

AGROWILL GROUP AB

To: Vilnius Stock Exchange  
Konstitucijos Ave. 7

2009-11-30

CONFIRMATION OF RESPONSIBLE PERSONS

Following the law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Mindaugas Juozaitis, General Director of Agrowill Group AB, and Domantas Savičius, Chief Financial Officer of Agrowill Group AB, hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated financial statements of Agrowill Group AB for the 9 month period ended 30 September 2009, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of consolidated Agrowill Group AB.

ENCLOSURE: unaudited interim consolidated financial statements of Agrowill Group AB for the 9 month period ended 30 September 2009

General Director

.....

Mindaugas Juozaitis

Chief Financial Officer

.....

Domantas Savičius

Agrowill Group AB  
Consolidated unaudited interim financial statements  
for the 9 month period ended 30 September 2009

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## GENERAL INFORMATION

### Key data on the issuer

Name of the company: Agrowill Group AB (hereinafter – AGW or the Company)  
 Share capital: LTL 26 142 732  
 Address of headquarters: Smolensko st. 10, LT-03201 Vilnius, Lietuva  
 Telephone: (8~5) 233 53 40  
 Fax: (8~5) 233 53 45  
 E-mail address: [info@agrowill.lt](mailto:info@agrowill.lt)  
 Website: [www.agrowill.lt](http://www.agrowill.lt)  
 Legal-organizational form: Legal body, joint stock company  
 Place and date of registration: 25 June 2003, Vilnius  
 Register code: 1262 64360  
 Register number: AB2003-926  
 Registrant of the Register of legal bodies: State Enterprise Centre of registers

As at 30 September 2009, the Group consisted of the Company and its subsidiaries controlled directly and indirectly:

<u>Name of the Company</u>	<u>Legal form</u>	<u>Place and date of registration</u>	<u>Company code</u>	<u>Address</u>
AVG Investment UAB	Closed joint stock company	2005-02-10, State Register	300087691	Smolensko str. 10, Vilnius
AWG Investment 1 BUAB	Closed joint stock company	2008-06-18, State Register	301745765	Kretingos str. 39, Klaipėda
AWG Investment 2 UAB	Closed joint stock company	2008-07-24, State Register	301807590	Smolensko str. 10, Vilnius
AWG Investment 3 UAB	Closed joint stock company	2008-07-24, State Register	301807601	Smolensko str. 10, Vilnius
Agrowill Eesti OU	Closed joint stock company	2008-06-13, Tartu central register department	311498115	Mammaste, Polvamaa, Estonia
Baltic farming land management UAB	Closed joint stock company	2008-10-13, State Register	302003546	Smolensko str. 10, Vilnius
Žemės vystymo fondas UAB	Closed joint stock company	2004-09-28, State Register	300558595	Smolensko str. 10, Vilnius
Žemės vystymo fondas 1 UAB	Closed joint stock company	2005-10-11, State Register	300151101	Smolensko str. 10, Vilnius
Žemės vystymo fondas 2 UAB	Closed joint stock company	2005-10-11, State Register	300151126	Smolensko str. 10, Vilnius
Žemės vystymo fondas 3 UAB	Closed joint stock company	2005-10-11, State Register	300151165	Smolensko str. 10, Vilnius
Žemės vystymo fondas 4 UAB	Closed joint stock company	2006-08-10, State Register	300589669	Smolensko str. 10, Vilnius
Žemės vystymo fondas 5 UAB	Closed joint stock company	2006-08-10, State Register	300589683	Smolensko str. 10, Vilnius
Žemės vystymo fondas 6 UAB	Closed joint stock company	2006-08-10, State Register	300589719	Smolensko str. 10, Vilnius
Žemės vystymo fondas 7 UAB	Closed joint stock company	2007-01-17, State Register	300634420	Smolensko str. 10, Vilnius

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Name of the Company	Legal form	Place and date of registration	Company code	Address
Žemės vystymo fondas 8 UAB	Closed joint stock company	2007-07-16, State Register	300921776	Smolensko str. 10, Vilnius
Žemės vystymo fondas 9 UAB	Closed joint stock company	2006-03-09, State Register	300547638	Smolensko str. 10, Vilnius
Žemės vystymo fondas 10 UAB	Closed joint stock company	2008-01-10, State Register	301522723	Smolensko str. 10, Vilnius
Žemės vystymo fondas 11 UAB	Closed joint stock company	2005-05-12, State Register	300114042	Smolensko str. 10, Vilnius
Žemės vystymo fondas 12 UAB	Closed joint stock company	2005-03-08, State Register	300094383	Smolensko str. 10, Vilnius
Žemės vystymo fondas 14 UAB	Closed joint stock company	2006-08-10, State Register	300589726	Smolensko str. 10, Vilnius
Žemės vystymo fondas 15 UAB	Closed joint stock company	2006-08-10, State Register	300589733	Smolensko str. 10, Vilnius
Žemės vystymo fondas 16 UAB	Closed joint stock company	2006-08-10, State Register	300589740	
Žemės vystymo fondas 17 UAB	Closed joint stock company	2007-01-17, State Register	300634388	
Žemės vystymo fondas 18 UAB	Closed joint stock company	2007-01-17, State Register	300634406	
Žemės vystymo fondas 19 UAB	Closed joint stock company	2007-06-21, State Register	300886948	
Žemės vystymo fondas 20 UAB	Closed joint stock company	2007-06-22, State Register	300887726	
Žemės vystymo fondas 21 UAB	Closed joint stock company	2007-07-16, State Register	300921783	
Žemės vystymo fondas 22 UAB	Closed joint stock company	2008-01-10, State Register	301522730	
Agricultural entity Agrowill Spindulys	Agricultural entity	1993-04-09, Radviliškis district municipality	171330414	
Agricultural entity Agrowill Smilgiai	Agricultural entity	1992-09-16, Panevėžys district municipality	168548972	
Agricultural entity Agrowill Skėmiai	Agricultural entity	1992-10-01, Radviliškis district municipality	171306071	
Agricultural entity Agrowill Nausodė	Agricultural entity	1992-08-11, Anykščiai district municipality	154179675	
Agricultural entity Agrowill Dumšiškės	Agricultural entity	1992-09-29, LR Raseiniai district board	172276179	
Agricultural entity Agrowill Žadžiūnai	Agricultural entity	1992-06-30, Šiauliai district municipality	175706853	
Agricultural entity Agrowill Mantviliškis	Agricultural entity	1992-11-06, Kėdainiai district board	161274230	

Name of the Company	Legal form	Place and date of registration	Company code	
Agricultural entity Agrowill Alanta	Agricultural entity	1992-06-29, Molėtai district municipality	167527719	Ukmergės str. 7, Alanta mun. LT-33312 Molėtai distr.
Agricultural entity Agrowill Eimučiai	Agricultural entity	1992-06-29, Šiauliai district municipality	175705032	Eimučiai, Kairiai mun., 80101 Šiauliai distr.
Agricultural entity Agrowill Vėriškės	Agricultural entity	1992-09-29, Radviliškis district municipality	171305165	Vėriškės, Šeduva mun., LT-77199 Radviliškis distr.
Agricultural entity Agrowill Želsvelė	Agricultural entity	1992-07-03, Marijampolė municipality	165666499	Želsva, Liudvinavas mun., LT-69193 Marijampolė mun. Ukmergė str. 44, Bukoniai, Bukoniai mun., LT-55075 Jonava distr.
Agricultural entity Agrowill Lankesa	Agricultural cooperative	1999-04-06, Jonava district municipality	156913032	
Agricultural entity Agrowill Kairėnai	Agricultural entity	1993-03-02, Radviliškis district municipality	171327432	Kairėnai, Grinkiškis mun., LT-82031 Radviliškis distr.
Agricultural entity Agrowill Jurbarkai	Agricultural entity	1992-07-31, Jurbarkas district municipality	158174818	Rytas str. 2, Jurbarkai, LT-74205 Jurbarkai distr.
Polva Agro OU	Closed joint stock company		10063763	Mammaste, Polva mun., Plovamaa, Estonia, EE-63309
Grūduva UAB	Closed joint stock company	1997-02-24, Šakiai district municipality	174401546	Gotlybiškiai, Šakiai mun., LT-71372, Marijampolė distr. Kogalniceanu Mihail, 51,
Agrowill group S.R.L.	Closed joint stock company	2008-07-01, Republic of Moldova	100860003 153	Chisinau mun., Moldova
Agroprom ZAO	Closed joint stock company	2008-09-01, Russian Federation	108774606 1237	Baimanskaja st. 7-10, Moscow, Russia

The closed joint stock subsidiary companies are engaged in buying and renting land, while subsidiary agricultural entities are engaged in agricultural commodities (milk, grain, and rapeseed) production and realisation.

Information on where and when the Report is publicly available

The report is available during working days from 8.30 a.m. to 17.30 at the headquarters of Agrowill Group AB at the address: Smolensko st. 10, Vilnius, or at the Company's internet website: [www.agrowill.lt](http://www.agrowill.lt) and internet site of NASDAQ OMX VILNIUS: <http://www.nasdaqomxbaltic.com>.

Announcements of the Company are placed on the NASDAQ OMX VILNIUS CNS system and the news agencies.

Persons in charge of the information contained in the Prospectus

Responsible for the Prospectus are the management of the Company, employees and the Head of administration:

Mindaugas Juozaitis, Agrowill Group AB, General Director, tel. (8~5) 233 53 40, fax. (8~5) 233 53 45.  
 Domantas Savičius, Agrowill Group AB, CFO, tel. (8~5) 233 53 40, fax. (8~5) 233 53 45.

## INFORMATION ABOUT THE LARGEST SHAREHOLDERS, ISSUED AND ISSUERS MANAGEMENT

### Share capital

The share capital registered in the Register of the companies is LTL 26 142 732. The share capital is composed of 26 142 732 ordinary shares with nominal value of LTL 1 each. All shares are fully paid.

In the end of 2008, the Company issued new share capital emission of 4 635 045 ordinary shares (with nominal value LTL 1 each), part of which – 1 545 015 ordinary shares was acquired by Finasta rizikos valdymas UAB, while the remaining part of 3 090 030 shares was supposed to be bought by the main shareholder – ŽIA valda UAB. As ŽIA valda UAB rejected the share purchase agreement, the Company took a decision to register the share capital increase in the amount of paid shares – 1 545 015 ordinary shares. Finasta rizikos valdymas UAB sued such action to the court, and court issued temporary security measures by forbidding any registrations of share capital increase until civil case will be solved by the court of Lithuanian Republic. Case is still under litigation.

### Shareholders

The total number of shareholders as at 30 September 2009 was around 790 (seven hundred and ninety).

The shareholders owning more than 5 per cent of all the company shares as at 30 September 2009 were:

Name, surname / name of the company	Company / personal code	Address	Votes held by shareholder	Shares held by shareholder
UAB "ŽIA valda"	1242 11277	Smolensko st. 10, Vilnius	7 939 836	30,37%
Linas Strėlis	-	-	4 841 942	18,52%
SEB AB clients	502032-9081	Sergels torg 2, 10640 Stokholm, Sweden	3 584 672	13,71 %
Indrė Mišeikytė	-	-	1 600 735	6,12 %

\*SEB AB act as securities accounts operators in the name of clients who have securities accounts with them.

Taking into account the conditions set out in the Companies' shareholders agreement, the shareholders of the Company (as at 20 February 2008 controlling 97,74% of the shares and voting rights) agreed not to sell their owned shares until 31 December 2009 unless:

- Shares are transferred to other shareholders of the Company (also parties of the agreement);
- There is another shareholder agreement stating otherwise;
- There is a proposal from the IPO organizers to sell the shares, to which 2/3 of all the parties to the shareholder agreement must approve.

The main characteristics of debt securities issued for public circulation of securities

On 25 June 2008, the Company issued LTL 16 million of bonds into public trading:

Name of issued securities	369 days duration bonds
Number of issued bonds	160 000 units
Nominal value	LTL 100 or EUR 28,9620
Total nominal value	LTL 16 000 000 or EUR 4 633 920
Price of emission	LTL 88,5478 – 89,0472 or EUR 25,6452 – 25,7899
Currency of emission	LTL or EUR
Interest rate	12 %
Interest amount	LTL 11,4522 – 10,9528 for one bond
Redemption date	29 June 2009
Start of subscription period	6 June 2008
End of subscription period	25 June 2008
Payment date for bonds	On the day of subscription
Interest payment date	29 June 2009
Type of securities emission	Public emission
Restrictions on transfers of securities	None
Conversion of securities	None

The Company did not announced that it will not redeem the above mentioned bonds issue on time and has submitted a proposal to bondholders regarding 3 different possibilities of redemption terms.

Additionally the Company has issued 3 bonds issues which are not traded publicly in the open market:

Issue date	Term	Due date	Nominal value	Interest rate
23 December 2008	90 days	22 March 2009	LTL 2 275 000	12 %
20 January 2009	90 days	20 April 2009	LTL 315 000	14 %
2008 m. birželio 25 d.	369 days	29 June 2009	LTL 8 816 000	14 %

The Company has announced already that it will not redeem the above mentioned bonds issues on time and has agreed with bondholders of bonds maturing in March and April that these amounts will be redeemed over the period of 2 years with equal half-monthly payments. To the bondholders of bonds maturing in June the Company has submitted a proposal regarding 3 different possibilities of redemption terms.

On 13 July 2009, the shareholders of Agrowill Group AB approved the initiation of restructuring process and announced the date of the creditors meeting. On 27 July 2009, the creditors meeting of Agrowill Group AB approved the Draft of the Restructuring application and agreed that the Company files documents to the Court regarding restructuring.

On 1 September 2009, Vilnius District Court has decided initiate legal restructuring proceedings for Agrowill Group AB. Creditor of the Company failed an appeal against this decision to the Lithuanian court of Appeal.

The bonds will be repaid according to the Restructuring Plan which will be approved by the general creditors meeting.



The sales of the Issuer's securities on exchanges and other organized markets

Trading information of Agrowill Group AB stocks on Vilnius Stock Exchange:

Reporting period	Price, LTL			Date of last session	Total turnover	
	max	min	Last session		Units	LTL, million
1st quarter 2009	1,58	0,31	0,42	2009.03.31	1 160 714	0,890
2st quarter 2009	0,43	0,29	0,37	2009.05.27	1 407 170	0,492
3st quarter 2009	0,61	0,18	0,50	2009.09.30	6 738 587	2,794

Trading information of Agrowill Group AB bonds on Vilnius Stock Exchange:

Reporting period	Price, %			Date of last session	Total turnover	
	max	min	Last session		Units	LTL, million
1st quarter 2009	-	-	-	2009.03.31	-	-
2st quarter 2009	-	-	-	2009.06.30	-	-
3st quarter 2009	-	-	-	2009.09.30	-	-

#### Agreements with the mediators of securities public circulation

The Company and FMĮ Orion Securities UAB (A. Tumėno st. 4, B korpusas, LT-01109, Vilnius) signed an agreement regarding handling of Shareholders accounts.

The Company and FMĮ Orion Securities UAB (A. Tumėno st. 4, B korpusas, LT-01109, Vilnius) signed an agreement regarding handling of all bonds issues Bondholder accounts.

The Company and FMĮ Orion Securities UAB (A. Tumėno st. 4, B korpusas, LT-01109, Vilnius) have signed and market making agreement regarding Agrowill Group AB shares. The agreement was terminated on 24 May 2009.

Members of collegial bodies, Head of Company, their participation in Companies' shares:

The managing bodies of the company are general meeting of the shareholders, the Supervisory Council, the Board of Directors and Managing Director. The Supervisory Council (consisting of 3 members) is elected by the shareholder meeting. The Board of directors is formed from 5 members. The chairman is elected by the Board. The Board members are elected by the Supervisory Council.

The Board of Directors elect and recall the Director, decide upon remuneration and other working conditions, approves official rulebook, awards and handles penalties. The Director is the manager of the Company.

Data on collegial bodies as at 30 September 2009:

Name, Surname	Position	End of current term of office	Period of service as a member
Ramūnas Audzevičius	Chairman of Supervisory Board	Until general meeting of shareholders to be held in 2010	Member of Supervisory Board since 05-12-2007
Hugh Miles Thomas	Member of Supervisory Board	Until general meeting of shareholders to be held in 2010	Member of Supervisory Board since 05-12-2007
Edvardas Makelis	Member of Supervisory Board	Until general meeting of shareholders to be held in 2010	Member of Supervisory Board since 05-12-2007
Mindaugas Juozaitis	Member of Board	As chairman of Board: until general meeting of shareholders	Member of Board since

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	General Director	to be held in 2010	01-12-2008
		As general Director: coincides with the term of office as chairman of Board, i. e. until general meeting of shareholders to be held in 2010	General Director since 01-12-2008
Domantas Savičius	Member of Board	Until general meeting of shareholders to be held in 2010	Member of Board since 14-12-2007
Vladas Bagavičius	Member of Board	Until general meeting of shareholders to be held in 2010	Member of Board since 01-12-2008
Linas Strėlis	Member of Board	Until general meeting of shareholders to be held in 2010	Member of Board since 14-12-2007
Gediminas Žiemelis	Member of Board	Until general meeting of shareholders to be held in 2010	Member of Board since 14-12-2007
Robertas Giedraitis	Chief accountant	No term of office	Chief accountant since 02-02-2009

Information on the shares of the Company held by the members of the Supervisory Board, the Board and the top management as of 30 September 2009:

Name and position of member of Supervisory Board/Board/management	number of ordinary registered shares of the Company owned by the member the ownership right	Share of _authorized capital of the Company held by the member, %	% of votes attached to the shares owned by the member
Linas Strėlis, Member of the Board	4 841 942	18,52	18,52
Gediminas Žiemelis, Member of the Board		0,03 (together with related legal entity AB "ŽIA valda" – 30,40)	0,03 (together with related legal entity AB "ŽIA valda" – 30,40)
Domantas Savičius, Member of the Board, Financial Director	5 000 19 417	0,07	0,07

## FINANCIAL SITUATION

Financial statements, prepared in accordance with International Financial Reporting Standards (IFRS). All figures in Groups financial statements and explanatory notes are in LTL thousand, unless otherwise stated.

### Consolidated income statement

	9 months ended 30 September		3 months ended 30 September	
	2009	2008	2009	2008
Sales	46 964	36 090	18 651	17 400
Revaluation of investment property	-	-	-	-
Cost of sales	(45 381)	(19 294)	(20 559)	(10 203)
Gross profit	1 583	16 796	(1 908)	7 197
Operating expenses	(13 387)	(11 528)	(1 867)	5 354
Operating profit	(11 804)	5 268	(3 775)	1 843
Financial income	445	10	42	(68)
Release of negative goodwill as income	-	164	-	164
Other income, net	(2 287)	(843)	(1 047)	604
Financial expenses	(8 203)	(8 945)	(1 488)	(4 721)
Profit before tax	(21 849)	(2 660)	(6 268)	(2 178)
Profit tax	-	-	-	-
Group profit before minority interest	(21 849)	(2 660)	(6 268)	(2 718)
Attributable to:				
Equity holders of the Company	(21 003)	(2 845)	(6 074)	(2 366)
Minority interest	(846)	(185)	(194)	188
Net profit	(21 849)	(2 660)	(6 268)	(2 178)

General Director  
Mindaugas Juozaitis

Chief Financial Officer  
Domantas Savičius

Consolidated balance sheet

	30 September 2009 (unaudited)	31 December 2008 (unaudited)	30 September 2008 (unaudited)
Assets			
Fixed assets			
Property, plant and equipment	143 293	150 700	124 035
Investment property	85 385	85 344	88 368
Intangible assets	31 064	31 061	24 906
Long-term receivables	418	588	487
Investments held for sale	235	310	230
	<u>260 395</u>	<u>268 003</u>	<u>238 026</u>
Biological assets			
Animals	16 666	33 296	39 934
Crops	14 577	12 772	6 876
	<u>31 243</u>	<u>46 068</u>	<u>46 810</u>
Current assets			
Inventory	12 612	19 578	51 209
Receivables, prepayments and deferred charges	29 200	26 566	39 441
Cash and cash equivalents	3 705	3 011	9 774
	<u>45 517</u>	<u>49 155</u>	<u>100 424</u>
Total assets	<u>337 155</u>	<u>363 226</u>	<u>385 260</u>
Shareholders equity			
Share capital	26 143	26 143	26 143
Share premium	22 130	22 130	22 532
Revaluation reserve	26 653	27 993	24 912
Legal reserve	2 000	2 000	2 000
Retained earnings	(2 094)	18 905	28 092
Equity attributable to the equityholders of the company	<u>74 832</u>	<u>97 171</u>	<u>103 679</u>
Minority interest	2 674	3 578	4 325
Total shareholders equity	<u>77 506</u>	<u>100 749</u>	<u>108 004</u>
Liabilities			
Long-term liabilities			
Long-term loans	128 964	122 526	185 738
Finance lease liabilities	10 068	10 472	13 080
Capital grants	11 021	11 053	11 653
Deferred tax liability	17 124	17 124	6 741
	<u>167 177</u>	<u>161 175</u>	<u>217 212</u>
Current liabilities			
Current portion of long-term loans	11 981	17 903	1 473
Current portion of finance lease liabilities	3 136	3 860	1 472
Short-term loans	31 575	36 666	5 609
Trade payables	20 314	24 957	33 500
Other payables and short-term liabilities	25 466	17 916	17 990
	<u>92 472</u>	<u>101 302</u>	<u>60 044</u>
Total liabilities	<u>259 649</u>	<u>262 477</u>	<u>277 256</u>
Total equity and liabilities	<u>337 155</u>	<u>363 226</u>	<u>385 260</u>
General Director Mindaugas Juozaitis		Chief Financial Officer Domantas Savičius	

## Consolidated statement on changes in equity

	Share capital	Share premium	Revaluation reserve	Legal reserve	Retained earnings	Equity attributable to equity holders of the parent	Minority interest	Total
Balance as at 31 December 2007	20 000	-	26 498	1 000	30 303	77 801	1 376	79 177
Payment for shares	6 143	24 571	-	-	-	30 714	-	30 714
Cost of capital increase	-	(2 441)	-	-	-	(2 441)	-	(2 441)
Decrease of revaluation reserve due to depreciation of assets	-	-	(828)	-	828	-	-	-
Acquisition of minority	-	-	-	-	-	-	2 812	2 812
Transfer to reserves	-	-	-	1 000	(1 000)	-	-	-
Net profit	-	-	-	-	(2 845)	(2 845)	(185)	(2 660)
Balance as at 30 June 2008	26 143	22 130	25 670	2 000	27 286	103 229	4 373	107 602
Payment for shares	-	-	-	-	-	-	-	-
Cost of capital increase	-	-	-	-	-	-	-	-
Revaluation of fixed assets, net of taxes	-	-	2 702	-	-	2 702	-	2 702
Decrease of revaluation reserve due to depreciation of assets	-	-	(379)	-	379	-	-	-
Correction of depreciation	-	-	-	-	757	757	-	757
Acquisition of minority	-	-	-	-	-	-	(319)	(319)
Transfer to reserves	-	-	-	-	-	-	-	-
Net profit	-	-	-	-	(9 517)	(9 517)	(476)	(9 993)
Balance as at 31 December 2008	26 143	22 130	27 993	2 000	18 905	97 171	3 578	100 749
Decrease of revaluation reserve due to depreciation of assets	-	-	(1 340)	-	4	(1 336)	(58)	(1 394)
Net profit	-	-	-	-	(21.003)	(21 003)	(846)	(21 849)
Balance as at 30 June 2009	26 143	22 130	26 653	2 000	(2 094)	74 832	2 674	77 506

General Director  
Mindaugas Juozaitis

Chief Financial Officer  
Domantas Savičius

## Consolidated cash flow statement

Consolidated interim unaudited financial statements for the 9 month period ended 30 September 2009

	9 months ended 30 September	
	2009	2008
	(unaudited)	(unaudited)
Cash flows from / (to) operating activities		
Net profit	(21 003)	( 2 660)
Minority interest	(846)	(185)
Net profit before minority interest	<u>(21 849)</u>	<u>(2 660)</u>
Adjustments for non-cash expenses (income) items:		
– Depreciation	4 822	5 206
– Amortisation	18	77
– Write-offs of fixed assets	1 152	68
– Interest expenses, net	6 697	7 727
– Realease of negative goodwill to earnings	-	(165)
– Grants, related to assets, recognised as income	32	(285)
– Write offs of inventory	1 369	781
– Revaluation of Biological assets	-	801
Changes in working capital:		
– Biological assets	14 825	(5 553)
– Accounts receivable and prepayments	2 634	(16 852)
– Inventory	5 597	(23 586)
– Accounts payable	1 908	25 792
	<u>8 121</u>	<u>(8 469)</u>
Interest paid	<u>(2 753)</u>	<u>(6 771)</u>
Net cash flows from / (to) operating activities	5 368	(15 240)
Cash flows from / (to) investing activities		
Acquisition of subsidiaries	-	(78 259)
Purchase of non-current tangible assets	-	(24 421)
Purchase of non-current intangible assets	-	-
Other loans (granted) received	170	(271)
Grants related to assets	(64)	3 620
Net cash flows from / (to) investing activities	<u>106</u>	<u>(98 789)</u>
Cash flows from / (to) financing activities		
Payments for issued shares		28 675
Disposals (acquisitions) of investments held for sale	72	(46)
Proceeds from bank borrowings	(2 042)	50 130
Proceeds from other borrowings	(1 681)	43 376
Increase (repayments) in finance lease liabilities	(1 129)	(2 753)
Net cash flows from / (to) financing activities	<u>(4 780)</u>	<u>119 382</u>
Net (decrease) / increase in cash and cash equivalents	694	5 353
Cash and cash equivalents at the beginning of the period	<u>3 011</u>	<u>4 421</u>
Cash and cash equivalents at the end of the period	<u>3 705</u>	<u>9 774</u>

General Director  
Mindaugas Juozaitis

Chief Financial Officer  
Domantas Savičius

Comments to the financial statements

### General information

Agrowill Group AB (hereinafter – „the Company”) was founded and started its operations on 25 June 2003. The Company head office is located in Smolensko st. 10, Vilnius, Lithuania. The Company's main activity is management of agricultural companies.

The consolidated Group (hereinafter the Group) as at 30 September 2009 consists of the Company and forty-five subsidiaries subsidiaries (31 December 2008: forty-five subsidiaries subsidiaries). The Group consisted of the Company and the following subsidiaries:

Subsidiary	Country	Group ownership interest, %		Profile
		30 September 2009	31 December 2008	
AVG Investment UAB	Lithuania	100,00 %	100,00 %	The subsidiary specializes in acquisitions of agricultural companies
AWG Investment 1 BUAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
AWG Investment 2 UAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
AWG Investment 3 UAB	Lithuania	100,00 %	100,00 %	The subsidiary specializes in acquisitions of agricultural companies
Agrowill Eesti OU	Estonia	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
ZAO „Agroprom”	Russia	75 %	75 %	Management of subsidiaries
„Agrowill group” S.R.L.	Moldova	100 %	100 %	Acquisitions and rent of land
Žemės vystymo fondas UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 1 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 2 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 3 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 4 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 5 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 6 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 7 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 8 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 9 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 10 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 11 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 12 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 14 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 15 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 16 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 17 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 18 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 19 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 20 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 21 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 22 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Agricultural company „Agrowill Spindulyš”	Lithuania	99,96 %	99,96 %	Agricultural operations
Agricultural company „Agrowill Smilgiai”	Lithuania	99,95 %	99,95 %	Agricultural operations

Group ownership interest, %

Subsidiary	Country	30 September 2009	31 December 2008	Profile
Agricultural company „Agrowill Skėmiai“	Lithuania	99,87 %	99,87 %	Agricultural operations
Agricultural company „Agrowill Nausodė“	Lithuania	99,81 %	99,81 %	Agricultural operations
Agricultural company „Agrowill Dumšiškės“	Lithuania	99,36 %	99,36 %	Agricultural operations
Agricultural company „Agrowill Žadžiūnai“	Lithuania	99,02 %	99,02 %	Agricultural operations
Agricultural company „Agrowill Mantviliškis“	Lithuania	98,79 %	98,79 %	Agricultural operations
Agricultural company „Agrowill Alanta“	Lithuania	98,56 %	98,56 %	Agricultural operations
Agricultural company „Agrowill Eimučiai“	Lithuania	98,41 %	98,41 %	Agricultural operations
Agricultural company „Agrowill Vėriškės“	Lithuania	98,41 %	98,41 %	Agricultural operations
UAB „Grūduva“	Lithuania	97,28 %	97,28 %	Agricultural operations
Agricultural company „Agrowill Želsvelė“	Lithuania	97,17 %	97,17 %	Agricultural operations
OU „Polva agro“	Estonia	96,45 %	96,45 %	Agricultural operations
Agricultural company „Agrowill Lankeša“	Lithuania	95,93 %	95,93 %	Agricultural operations
Agricultural company „Agrowill Kairėnai“	Lithuania	94,82 %	94,82 %	Agricultural operations
Agricultural company „Agrowill Jurbarkai“	Lithuania	87,78 %	87,78 %	Agricultural operations

As of 30 September 2009 the Group had 565 employees, while as at 31 December 2008 – 916 employees. The main operations of Group are: manufacturing and selling of raw milk, cultivation, growth and sales of various grain cultures and rapeseed, and rent of own land.

#### Revenues

During III's quarter of 2009, the Group received around LTL 46,9 million in agricultural activity revenues (2008 – LTL 36 million). The significant increase as compared to previous year is mainly due to two new subsidiaries were acquired in 2008 – Polva Agro OU and Grūduva UAB. Also in the first quarter, the remaining harvest of 2008 was sold. The Gross profit of the Group did not increase due to the fact that non-profitable young cattle was sold in order to stop losses incurred by growing of this group of animals.

#### Cost of sales

Cost of sales in 2009 compared with 2008 has more than halved. The significant increase as compared to previous year is mainly due to two new subsidiaries were acquired in 2008 – Polva Agro OU and Grūduva UAB. It is also increased due to the raise of the cost of purchased fertilizers in 2008 autumn.

#### Other operating

Other operating loss increased compared with 2008 due to selling of old unused assets

#### Balance sheet

The biological assets of the Group in 2009 increased due to investments into sown crops; the cattle side of biological assets decreased due to non-profitable young stock cattle sales.

Short-term assets of the Group decreased as the Group sold the remaining harvest from 2008.



## THE NEWEST AND ESSENTIAL EVENTS IN THE ACTIVITY OF THE ISSUER

The newest events in the activity of the Issuer

The Group started experiencing significant liquidity problems, thus a number of court cases are raised against the Group regarding the recoverability of Group's amounts payable.

The management of the Company has called an extraordinary meeting of shareholders on 2nd of July 2009 regarding approval of Restructuring process of the Company.

During the period between 1 January 2009 and 30 September 2009 all information was publicly announced by the Group through Vilnius Stock Exchange. The content of this information may be accessed in the website of Vilnius Stock Exchange by using the following link:  
<http://www.baltic.omxnordicexchange.com/market/?pg=news>.

A summary of the Companies' announcements is shown below:

Header	Category	Date
Information regarding litigation	Notification on material event	08.01.2009
Non-public bonds emission redeemed	Notification on material event	22.01.2009
Adjusted estimates of 2008 results and preliminary estimate of 2009 results	Notification on material event	23.01.2009
Non-deal roadshow	Notification on material event	23.01.2009
Agrowill Group AB does not negotiate merger option	Notification on material event	27.01.2009
Agrowill Group AB hired financial advisors to evaluate its strategic alternatives	Notification on material event	27.01.2009
The extraordinary shareholders meeting of Agrowill Group AB	Notification on material event	03.02.2009
AVG: Agenda of the extraordinary shareholders meeting „Agrowill Group“ ammended	Notification on material event	19.02.2009
AVG: Draft resolutions of the extraordinary shareholders meeting of „Agrowill Group“	Notification on material event	23.02.2009
AVG: Non-public bonds emission redeemed	Notification on material event	25.02.2009
AVG: Consolidated unaudited results for the year ended 31 December 2008	Notification on material event	03.03.2009
Interim financial statements	Interim information	05.03.2009
The extraordinary shareholders meeting „Agrowill Group“ is considered invalid due to not presented quorum	Notification on material event	05.03.2009
„Agrowill Group“ does not conduct direct negotiations with „Black Earth Farming“ and „Trigon Agri“	Notification on material event	10.03.2009
Regarding suspension of new acquisitions	Notification on material event	12.03.200
Gediminas Žiemelis resigns as Chairman of Board of the Company	Notification on material event	12.03.2009
Non-public bonds emission redemption postponed	Notification on material event	24.03.2009
Information about Group employees	Notification on material event	25.03.2009
Resolutions of the repeat extraordinary shareholders meeting of Agrowill Group AB	Notification on material event	30.03.2009
CORRECTION: The ordinary shareholders meeting „Agrowill Group“ AB	Notification on material event	31.03.2009
Information of the AB „Agrowill Group“	Notification on material event	14.04.2009
Non-public bonds emission redemption postponed	Notification on material event	17.04.2009
Company's request to NASDAQ OMX Vilnius	Notification on material event	20.04.2009
Draft resolutions of the ordinary shareholders meeting of „Agrowill Group“ and regarding announcement of annual information of the Company	Notification on material event	21.04.2009

Consolidated interim unaudited financial statements for the 9 month period ended 30 September 2009

Header	Category	Date
The extraordinary shareholders meeting „Agrowill Group“	Notification on material event	27.04.2009
The ordinary shareholders meeting „Agrowill Group“ is considered invalid due to not presented quorum. The repeat shareholders Meeting is convened	Notification on material event	30.04.2009
Agrowill Group AB agreed with bond holders of postponed non-public bonds emissions	Notification on material event	19.05.2009
The repeat shareholders meeting „Agrowill Group“ is considered invalid. Extraordinary shareholders meeting is convened	Notification on material event	29.05.2009
The extraordinary shareholders meeting „Agrowill Group“ is considered invalid due to not presented quorum. The repeat shareholders Meeting is convened	Notification on material event	29.05.2009
Regarding announcement of Financial Information of the Company for 2008 and interim financial report of the Company for 1st quarter of 2009	Notification on material event	29.05.2009
Agrowill Group AB submit proposals to the investors of the bonds issues ISIN LT0000401549, and ISIN LT0000401598 to postpone redemption	Notification on material event	05.06.2009
Agenda of the extraordinary shareholders meeting Agrowill Group AB ammended	Notification on material event	22.06.2009
Draft resolutions of the extraordinary shareholders meeting of Agrowill Group	Notification on material event	23.06.2009
The repeat shareholders meeting „Agrowill Group“ is considered invalid	Notification on material event	26.06.2009
Annual information of Agrowill Group AB for year 2008	Annual information	26.06.2009
Preliminary unaudited results of Agrowill Group AB for 1st quarter of 2009	Interim information	30.06.2009
Bonds issues LT0000401549 and LT0000401598 redemption postponed. Preliminary opinion of bondholders received with regard to proposals of the Company	Notification on material event	01.07.2009
The draft of the Restructuring application	Notification on material event	01.07.2009
The shareholders meeting „Agrowill Group“ is considered invalid	Notification on material event	02.07.2009
The repeat shareholders Meeting of „Agrowill Group“ AB is convened	Notification on material event	03.07.2009
Restructuring proceedings for Agrowill Group AB agricultural subsidiary companies	Notification on material event	10.07.2009
Resolutions of the repeat shareholders meeting of „Agrowill Group“	Notification on material event	13.07.2009
Agrowill Group AB creditors meeting	Notification on material event	14.07.2009
Court initiated bankruptcy proceeding for AB “Agrowill Group” subsidiary company	Notification on material event	20.07.2009
Resolutions of the repeat shareholders meeting of „Agrowill Group“	Notification on material event	28.07.2009
CORRECTION: Resolutions of „Agrowill Group“ AB creditors meeting	Notification on material event	28.07.2009
Swedbank AS has initiated a process to sell the pledged shares of Polva Agro OÜ	Notification on material event	24.08.2009
Restructuring proceedings for Agrowill Group AB agricultural subsidiary companies	Notification on material event	02.09.2009
Regarding interim financial statements	Notification on material event	02.09.2009
Decision of Court regarding Agrowill Group AB restructuring proceedings	Notification on material event	02.09.2009
Preliminary unaudited results of Agrowill Group AB for 1st half of 2009	Interim informatikon	16.09.2009
Court initiated restructuring proceeding for AB “Agrowill Group” agricultural subsidiary company	Notification on material event	30.09.2009