

## CONFIRMATION OF RESPONSIBLE PERSONS

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

AB Linas Agro Group Managing Director      Darius Zubas



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AB Linas Agro Group Finance Director      Tomas Tumėnas

17 May 2010

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## Financial results of Linas Agro Group, AB of 9 months of 2009-2010 season

Linas Agro Group, AB - LNA 1 L (NASDAQ OMX Vilnius)

- The sales of the Group amounted to 1.056 million tons and were slightly bigger if compared with the respective period of the last season (1.031 million tons respectively);
- Export has remained the strategic business field of the company and accounts for 78% of the total sale of the products;
- The Group has significantly developed the scope of fertilizers trade in the Baltic States. Further growth is expected for the last quarter of the activities;
- Unusually low prices of grain crops affected the profitability of the Group, in particular, its farming activities and trade in agricultural inputs;
- In February, the Group successfully accomplished an initial share offering by attracting LTL 91 million (after the deduction of the offering cost) and has become the company listed on the Vilnius NASDAQ OMX exchange. The attracted funds will be used for further expansion of the Group.

### Financial rates

	9 months of 2009-2010	9 months of 2008-2009
<b>Turnover (in tons)</b>	<b>1 056 910</b>	<b>1 031 343</b>
<b>Sales (LTL)</b>	<b>724 791 858</b>	<b>959 662 317</b>
<b>Turnover (in tons) by segments:</b>		
Grains and oilseeds	673 628	649 513
Feedstuffs	294 239	313 764
Agricultural inputs	62 536	22 055
Farming	11 885	15 889
Other	14 622	30 122
<b>Net profit (loss) attributable to the Group (LTL)</b>	<b>20 295 026</b>	<b>19 911 574</b>

### Overview

Nine months of 2009-2010 experienced in particular hard business conditions, since unusually low prices of grain crops prevailed on the market. The sales of the Group amounted to LTL 724 million and were 24% less as compared with LTL 959 million earned during the same period in the last season. Under these unusual conditions, the Group managed to increase the gross profitability from 5.7% in the last year up to 6.6%, and the gross profitability of 5.5-6.5% currently prevailing in the sector was noticeably exceeded. But this achievement was not enough for sustaining the gross profitability of the last year: the gross profit of the Group amounted to LTL 48 million and was 12% smaller than in 2008-2009 season (LTL 54.9 million).

The operating costs incurred by the Group were LTL 20.6 million, i.e. 3% smaller than during the same period in the last year (LTL 21.16 million, respectively). Costs related with the initial public offering (IPO) amounted to LTL 5.16 million, including LTL 0.9 million costs accounted by the Group in the operating costs and LTL 4.25 million in share premiums. Implementing a conservative risk management policy during the reporting period, the Group made provisions for bad debts (Linus Agro, AB - LTL 1 million, Dotnuvos projektai, UAB - LTL 2 million).

Falling prices of agricultural produce and decreasing financing from the banks had negative impact on the farmers' situation, which consequently negatively affected the business of the associated companies of the Group. The performance of Dotnuvos projektai, UAB was in particular badly affected: the total consolidated net profit of this company dropped down to LTL 1.3 million (it was LTL 6.3 million in 2008-2009 season). Since the third quarter always results into lower sales volumes, the operating costs had negative impact on the profitability of the company.

Notwithstanding certain challenges, we predict positive impact to be made on the results by consolidating positions of the Group in the fertilizers trade, implementing the investment programme to include mastering of new products and geographical development. The fourth quarter's performance is expected to improve in the business activities of the associated companies, while growing sales and favorable impact of subsidies should result in improving performance rates of the agricultural companies.

## Nine months results

### Grains and oilseeds

Traditionally the largest business segment of the Group generated the sales of LTL 397.5 million during nine months of 2009-2010 season (LTL 540.8 million in 2008-2009 season, respectively). 673,628 tons of various grain crops were sold. The leading position was held by the wheat (326,896 tons) and rapeseeds (162,312 tons). The fall of barley prices down to the interventional level resulted in decreasing trade volumes of the crop. The Group still remains the leader in the sales of rapeseeds, the volumes of which increased by over 30% during the reporting period.

### Feedstuffs

294,239 tons of feedstuffs were sold, i.e. 6% less than during the same period in the last year (313,764 tons). The highest drop was recorded in the trade in sugar beet pulp, since low grain prices significantly reduced the demand for this product – cheap grains allowed the fodder manufacturers to refuse alternative raw materials. No trade in this product was actually carried out during January – March.

### Agricultural inputs

Agricultural inputs were one of the most successful business segments in terms of turnover and profitability: 3 times more fertilizers were sold in Lithuania and Latvia than during the same period in

the last year, and amounted to 62,563 tons. The Group is expanding its activities and its market share in this business segment; therefore similar trends are expected for the fourth quarter as well.

#### Farming

This segment covers the initial agricultural production (the Group controls 4 agricultural companies). Activities of the agricultural enterprises are among the most severely affected businesses, since low prices of grain crops and milk (they were in particular low during the first half of this season) have direct impact on the profitability of the agricultural companies. The total loss of the companies amounted to LTL 4 million, while during the financial year 2008-2009, the companies managed to earn LTL 1.4 million net profit. Nevertheless, we believe that the sector will finish the year without a loss, since the major part of the received subsidies will be accounted in the fourth quarter (the forecasted amount of the subsidies is LTL 3.8 million).

#### Other

The sales of this business segment are predominated essentially by solid biofuel trade. Unfavorable market situation and absence of demand resulted in hardly any sales carried out in January – February. The sale volumes of the segment dropped down nearly by half, if compared with the last year. But the Group is expecting its business improvement in the financial year of 2010-2011. Such expectations are related with the planned investments into this promising business field.

#### Financial costs

Falling grain prices resulted in corresponding decrease in the Group's demand for working capital. It was one of the main reasons positively affected the level of financial expenditures. Bank interest expenses decreased from LTL 9.9 million down to LTL 4 million. Similar trends are expected also for the fourth quarter of this season.

#### Cash flows

Cash provided by operating activities over nine months of 2009-2010 season was LTL 16.3 million compared to LTL 54.9 million as of corresponding period of the previous season. This is mainly explained due to increase in the inventories as on accounting period. Due to increase in Group's share capital net increase in total cash flows amounted to LTL 48.7 million.

#### About Linas Agro Group, AB

Linas Agro Group, AB is an integrated agribusiness company engaged in international agricultural business, production and trade in agricultural produce and raw materials. It controls companies in Lithuania, Latvia and Denmark. The Group consists of the following companies: Linas Agro, AB, a Lithuanian company engaged in international trade in agricultural plant produce; Linas Agro, Grūdų centras KŪB, UAB controlling grain storages; (controlling grain storages in Kėdainiai, Kupiškis, Joniškis,

Šiauliai and Vilkaviškis), grain trade company in Latvia - Linas Agro, SIA; international trade company in Denmark - Rosenkrantz A/S; Landvesta, ŽŪB, a group of companies controlling agricultural land; and Linas Agro Konsultacijos, UAB controlling agricultural companies. Financial year of the companies starts on the 1st of July. As of February 17, 2010 Linas Agro Group, AB is listed on NASDAQ OMX Vilnius stock exchange.

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