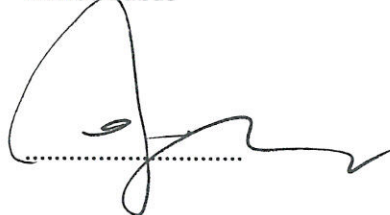


CONFIRMATION OF RESPONSIBLE PERSONS

Following the Article No. 22 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, Managing 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, the not audited AB Linas Agro Group interim consolidated Financial Statements for the period ended 30 June 2011, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or loss and cash flow of AB Linas Agro Group and the Group as well.

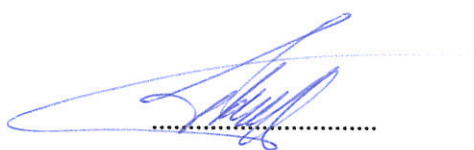
AB Linas Agro Group Managing Director

Darius Zubas



AB Linas Agro Group Finance Director

Tomas Tumėnas



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
ASSETS			
Non-current assets			
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
Non-current financial assets			
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
Total non-current assets		191,991	166,079
Current assets			
Crops		29,682	17,786
Inventories		129,758	62,785
Prepayments		50,565	19,530
Accounts receivable			
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
Total current assets		419,820	282,222
Total assets		611,811	448,301

(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
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
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
Total equity attributable to equity holders of the parent		263,288	250,531
Non-controlling interest		16,014	12,817
Total equity		279,302	263,348
Liabilities			
Non-current liabilities			
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	-
Total non-current liabilities		43,193	40,312
Current liabilities			
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
Total current liabilities		289,316	144,641
Total equity and liabilities		611,811	448,301

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)
Gross profit		83,150	70,341
Operating (expenses)	12	(65,660)	(32,079)
Other income	13	4,903	1,585
Other (expenses)	13	(4,519)	(163)
Operating profit		17,874	39,684
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
Profit before tax		16,434	39,988
Income tax		3,186	(6,478)
Net profit		19,620	33,510
Attributable to:			
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
Net profit		19,620	33,510
Other comprehensive income			
Exchange differences on translation of foreign operations		(5,089)	164
Total comprehensive income		14,531	33,674
Attributable to:			
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 rd Q	2009/2010 4 rd Q
Sales		215,933	109,324
Cost of sales		(194,921)	(87,139)
Gross profit		21,012	22,185
Operating (expenses)		(25,503)	(11,470)
Other income		3,898	(662)
Other (expenses)		976	113
Operating profit		383	10,166
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
Profit before tax		3,491	12,388
Income tax		4,900	74
Net profit		8,391	12,462
Attributable to:			
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
Net profit		8,391	12,462
Other comprehensive income			
Exchange differences on translation of foreign operations		(854)	(434)
Total comprehensive income		7,537	12,028
Attributable to:			
Equity holders of the parent		8,019	10,097
Non-controlling interest		(482)	1,931
		7,537	12,028

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
Balance as of 1 July 2009		41,000	121,911	10	(297)	(18,657)	143,967	12,104	156,071
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)
Balance as of 30 June 2010		158,940	79,545	4,100	(133)	8,079	250,531	12,817	263,348
Balance as of 1 July 2010		158,940	79,545	4,100	(133)	8,079	250,531	12,817	263,348
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)
Balance as of 30 June 2011		158,940	79,545	4,151	(3,361)	24,013	263,288	16,014	279,302

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
Cash flows from (to) operating activities			
Net profit (loss)		19,620	33,510
Adjustments for non-cash items:			
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
		<u>26,823</u>	<u>37,941</u>
Changes in working capital:			
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)
Net cash flows from (to) operating activities		<u>(36,096)</u>	<u>(21,952)</u>

(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
Cash flows from (to) investing activities			
(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
Net cash flows (to) investing activities		(10,235)	(6,882)
Cash flows from (to) financing activities			
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)
Net cash flows from (to) financing activities		19,941	54,658
Net increase (decrease) in cash and cash equivalents		(26,390)	25,824
Cash and cash equivalents at the beginning of the year		34,014	8,190
Cash and cash equivalents at the end of the year		7,624	34,014

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

	PAT UKRAGRO NPK
	1 July 2010
	Fair values (unaudited)
Acquisition date	
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
Total fair value of investment	16,171
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)
Consideration paid in cash*	12,757
Less: cash in the subsidiary	7,657
Acquisition price less cash acquired	5,100
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
Revenue								
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) ¹⁾	-
Total revenue	580,586	264,040	481,140	39,498	40,483	-	(49,620)	1,356,127
Results								
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
Revenue								
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) ¹⁾	-
Total revenue	450,736	254,745	101,644	31,021	33,039	-	(37,069)	834,116
Results								
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
Cost:			
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
Accumulated amortization:			
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
Net book value as of 30 June 2011	333	40	373
Net book value as of 30 June 2010	156	38	194
Net book value as of 30 June 2009	20	65	85

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
Cost:							
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
Accumulated depreciation:							
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
Impairment losses:							
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
Net book value as of 30 June 2011	6,873	71,335	23,129	3,521	3,533	14,816	123,207
Net book value as of 30 June 2010	6,175	59,768	21,014	2,437	3,544	2,388	95,326
Net book value as of 30 June 2009	5,599	57,028	24,551	2,924	2,987	1,043	94,132

7. Investment property

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

	Land	Buildings	Total
Cost:			
Balance as of 30 June 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
Accumulated depreciation:			
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
Impairment losses:			
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
Net book value as of 30 June 2011	7,539	1,444	8,983
Net book value as of 30 June 2010	7,083	1,315	8,398
Net book value as of 30 June 2009	7,229	947	8,176

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	
Associates				
UAB Jungtinė ekspedicija	Lithuania	45.05%	45.05%	Expedition and ship's agency services
Joint ventures				
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
Companies controlled by UAB Dotnuvos Projektai				
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 Agroservisas	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
Investments into associates							
UAB Jungtinė ekspedicija	347	139	4,315	166	1,112	-	507
	<u>347</u>						
Investments into joint ventures							
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
Investments into associates							
UAB Jungtinė ekspedicija	284	272	5,614	174	1,453	-	995
	<u>284</u>						
Investments into joint ventures							
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
Non-current borrowings		
Bank borrowings secured by the Group assets	27,016	25,770
Other non-current borrowings	1,149	1,035
	28,165	26,805
Current borrowings		
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

	2010-2011	2009-2010
	12 month	12 month
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

	2010-2011	2009-2010
	12 month	12 month
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)

	2010-2011	2009-2010
	12 month	12 month
Other income		
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>
Other (expenses)		
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
Income from financing activities		
Interest income	1,474	1,954
Income from overdue payments	647	854
	2,121	2,808
(Expenses) from financing activities		
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

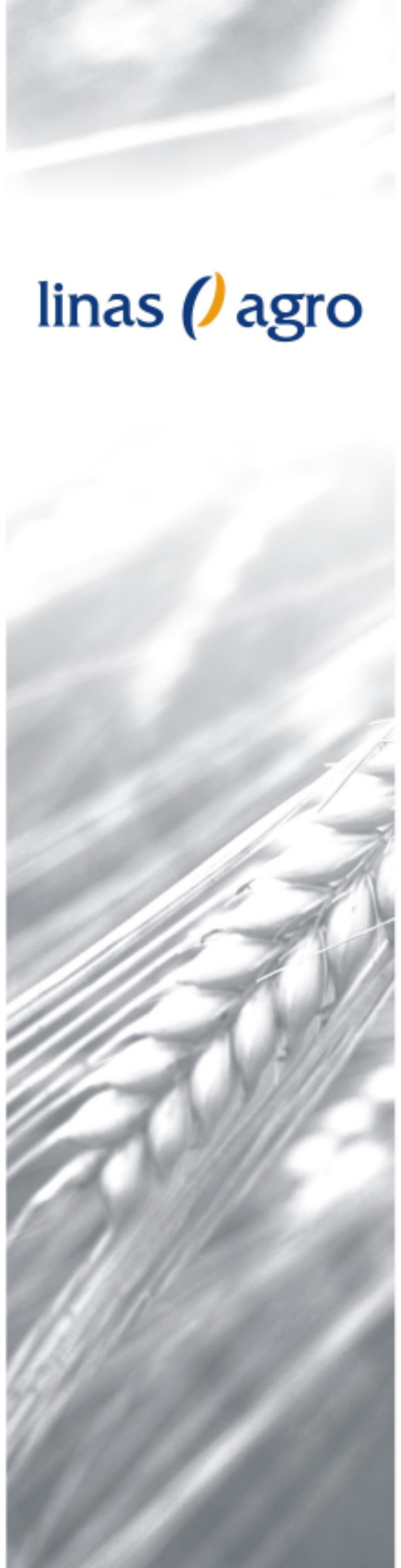
On 1 July 2011, the Group acquired an additional 40% interest of the voting shares of Linas Agro, A/S (former Rosenkrantz , A/S), increasing its ownership interest to 100%. Purchase price EUR 800 thousand will be paid by schedule till 15 July 2014.

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

AB LINAS AGRO GROUP
CONSOLIDATED INTERIM
REPORT
FOR FY 2010/2011

FOR 12 MONTHS PERIOD
ENDED JUNE 30, 2011

linas  agro





1. COMPANY DETAILS

Company name	AB Linas Agro Group
Legal form	Public company
Date and place of registration	27-11-1995 in Panevezys
Code of legal entity	148030011
VAT identification number	LT480300113
Company register	Register of Enterprises of Republic of Lithuania, VĮ Registrų centras
Address	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania
Phone	+370 45 50 73 03
Fax	+370 45 50 73 04
E-mail	group@linasagro.lt
Website	www.linasagro.lt
ISIN code	LT0000128092
Ticker in NASDAQ OMX Vilnius	LNA1L

2. THE MAIN ACTIVITY

AB Linas Agro Group is an agricultural company, controlling companies in Lithuania, Latvia, Denmark and Ukraine. In Lithuania, the group owns international trading company AB Linas Agro, grain storage company UAB Linas Agro Grūdų centras KŪB that controls grain storages in Kėdainiai, Kupiškis, Joniškis, Pasvalys, Šiauliai, Vilkaviškis and Šakiai district, a group of companies ŽŪB Landvesta controlling agricultural land, a group of agricultural companies UAB Linas Agro Konsultacijos, lignin biofuel feedstock operator UAB Lignineko and other companies. Foreign companies controlled by the group are international trading company Linas Agro A/S (former Rosenkrantz A/S) in Denmark, trade company in Latvia SIA Linas Agro and the Ukraine based fertilizer production and trade company PJ-SC UKRAGRO NPK. Together with partners, the controlling company owns UAB Dotnuvos projektai and UAB Kustodija, providing agricultural products and services, and logistics company UAB Jungtinė ekspedicija.

The Group is the leading exporter of grains and secondary products of food industry in the Baltic countries and the leader in supplies of agricultural inputs (such as certified seeds, fertilizers, plant protection products and agricultural machinery) in Lithuania. The Group carries out its trading operations mostly through its Denmark-registered subsidiary Linas Agro A/S (former Rosenkrantz A/S). The Group is a



major grains and milk producer in Lithuania. In order to improve its operations, the Group has formed an extensive network of grain storages and logistics network for road, railway, and seaborne transportation.

The Group's activities are subdivided into five basic operating segments: Grains and Oilseeds, Feedstuffs, Farming, Agricultural Inputs, and Other Activities. Division into separate segments is dictated by different types of products and character of related activities; however, activities of the segments are often interconnected. The holding company performs only the management function and is not involved in any trading or production activities.

The financial year of most of the companies of the Group begin on 1 July.

Since 17 February 2010, AB Linas Agro Group was included in the main list of companies whose securities are traded on NASDAQ OMX Vilnius Stock Exchange.

3. INFORMATION ON ACTIVITY RESULTS OF THE COMPANY

- In 2010/2011 financial year, the Group reached record sales of LT 1,356 million, which was 63 % higher as compared to the previous year. The Group's sales were driven by increase in sales volumes and growing worldwide grain prices.
- The trade volumes of AB Linas Agro Group grew up to 1.48 million tons and were 22 % higher as compared to the corresponding period of last year (1.21 million tons). The sharpest increase was seen in fertilizer sales, the tonnage of which increased almost 4.7 times. Such growth was the result of successful fertilizer trading activities in Lithuania and Latvia (19 % increase) and growing sales volumes of Ukraine based subsidiary PJ-SC UKRAGRO NPK – 335 thousand tons were sold (225 thousand tons in financial year 2009/2010).
- The Group earned LTL 83.2 million of gross profit, or 18 % more than over the respective period last year (LTL 70.2 million). The increase in gross profit is mainly associated with agricultural inputs and farming segments, where LTL 44.6 million and LTL 18.7 million was earned respectively. Grains and oilseeds segment experienced LTL 5.7 million of gross loss. This was the result of loss in barley and corn trade due to non-delivery of the products by counterparties under forward contracts and provision for bad debts.
- The Group has successfully accomplished investment program, the major investments were made to finance the development of fertilizer segment and grain storage network. After the end of 2010/2011 trading season the construction of new grain storages of the total capacity of 25 thousand tons in Pasvalys, Vilkaviškis and Šakiai district was finished and since then the total storage capacity of UAB Linas Agro Grūdų KŪB is almost 175 thousand tons.



3.1. KEY PERFORMANCE INDICATORS

	12 months of 2010/2011	12 months of 2009/2010
Sales (LTL)	1,356,127,000	834,116,000
Operating profit (LTL)	83,150,000	70,249,000
Operating profit (LTL) by segments :		
Grains and oilseeds	(32,761,000)	11,657,000
Feedstuffs	551,750	5,069,000
Agricultural inputs	27,303,000	10,428,000
Farming	15,543,000	5,856,000
Other products and services	7,508,000	7,994,000
Net profit (loss) attributable to the Group (LTL)	21,131,000	33,510,000
Turnover (in tons)	1,481,934	1,211,865

3.2. OVERVIEW

Consolidated turnover of AB Linas Agro Group rose 63 % during July 2010 - June 2011 and totaled LTL 1,356 million as compared with corresponding period of previous year. The Group increased the trading volumes to 1.48 million tons, up 22 % from 1.21 million tons in the same period of last season. The biggest turnover was in grains and oilseeds, amounting to LTL 581 million (or 41 % of total sales), and agricultural inputs, amounting to LTL 481 million (or 34 % of total sales). The increase in turnover is the result of growing sales volumes of fertilizers and higher worldwide prices of grains. However, due to especially unfavorable market situation, the consolidated non-audited profit of the Group before tax (EBT) totaled LTL 16.4 million and decreased almost 60 % as compared to the previous respective period (LTL 39.9 million). Group's profitability was negatively affected by provision for bad debts amounting to LTL 18.9 million (AB Linas Agro – LTL 2 million, SIA Linas Agro – LTL 1.3 million and Linas Agro A/S (former Rosenkrantz A/S) – LTL 15.6 million). The provisions were necessary because of suppliers' failure to carry out their obligations to the Group (the major sum is from Linas Agro A/S (former Rosenkrantz A/S) suppliers in Serbia). The Group's profit before tax, financial costs and depreciation (EBITDA) went down from LTL 49.74 million to



LTL 32.5 million. The performance of all companies controlled by the Group (except Linas Agro A/S (former Rosenkrantz A/S)) was profitable.

Operating costs of the Group totaled LTL 65.6 million, which is twice as high as the operating costs of the previous corresponding period (LTL 32 million). The increase in operating costs was mainly influenced by the consolidation effect of the Ukraine based company PJ-SC UKRAGRO NPK (LTL 12.7 million) and provisions of bad debts (LTL 18.9 million).

2010/2011 financial year was the most unsuccessful year throughout the Group's history. The Group is planning considerably better performance in 2011/2012 financial year. This will be achieved with the help of changes in risk management policy, further growth of trading volumes and return on investments made.

3.3. PERFORMANCE OF BUSINESS SEGMENTS

3.3.1. GRAINS AND OILSEEDS

The largest business segment of the Group generated the sales of LTL 581 million during 2010/2011 financial year (LTL 451 million in FY 2009/2010) and the operating loss amounted to LTL 32.7 million. More than 697 thousand tons of various grains and oilseeds were sold (770.6 thousand tons in FY 2009/2010). The leading position was held by rapeseeds and wheat. The decline in segment sales is mainly explained by bad harvest in Lithuania and Latvia. The biggest losses were recorded in barley from the Baltic region and corn purchased from Serbian suppliers (LTL 4 million and LTL 9 million). Losses were experienced due to wash-outs that the Group had to pay for failing to fulfill its obligations to the buyers after non-deliveries by counterparties, poor grain quality, as well as provision for bad debts. The Group has made provisions of LTL 2 million for bad debts in Lithuania and LTL 15.6 million in Serbia. In such a complicated situation, the Group decided to discontinue trading activities with Serbian suppliers or trade with them only having reliable risk management instruments.

3.3.2. FEEDSTUFFS

The sales of feedstuffs reached LTL 264 million and the operating profit totaled LTL 0.5 million and was markedly lower as compared to the previous period (LTL 5.06 million). The sales volumes amounted to 245 thousand tons and were 14 % less as compared to previous period (284 thousand tons). This was the result of decreased sales volumes of vegetable oil (19 %) due to export ban for this product in Belarus, where the Group lost LTL 4 million of revenues planned. The sales of all other feedstuffs was successful.



3.3.3. AGRICULTURAL INPUTS

Agricultural inputs remain one of the most successful business segments – the sales of fertilizers in Lithuania and Latvia compared with the same period of last year grew with 19% and amounted to more than 112 thousand tons. After consolidation of the Ukraine based company PJ-SC UKRAGRO NPK the segment's turnover totaled LTL 481 million (LTL 101.6 million last season) and the sales volumes of fertilizers increased to 447 thousand tons. The operating profit of the segment grew from LTL 10.42 million to LTL 27.3 million. The last season was especially successful for PJ-SC UKRAGRO NPK, as the company's profit before tax reached LTL 12.6 million. The Group is planning further expansion of this important segment's operating volumes.

3.3.4. FARMING

This segment covers agricultural production. It was one of the segments that showed the best performance results during 2010/2011 financial year. Due to increasing grain prices and increased sales volumes in tons the sales of the segment grew from LTL 31 million to LTL 39 million. The operating profit amounted to LTL 15.5 million and was 2.6 times higher as compared to the operating profit of LTL 5.85 million last year. Performance of Group's farming companies was profitable and the net profit of these companies totaled LTL 6.2 million.

3.3.5. OTHER PRODUCTS AND SERVICES

The sales of this business segment are predominated by Group's grain storage services and solid biofuel (lignin) trade. The total sales volumes in this segment reached LTL 40.5 million and that was mainly the revenues from Group's grain storage facilities (elevators). The gross profit of this business segment remains one of the healthiest within the Group and accounts to 19 %. In general, the operating profit remained stable and amounted to LTL 7.5 million (LTL 7.9 million in financial year 2009/2010).

3.4. FINANCIAL COSTS

Rising grain prices resulted in corresponding increase in the Group's demand for working capital. It was one of the main reasons that negatively affected the level of financial expenditures. Financial expenditures also grew due to consolidation affect of PJ-SC UKRAGRO NPK into the Group. Bank interest expenses increased from LTL 5.1 million to LTL 7.8 million.

3.5. CASH FLOWS

Group's Cash flow from operating activities before the changes in working capital was LTL 26.8 million, as compared to LTL 37.9 million of the corresponding period of the prior financial year. Cash flow from operating activities after changes in working capital was LTL 36.1 million (LTL 21.9 million in 2009/2010



accordingly). This was the result of this season's sales activities that were dominated by increase in stock and debts. Group's cash balance at the end of the reporting period totaled LTL 7.6 million (LTL 34 million in 2009/2010).

4. THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

4.1. THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended June 30, 2011, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

AB Linas Agro Group to strengthen its name in international trade buying 40 pct. shares of Danish company Rosenkrantz A/S	Notification on material event	En, Lt	2011-06-09 09:00:30 EEST
AB Linas Agro Group sells shares of UAB Kustodija	Other information	En, LT	2011-06-02 09:00:32 EEST
AB Linas Agro Group notification about interim nine months financial results of the financial year 2010/2011	Interim information	En, Lt	2011-05-30 09:00:30 EEST
SEB bank issued a LTL 16.4 million loan for the expansion of Linas Agro Grūdy centras	Notification on material event	En, Lt	2011-04-06 09:00:33 EEST
AB Linas Agro Group notification about interim six months financial results of the financial year 2010/2011	Interim information	En, Lt	2011-02-25 09:00:34 EET
AB Linas Agro Group Notification about acquisition of voting rights	Notification about acquisition (disposal) of a block of shares	En, Lt	2010-12-01 09:00:33 EET
AB Linas Agro Group notification about interim 3 month financial results of the financial year 2010-2011	Interim information	En, Lt	2010-11-22 09:00:30 EET
Procedure for the payout of dividends for the financial year ended 30 June 2010	Notification on material event	En, Lt	2010-10-29 09:49:35 EEST
AB Linas Agro Group notification about the Annual information of the financial year 2009/2010	Annual information	En, Lt	2010-10-29 09:48:36 EEST
Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 28 October 2010	Notification on material event	En, Lt	2010-10-29 09:45:35 EEST



Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	En, Lt	2010-10-06 17:15:32 EEST
AB Linas Agro Group sells a part of Ukrainian company's shares to its management	Other information	En, Lt	2010-10-04 09:00:30 EEST
CORRECTION: AB Linas Agro Group notification about interim 12 month financial results of the financial year 2009-2010	Interim information	En	2010-08-30 11:56:31 EEST
AB Linas Agro Group notification about interim 12 month financial results of the financial year 2009-2010	Interim information	En, Lt	2010-08-30 09:00:30 EEST
SEB Bank increased lending volume to PLC "Linas Agro Group" up to LTL 132 million	Other information	En, Lt	2010-08-16 09:00:30 EEST
AB Linas Agro Group completed the takeover of Ukraine-based producer and trader of fertilizers	Notification on material event	En, Lt	2010-07-01 17:56:30 EEST
Inclusion of the stock exchange's newcomer into the list of OMX Baltic Benchmark index - a good sign to investors	Other information	En, Lt	2010-07-01 09:00:31 EEST

4.2. OTHER EVENTS OF THE REPORTING PERIOD

On 10 July 2010 AB Linas Agro increased share capital of UAB Lignineko LTL 500 thousand, from LTL 1,229.6 thousand to LTL 1,729.6 thousand.

On 13 July 2010 authorized capital of AB Linas Agro increased from LTL 7 million to LTL 31 million.

In July 2010 share capital of Medeikių ŽŪB increased from LTL 828 thousand to LTL 1,748 thousand.

In July–October 2010 Biržai district Medeikių ŽŪB AB Linas Agro has acquired additional 54.54% shares of ŽŪK Kupiškio grūdai for LTL 1,380 thousand. The effective share of ŽŪK Kupiškio grūdai owned by the Group increased to 92.87% (as of 30 June 2010 – 37.43%).

In August–September 2010 authorized capital of UAB Linas Agro Konsultacijos increased from LTL 2 million to LTL 3.1 million.

In August–December 2010 share capital of ŽŪB Landvesta 4 increased from LTL 295 thousand to LTL 355 thousand.

In September–October share capital of ŽŪB Landvesta 1 increased from LTL 102 thousand to LTL 201 thousand.

In September–December 2010 share capital of ŽŪB Landvesta 5 increased from LTL 197 thousand to LTL 391 thousand.

In December 2010 share capital of ŽŪB Landvesta 2 increased from LTL 102 thousand to LTL 199



thousand, share capital of ŽŪB Landvesta 6 increased from LTL 177 thousand to LTL 275 thousand.

In September–December 2010 UAB Linas Agro Konsultacijos acquired 225,772 shares or 4.36% of shares of Lukšiy ŽŪB from the non-controlling shareholders for LTL 136 thousand.

On 28 October 2010 Ordinary General Meeting of Shareholders of AB Linas Agro Group was held with the following outcomes: approval of the consolidated and the Company's set of financial statements for the financial year ended 30 June, 2010; distribution of the Company's profit and allocation of LTL 3,500,000 (EUR 1,013,670.06) for the payment of dividends (or LTL 0.022 (EUR 0.0063) for each share of the Company before tax); election of UAB Ernst & Young Baltic as Auditor of the Company, approval of formation of the Company's Audit Committee, election of its members and approval of the Regulations of its Activity.

On 11 November 2010 UAB Dotnuvos Projektai established its subsidiary in Estonia AS DOTNUVOS PROJEKTAI.

In December 2010 UAB Linas Agro Konsultacijos acquired 133,490 shares or 10.32% of shares of Sidabravo ŽŪB from the non-controlling shareholders.

On 30 December 2010 AB Linas Agro Group sold 381 shares or 2.34% of shares of PJ-SC UKRAGRO NPK to the management of PJ-SC UKRAGRO NPK.

On 10 January 2011 AB Linas Agro Group sold 489 or 3% of shares of of PJ-SC UKRAGRO NPK to the management of PJ-SC UKRAGRO NPK.

On 6 April UAB Linas Agro Konsultacijos acquired 70% of shares of Užupės ŽŪB for LTL 7,000.

On 8 April 2011 AB SEB bank issued a LTL 16.4 million loan for the expansion of Linas Agro Grūdų centras KŪB.

5. SUBSEQUENT EVENTS

On 11 July 2011 AB SEB bank increased credit limit to AB Linas Agro by LTL 64 million.

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