)
Dividends declared by parent						(3,500)	(3,500)		(3,500)
Minority interest arising on acquisition of subsidiaries	3							10,188	10,188
Reserves made				51		(51)			
Acquisition of minority interest	3					(1,646)	(1,646)	(3,008)	(4,654)
<b>Balance as of 30 June 2011</b>		<b>158,940</b>	<b>79,545</b>	<b>4,151</b>	<b>(3,361)</b>	<b>24,013</b>	<b>263,288</b>	<b>16,014</b>	<b>279,302</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2010/2011 12 month	2009/2010 12 month
<b>Cash flows from (to) operating activities</b>			
Net profit (loss)		19,620	33,510
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization		9,946	7,939
Subsidies amortization		(1,352)	(1,164)
Share of profit of associates and joint ventures		(4,791)	(2,675)
(Gain) on disposal of property, plant and equipment		(167)	(239)
Change in impairment of property, plant and equipment and investment property		(767)	(394)
Change in impairment of investments		11	(6)
Loss (gain) from disposal of investments		-	3
Change in allowance for receivables and prepayments		18,909	2,948
Change in inventories write down to net realizable value		(25)	200
Change in foreign currency translation reserve		(5,089)	-
Change in accrued expenses		930	(497)
Change in fair value of biological assets		(13,570)	(5,269)
Change in deferred income tax		(7,431)	(388)
Current income tax expenses		4,091	6,866
Expenses (income) from change in fair value of financial instruments		-	169
Change of provision for onerous contracts		267	(5,433)
Dividend (income)			-
Interest (income)		(2,121)	(2,808)
Interest expenses		8,362	5,179
		26,823	37,941
<b>Changes in working capital:</b>			
Decrease (increase) in biological assets		(1,700)	2,917
(Increase) decrease in inventories		(24,681)	6,017
(Increase) decrease in prepayments		(12,339)	(3,460)
(Increase) decrease in trade and other accounts receivable		(67,750)	(31,892)
(Increase) decrease in restricted cash		(77)	(1,304)
(Decrease) increase in trade and other accounts payable		47,587	(25,386)
Income tax (paid)		(3,959)	(6,785)
<b>Net cash flows from (to) operating activities</b>		<b>(36,096)</b>	<b>(21,952)</b>

(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	2010/2011 12 month	2009/2010 12 month
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(23,031)	(10,449)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		959	594
Acquisition of subsidiaries (less received cash balance in the Group)	3	8,327	(2,046)
(Acquisition) of other investments		(6,957)	-
Prepayments for financial assets		-	(12,757)
Loans (granted)		(26)	(14,261)
Repayment of granted loans		7,053	27,763
Interest received		1,940	3,229
Dividends received		1,500	1,045
<b>Net cash flows (to) investing activities</b>		<b>(10,235)</b>	<b>(6,882)</b>
<b>Cash flows from (to) financing activities</b>			
Issue of share capital		-	75,574
Proceeds from loans		668,359	27,104
(Repayment) of loans		(635,460)	(23,080)
Finance lease (payments)		(737)	(1,225)
Interest (paid)		(8,110)	(7,044)
Dividends (paid) to non-controlling shareholders		(611)	(1,971)
Dividends (paid) to shareholders of the Company		(3 500)	-
Repurchase of bonds issued		-	(14,700)
<b>Net cash flows from (to) financing activities</b>		<b>19,941</b>	<b>54,658</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(26,390)</b>	<b>25,824</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>34,014</b>	<b>8,190</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>7,624</b>	<b>34,014</b>

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 30 June 2011 and as of 30 June 2010 the shareholders of the Company were:

	As of 30 June 2011		As of 30 June 2010	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	86,081,551	54.16%	87,641,551	55.14%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Other shareholders (private and institutional investors)	55,808,852	35.11%	54,248,852	34.13%
Total	158,940,398	100.00%	158,940,398	100.00%

All the shares of the Company are ordinary shares with the par value of LTL 1 each as of 30 June 2011 (LTL 1 each as of 30 June 2010) and were fully paid as of 30 June 2011 and as of 30 June 2010. The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 30 June 2011 and as of 30 June 2010.

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

As of 30 June 2011 the number of employees of the Group was 775 (532 as of 30 June 2010).

#### ***Changes in share capital during the year ended 30 June 2010***

On 30 October 2009 the Company's share capital was increased by issuing 79 million ordinary shares with the par value of LTL 1 each (in total LTL 79 million), which were fully paid from the Company's share premium. The new share capital of LTL 120 million and the Company's by-laws were registered on 16 November 2009. The new share premium was equal to LTL 42,911 thousand.

On 20 November 2009 the Company's shareholders decided to increase the share capital from LTL 120,000 thousand to LTL 158,940 thousand by issuing 38,940,398 ordinary shares with the par value of LTL 1 each (in total LTL 38,940,398), with issue price of LTL 2.05 each (in total LTL 79,827,816). The newly issued shares were fully paid by Akola ApS. The new share capital and the Company's by-laws were registered on 17 February 2010. Difference between the issue price and the par value equal to LTL 40,888 thousand was accounted for as share premium less LTL 4,253 thousand of shares issue transaction costs.

On 12 February 2010 the shareholder Akola ApS has sold 47,284,769 of the Company's shares during the initial public offering for LTL 2.05 each, in total LTL 96,934 thousand.

Trade in shares in NASDAQ OMX Vilnius stock exchange started on 17 February 2010.

## 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 2009/2010 season.

## 3. Group structure and changes in the Group

As of 30 June 2011 and as of 30 June 2010 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2011	30 June 2010	
<b>Investments into directly controlled subsidiaries</b>				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural programs
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
PAT UKRAGRO NPK	Ukraine	63.38%	-	Manufacturing of fertilizers, wholesale of grains and oilseeds
<b>Investments into indirectly controlled subsidiaries (through AB Linas Agro)</b>				
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
Rosenkrantz A/S	Denmark	60%	60%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪK Kupiškio grūdai	Lithuania	92.88%	37.43%	Preparation and warehousing of grains for trade
UAB Lignineko	Lithuania	100%	100%	Manufacturing of lignin
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)</b>				
Biržai district Medeikių ŽŪB	Lithuania	98.36%	96.54%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.37%	93.93%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	65.35%	65.35%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	66.22%	55.90%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	70%	0%	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 2010*

During the year ended 30 June 2010 the Company together with AB Linas Agro participated in share capital increase of ŽŪB Landvesta 4, ŽŪB Landvesta 5 and ŽŪB Landvesta 6 for the total amount of LTL 654 thousand.

On 30 April 2010 AB Linas Agro acquired 100% of UAB Lignineko shares for LTL 2,046 thousand. UAB Lignineko possesses raw material which is used in production of lignin but does not have any business processes, therefore the Group accounted for purchase of UAB Lignineko shares not as a business combination but as an acquisition of assets, and attributed most of the purchase price to inventory cost.

#### *Changes in the Group during the 12 month period ended 30 June 2011*

On 1 July 2010 the Company acquired additional 50% shares of PAT 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 carrying value of net assets of PAT UKRAGRO NPK did not differ materially from their fair value. Differences between the purchase consideration and fair values of the acquires assets, liabilities and contingent liabilities at the acquisition date were the following:

	<b>PAT UKRAGRO NPK</b>
<b>Acquisition date</b>	1 July 2010
	Fair values (unaudited)
Non-current assets	16,442
Current assets	78,808
Non-current liabilities	(3,090)
Current liabilities	(64,340)
Fair value of net assets of subsidiary acquired	27,820
Non-controlling interest (36.62% in the acquired subsidiary)	(10,188)
Fair value of net assets acquired by the Group	17,632
Fair value of previous held equity interest	3,414
Cost	(5,545)
Group (loss) on derecognition of investment	(2,131)
Consideration transferred	12,757
Fair value of previous held equity interest	3,414
<b>Total fair value of investment</b>	<b>16,171</b>
Negative goodwill recognized as income	1,461
(Loss) on derecognition of investment	(2,131)
(Loss) recognized on acquisition of subsidiary as Other (expenses) (Note 13)	(670)
<b>Consideration paid in cash*</b>	<b>12,757</b>
Less: cash in the subsidiary	7,657
<b>Acquisition price less cash acquired</b>	<b>5,100</b>
Revenue for the year ended 30 June 2010	181,558
Profit for the year ended 30 June 2010	1,291

The Group measured the non-controlling interest in the acquire at the proportionate share of the acquiree's identifiable net assets.

*\*The Group was prepaid the acquired additional 50% shares of PAT UKRAGRO NPK LTL 12,757 thousand until 30 June 2010, on the acquisition date was made settlement of liability.*

### 3. Group structure and changes in the Group (cont'd)

On 27 July 2010 Biržai district Medeikių ŽŪB has acquired additional 36.36% shares of ŽŪK Kupiškio grūdai for LTL 920 thousand.  
 On 12 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 92.88% (as of 30 June 2010-37.43%). This subsidiary was already consolidated to the Group in the years ended 30 June 2010 and 2009.

During the 12 month period 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, shares were acquired from the non-controlling shareholders. The subsidiary UAB Linas Agro Konsultacijos increased of Biržai district Medeikių ŽŪB share capital for LTL 920 thousand. The excess of the share of carrying values of net assets of respective companies over the acquisition price amounting to LTL 601 thousand arising on the acquisition was recognized directly in equity.

On 6 April 2011 UAB Linas Agro Konsultacijos has acquired 70% shares of Užupės ŽŪB for LTL 7 thousand.

During the 12 month period ended 30 June 2011 the Parent increased of AB Linas Agro share capital for LTL 24,000 thousand and UAB Linas Agro Grūdų Centras KŪB share capital for LTL 3,900 thousand. The Parent increased of ŽŪB Landvesta 1, ŽŪB Landvesta 2, ŽŪB Landvesta 4, ŽŪB Landvesta 5 and ŽŪB Landvesta 6 for the total amount of LTL 691 thousand.

The Parent increased of UAB Linas Agro Konsultacijos share capital for LTL 1,109 thousand. Subsidiary AB Linas Agro increased of UAB Lignineko share capital for LTL 475 thousand.

As of 30 December 2010 the Parent sold 2.34% shares of PAT UKRAGRO NPK for LTL 477 thousand, as of 10 January 2011 the Parent sold 3% shares of PAT UKRAGRO NPK for LTL 612 thousand. The Parent signed put option agreements to re-purchase the PAT UKRAGRO NPK shares, fair value of mentioned put option agreement is LTL 2 246 thousand, due date is 1 January 2014.

### 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, soybean and 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.

12 month period ended 30 June 2011	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
<b>Revenue</b>								
From one client UAB								
MESTILLA	138,357	13	-	-	770	-	-	139,140
Other third parties	442,229	261,963	469,149	25,329	18,317	-	-	1,216,987
Intersegment	-	2,064	11,991	14,169	21,396	-	(49,620) <sup>1)</sup>	-
<b>Total revenue</b>	<b>580,586</b>	<b>264,040</b>	<b>481,140</b>	<b>39,498</b>	<b>40,483</b>	<b>-</b>	<b>(49,620)</b>	<b>1,356,127</b>
<b>Results</b>								
Operating expenses	29,957	11,917	16,292	3,424	3,648	422	-	65,660
Segment operating profit (loss)	(32,761)	551	27,303	15,543	7,508	(270)	-	17,874

#### 4. Segment information (cont'd)

12 month period ended 30 June 2010	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
<b>Revenue</b>								
From one client UAB MESTILLA	81,808	-	-	-	986	-	-	82,794
Other third parties	368,928	253,122	94,460	21,044	13,768	-	-	751,322
Intersegment	-	1,623	7,184	9,977	18,285	-	(37,069) <sup>1)</sup>	-
<b>Total revenue</b>	<b>450,736</b>	<b>254,745</b>	<b>101,644</b>	<b>31,021</b>	<b>33,039</b>	<b>-</b>	<b>(37,069)</b>	<b>834,116</b>
<b>Results</b>								
Operating expenses	14,374	8,405	2,216	3,006	2,875	1,203	-	32,079
Segment operating profit (loss)	11,657	5,069	10,428	5,856	7,994	(1,316)	-	39,688

1) Intersegment revenue are eliminated on consolidation.

#### 5. Intangible Assets

	Software	Other intangible assets	Total
<b>Cost:</b>			
Balance as of 30 June 2009	1,204	684	1,888
Additions	147	-	147
Write-offs	(8)	(483)	(491)
Balance as of 30 June 2010	1,343	201	1,544
Additions	170	24	194
Acquisition of subsidiaries	57	-	57
Disposal and write-offs	(50)	(60)	(110)
Exchange differences	(8)	(1)	(9)
Balance as of 30 June 2011	1,512	164	1,676
<b>Accumulated amortization:</b>			
Balance as of 30 June 2009	1,184	619	1,803
Charge for the year	11	27	38
Write-offs	(8)	(483)	(491)
Balance as of 30 June 2010	1,187	163	1,350
Charge for the year	42	21	63
Disposal and write-offs	(50)	(60)	(110)
Balance as of 30 June 2011	1,179	124	1,303
<b>Net book value as of 30 June 2011</b>	<b>333</b>	<b>40</b>	<b>373</b>
<b>Net book value as of 30 June 2010</b>	<b>156</b>	<b>38</b>	<b>194</b>
<b>Net book value as of 30 June 2009</b>	<b>20</b>	<b>65</b>	<b>85</b>

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
<b>Cost:</b>							
Balance as of 30 June 2009	5,877	72,304	46,962	6,259	7,824	1,043	140,269
Additions	238	6,070	561	332	1,311	2,570	11,082
Disposals and write-offs	(1)	-	(465)	(1,057)	(131)	-	(1,654)
Transfers to investment property	257	(434)	-	-	-	-	(177)
Reclassifications	10	1,162	(110)	27	136	(1,225)	-
Balance as of 30 June 2010	6,381	79,102	46,948	5,561	9,140	2,388	149,520
Additions	190	1,067	3,092	1,180	627	20,397	26,553
Acquisition of subsidiaries	249	13,220	671	874	1,035	335	16,384
Disposals and write-offs	(13)	(419)	(370)	(527)	(518)	(205)	(2,052)
Transfer from investment property	245	-	-	-	-	-	245
Transfers to investment property	(89)	-	-	-	-	-	(89)
Reclassifications	-	4,908	2,788	304	(155)	(7,845)	-
Exchange differences	(40)	(1,891)	(114)	(140)	(164)	(254)	(2,603)
Balance as of 30 June 2011	6,923	95,987	53,015	7,252	9,965	14,816	187,958
<b>Accumulated depreciation:</b>							
Balance as of 30 June 2009	-	15,010	22,390	3,332	4,780	-	45,512
Charge for the year	-	4,113	3,976	725	879	-	9,693
Disposals and write-offs	-	-	(449)	(937)	(93)	-	(1,479)
Transfers to investment property	-	(29)	-	-	-	-	(29)
Reclassifications	-	(26)	(2)	-	28	-	-
Balance as of 30 June 2010	-	19,068	25,915	3,120	5,594	-	53,697
Charge for the year	-	5,317	4,204	903	1,227	-	11,651
Disposals and write-offs	-	(182)	(249)	(293)	(389)	-	(1,113)
Exchange differences	-	-	(3)	(2)	(1)	-	(6)
Balance as of 30 June 2011	-	24,203	29,867	3,728	6,431	-	64,229
<b>Impairment losses:</b>							
Balance as of 30 June 2009	278	266	21	3	57	-	625
Charge for the year	62	-	-	-	-	-	62
(Reversal) charge for the year	(134)	-	(2)	1	(55)	-	(190)
Balance as of 30 June 2010	206	266	19	4	2	-	497
(Reversal) charge for the year	(156)	183	-	(1)	(1)	-	25
Balance as of 30 June 2011	50	449	19	3	1	-	522
<b>Net book value as of 30 June 2011</b>	<b>6,873</b>	<b>71,335</b>	<b>23,129</b>	<b>3,521</b>	<b>3,533</b>	<b>14,816</b>	<b>123,207</b>
<b>Net book value as of 30 June 2010</b>	<b>6,175</b>	<b>59,768</b>	<b>21,014</b>	<b>2,437</b>	<b>3,544</b>	<b>2,388</b>	<b>95,326</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>

## 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
<b>Cost:</b>			
Balance as of 30 June 2009	8,086	2,863	10,949
Additions	82	-	82
Disposals	(237)	-	(237)
Transfers from property, plant and equipment	(257)	434	177
Balance as of 30 June 2010	7,674	3,297	10,971
Additions	263	-	263
Disposals	-	-	-
Transfers to/from investment property	(156)	-	(156)
Balance as of 30 June 2011	7,781	3,297	11,078
<b>Accumulated depreciation:</b>			
Balance as of 30 June 2009	-	527	527
Charge for the year	-	37	37
Transfers from property, plant and equipment	-	29	29
Balance as of 30 June 2010	-	593	593
Charge for the year	-	132	132
Transfers from property, plant and equipment	-	-	-
Balance as of 30 June 2011	-	725	725
<b>Impairment losses:</b>			
Balance as of 30 June 2009	857	1,389	2,246
(Reversal) charge for the year	(204)	-	(204)
Transfers to property, plant and equipment	(62)	-	(62)
Balance as of 30 June 2010	591	1,389	1,980
(Reversal) charge for the year	(349)	(261)	(610)
Balance as of 30 June 2011	242	1,128	1,370
<b>Net book value as of 30 June 2011</b>	<b>7,539</b>	<b>1,444</b>	<b>8,983</b>
<b>Net book value as of 30 June 2010</b>	<b>7,083</b>	<b>1,315</b>	<b>8,398</b>
<b>Net book value as of 30 June 2009</b>	<b>7,229</b>	<b>947</b>	<b>8,176</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 reporting date using the comparable prices method.

## 8. Investments into associates and joint ventures

As of 30 June 2011 and as of 30 June 2010 the Group had investments into the following associates and joint ventures:

	Place of registration	Effective share held by the Group		Main activities
		As of 30 June 2011	As of 30 June 2010	
<b>Associates</b>				
UAB Jungtinė ekspedicija	Lithuania	45.05%	45.05%	Expedition and ship's agency services
<b>Joint ventures</b>				
UAB Kustodija	Lithuania	50.00%	50.00%	Sale of fertilizers and plant protection products
UAB Dotnuvos Projektai	Lithuania	50.00%	50.00%	Sale of seeds, agricultural machinery
<b>Companies controlled by UAB Dotnuvos Projektai</b>				
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%	-	Sale of seeds, agricultural machinery
ŽŪB Dotnuvos Agroservisais	Lithuania	49.98%	49.98%	Agricultural equipment maintenance and related services

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
<b>Investments into associates</b>							
UAB Jungtinė ekspedicija	347	139	4,315	166	1,112	-	507
	<u>347</u>						
<b>Investments into joint ventures</b>							
UAB Kustodija	1,798	(90)	38,787	691	30,211	102	27,204
UAB Dotnuvos Projektai (consolidated)	25,819	10,157	182,789	35,723	139,725	5,413	117,997
	<u>27,617</u>						

Information on associates and joint ventures of the Group as of 30 June 2010 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
<b>Investments into associates</b>							
UAB Jungtinė ekspedicija	284	272	5,614	174	1,453	-	995
	<u>284</u>						
<b>Investments into joint ventures</b>							
UAB Kustodija	1,843	503	39,890	660	32,380	37	29,317
UAB Dotnuvos Projektai (consolidated)	21,045	5,316	143,089	34,641	82,624	7,815	67,359
	<u>22,888</u>						

## 9. Other investments

Other investments of the Group consist of:

	Share held by the Group	As of 30 June 2011	As of 30 June 2010
PAT UKRAGRO NPK (Ukraine)	13.38%	-	5,545
Panevėžys district Ėriškių ŽŪB	24.97%	173	173
Other investments		192	166
		365	5,884

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.

On 1 July 2010 the Company acquired additional 50% shares of PAT UKRAGRO NPK, 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, and transferred from other investment to subsidiary (Note 3).

## 10. Borrowings

	As of 30 June 2011	As of 30 June 2010
<b>Non-current borrowings</b>		
Bank borrowings secured by the Group assets	27,016	25,770
Other non-current borrowings	1,149	1,035
	28,165	26,805
<b>Current borrowings</b>		
Current portion of non-current bank borrowings	13,026	12,733
Current portion of other non-current borrowings (Note 16)	1,998	2,312
Current bank borrowings secured by the Group assets	160,550	83,111
Factoring with recourse liability	18,895	9,946
Other current borrowings	1,442	1,692
	195,911	109,794
	224,076	136,599

On 21 July 2007 AB Linas Agro issued bonds emission with the par value of LTL 15 million. On 21 July 2009 AB Linas Agro has redeemed the bonds emission together with accrued interest.

In 2006-2007 ŽŪB Landvesta 1 received non-current interest free loans amounting to LTL 1,400 thousand from non-controlling 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 in the non-controlling 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.

## 11. Cost of sales

	<b>2010-2011</b>	<b>2009-2010</b>
	<b>12 month</b>	<b>12 month</b>
Cost of inventories recognized as an expense	1,132,430	678,144
Logistics expenses	84,198	71,774
Wages and salaries and social security	10,728	9,121
Provision for onerous contracts	267	(5,433)
Depreciation	7,242	5,113
Utilities expenses	2,207	1,997
(Income) expense from change in fair value of biological assets	(13,570)	(5,269)
(Income) expense from change in fair value of financial instruments	28,834	(241)
Other	20,641	8,569
	<u>1,272,977</u>	<u>763,775</u>

## 12. Operating expenses

	<b>2010-2011</b>	<b>2009-2010</b>
	<b>12 month</b>	<b>12 month</b>
Wages and salaries and social security	29,586	17,651
Change in allowance for receivables and prepayments	19,025	2,948
Consulting expenses	1,719	2,044
Depreciation and amortization	1,178	1,496
Change in impairment of property, plant and equipment	27	(190)
Other	14,125	8,130
	<u>65,660</u>	<u>32,079</u>

## 13. Other income (expenses)

	<b>2010-2011</b>	<b>2009-2010</b>
	<b>12 month</b>	<b>12 month</b>
<b>Other income</b>		
Currency exchange gain	25	299
Rental income from investment property and property, plant and equipment	912	932
Gain from disposal of investment property and property, plant and equipment	228	261
Fine for agriculture contracts default	3,381	-
Other income	357	93
	<u>4,903</u>	<u>1,585</u>
<b>Other (expenses)</b>		
Direct operating expenses arising on rental and non-rental earning investment properties	(262)	(164)
Loss from disposal of property, plant and equipment	(256)	(22)
Currency exchange loss	(4,398)	-
Change in impairment of investment property	611	204
Other expenses	(214)	(181)
	<u>(4,519)</u>	<u>(163)</u>

## 14. Income (expenses) from financing activities

	2010-2011 12 month	2009-2010 12 month
<b>Income from financing activities</b>		
Interest income	1,474	1,954
Income from overdue payments	647	854
	2,121	2,808
<b>(Expenses) from financing activities</b>		
Interest expenses	(7,829)	(5,169)
Expenses for overdue payments	(533)	(10)
	(8,362)	(5,179)

## 15. Commitments and contingencies

As of 30 June 2011 the Group is committed to purchase property, plant and equipment for the total amount of LTL 21,651 thousand (LTL 1,194 thousand as of 30 June 2010).

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 2,854 thousand as of 30 June 2011 (LTL 5,232 thousand as of 30 June 2010).

On 30 March 2010 AB Linas Agro and AB Klaipėdos Jūrų Krovinių Kompanija signed a long term cooperation agreement for expansion of a grain terminal. AB Linas Agro participates by partly financing (in total LTL 4,625 thousand) expansion of the grain terminal and will have an exclusive right for five years to use silage warehouses stowing 40 thousand tons of grain and to use the terminal for loading.

As of 30 June 2011 AB Linas Agro had bank guarantee contracts signed in favor of National Paying Agency for the total amount of LTL 21 thousand (as of 30 June 2010 – LTL 283 thousand). No restrictions on AB Linas Agro assets were imposed according to these agreements.

## 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 30 June 2011 and 30 June 2010 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.

## 16. Related parties transactions (cont'd)

### Joint ventures (Note 8):

UAB Dotnuvos Projektai;  
 ŽŪB Dotnuvos Agroservisas;  
 UAB Dotnuvos Technika;  
 SIA Dotnuvos Projektai (related from 26 April 2010);  
 AS Dotnuvos Projektai (related from 11 November 2010);  
 UAB Kustodija.

### 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);  
 PAT UKRAGRO NPK (Ukraine) (same ultimate controlling shareholders, related until 30 June 2010);  
 OAO Rajagrohimi (Ukraine) (same ultimate controlling shareholders; liquidated on 9 November 2009).

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

The Group's transactions with related parties in 12 month period ended 30 June, 2011 were as follows:

2010/2011 12 month	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current loans received
			Trade receivables	Current loans receivable			
Members of the board	47	-	-	-	-	-	656
Joint ventures	28,389	1,605	12	-	-	4,072	-
Associates	7,652	118	53	-	-	245	-
Akola ApS group companies	14,790	142,342	946	2,273	1,359	1,059	691
	50,878	144,065	1,011	2,273	1,359	5,376	1,347*

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

As of 30 June 2011 and as of 30 June 2010 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 30 June 2011 and 30 June 2010.

## **17. Subsequent events**

On 1 July 2011, the Group acquired an additional 40% interest of the voting shares of Linas Agro, A/S (former Rosenkrantz , A/S), increasing its ownership interest to 100%. Purchase price EUR 800 thousand will be paid by schedule till 15 July 2014.

On 28 July 2011 SEB bank has increased its credit limit by LTL 64 000 thousand issued a year ago to AB Linas Agro.