

CONSOLIDATED INTERIM REPORT

OF THE FINANCIAL YEAR 2012/2013

OF AB LINAS AGRO GROUP

FOR 6 MONTHS PERIOD

ENDED 31 DECEMBER 2012



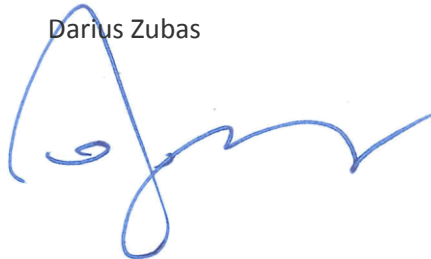
CONFIRMATION OF RESPONSIBLE PERSONS

Following 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 six months of the financial year 2012/2013, 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 losses and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Interim Consolidated Report for the six months of the financial year 2012/2013 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

AB Linas Agro Group Managing Director

Darius Zubas

28 February 2013



AB Linas Agro Group Finance Director

Tomas Tumėnas

28 February 2013



CONTENT

1. REPORTING PERIOD OF THE REPORT	1
2. REFERENCES AND OTHER EXPLANATORY NOTES ON THE INFORMATION DISCLOSED IN THE FINANCIAL STATEMENTS	1
3. COMPANY DETAILS	1
4. THE MAIN ACTIVITY	2
5. INFORMATION ABOUT SECONDARY COMPANIES OF THE COMPANY	3
6. EMPLOYEES	7
7. KEY EVENTS	7
8. ACTIVITY RESULTS OF THE GROUP	11
9. SCOPE OF RISK AND MANAGEMENT THEREOF	18
10. AUTHORISED CAPITAL AND SHARES OF THE COMPANY	19
11. AGREEMENTS CONCLUDED WITH INTERMEDIARIES OF THE PUBLIC SECURITIES MARKET	20
12. INFORMATION ABOUT OWN SHARES OF THE COMPANY	20
13. INFORMATION ABOUT TRADE IN THE COMPANY'S SECURITIES IN THE CONTROLLED MARKETS	20
14. SHAREHOLDERS	21
15. MANAGEMENT BODIES	22
16. PROCEDURE OF AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION	26
17. INFORMATION ABOUT THE COMPLIANCE WITH THE COMPANY MANAGEMENT CODE	26



1. REPORTING PERIOD OF THE REPORT

Financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year, therefore this report is prepared for the first six months of the financial year 2012/2013, and all the figures are stated as at 31 December 2012, unless otherwise indicated. AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as Group in this report.

2. REFERENCES AND OTHER EXPLANATORY NOTES ON THE INFORMATION DISCLOSED IN THE FINANCIAL STATEMENTS

All the financial data disclosed in interim six months financial report are presented in accordance with the International Standards on Auditing, unless otherwise indicated. Financial data is not audited.

3. 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	<i>group@linasagro.lt</i>
Website	<i>www.linasagro.lt</i>
ISIN code	LT0000128092
Ticker in NASDAQ OMX Vilnius	LNA1L

4. THE MAIN ACTIVITY

AB Linas Agro Group together with its subsidiaries and joint ventures is agribusiness developing Group of companies engaged in the production of and trade in agricultural produce, feedstuff and agricultural inputs.

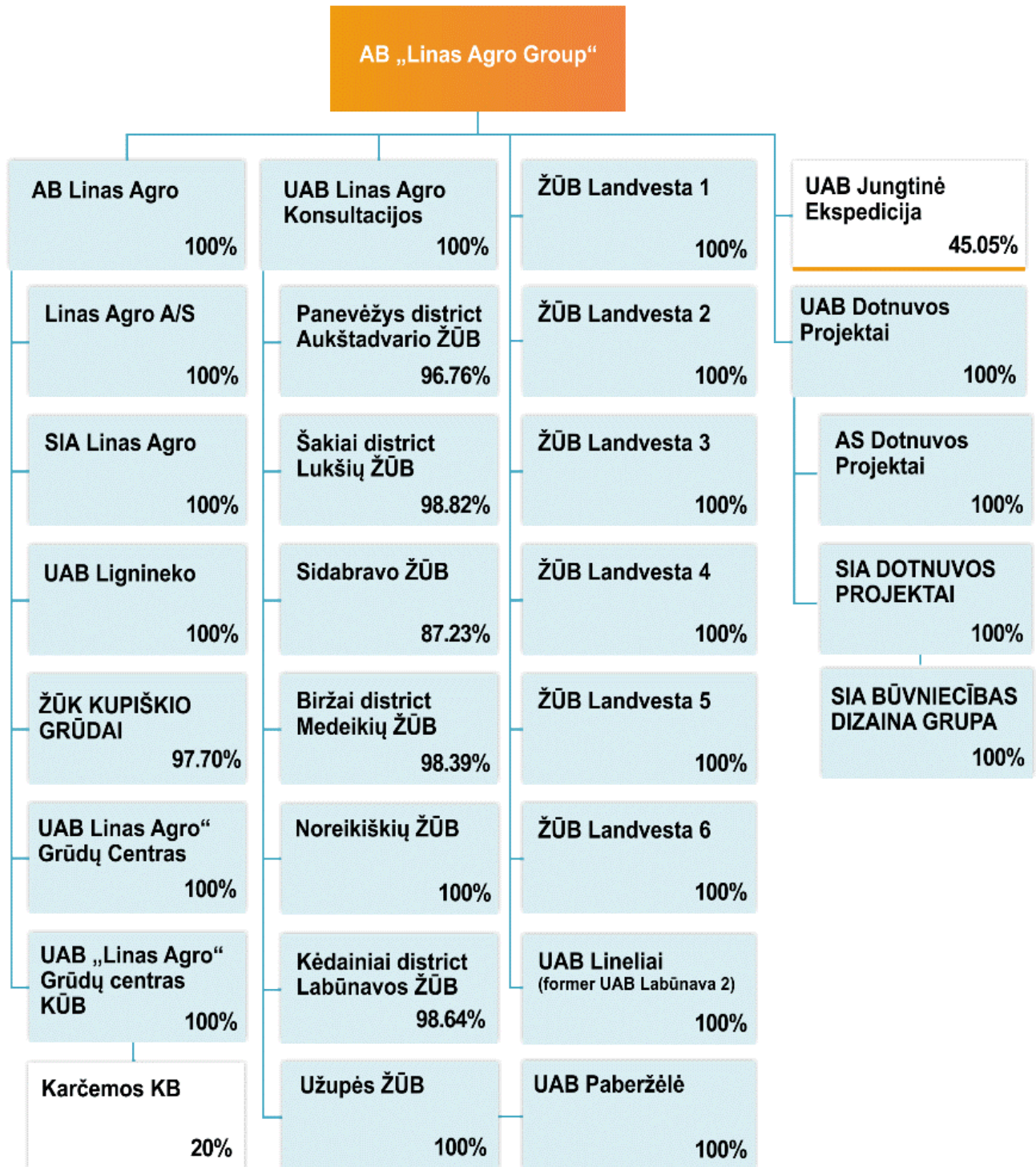
The Group's activities are subdivided into six basic operating segments: Grains and Oilseeds, Feedstuffs, Farming, Agricultural Inputs, Machinery and equipment and Other Activities. Division into separate segments is dictated by different types of products and character of related activities; however, 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.





5. INFORMATION ABOUT SECONDARY COMPANIES OF THE COMPANY

Summarized structure of AB Linas Agro Group as of 31 December, 2012*



* Dormant companies UAB Gerera (100% shares) and UAB Dotnuvos technika (100% shares) not included.

ACTIVITIES AND CONTACT DATA OF THE COMPANIES OF THE GROUP *

* Dormant companies UAB Gerera (100% shares) and UAB Dotnuvos technika (100% shares) not included.

Company name, share of the stock held by the Group	Principal activities	Registration date, company code, company register	Contact data
AB Linas Agro 100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs supply	8/7/1991, Code of legal entity 1473 28026, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@linasagro.lt www.linasagro.lt , www.rapsai.lt
UAB Linas Agro Grūdų Centras 100%	Management services	5/7/2002, Code of legal entity 148450944, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 365 Fax +370 45 507 344 E-mail grudai@linasagro.lt
Linas Agro A/S 100%	Wholesale trade of grains and oilseeds, feedstuffs and other similar products and services	15/3/1994, Code of legal entity CVR 17689037, register of the company – Danish Commerce and Companies Agency	Vinkel Allé 1, DK-9000 Aalborg, Denmark Ph. +45 988 430 70 Fax +45 988 440 07 E-mail info@linasagro.dk www.linasagro.dk
SIA Linas Agro 100%	Wholesale trade of grains and oilseeds, agricultural inputs supply	23/4/2003, Code of legal entity 53603019011, Register of Enterprises of Republic of Latvia	Bauskas iela 2, LV-3001 Jelgava, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.rapsim.lv
UAB Linas Agro Grūdų Centras KŪB 100%	Grain processing and storage	10/7/2002, Code of legal entity 148451131, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 343 Fax +370 45 507 344 E-mail grudu.centras@linasagro.lt
UAB Lignineko 100%	Lignin biofuel stock operator	5/10/1994, Code of legal entity 134231520, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@lignineko.lt





Company name, share of the stock held by the Group	Principal activities	Registration date, company code, company register	Contact data
UAB Linas Agro Konsultacijos 100%	Management of subsidiary farming companies	23/6/2003, Code of legal entity 248520920, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	The principal place of business: Kėdainių elevator, Žibuoklių g. 1A, LT-57130 Kėdainiai, Lithuania The registered address: Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 688 674 29 Fax +370 347 415 28 E-mail <i>konsultavimas@linasagro.lt</i>
ŽŪB Landvesta 1 100%	Rent and management of agricultural land	21/10/2005, Code of legal entity 300501060, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail <i>info@landvesta.lt</i>
ŽŪB Landvesta 2 100%	Rent and management of agricultural land	21/10/2005, Code of legal entity 300501085, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail <i>info@landvesta.lt</i>
ŽŪB Landvesta 3 100%	Rent and management of agricultural land	21/10/2005, Code of legal entity 300501092, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail <i>info@landvesta.lt</i>
ŽŪB Landvesta 4 100%	Rent and management of agricultural pland	23/4/2007, Code of legal entity 300709428, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail <i>info@landvesta.lt</i>
ŽŪB Landvesta 5 100%	Rent and management of agricultural land	16/8/2007, Code of legal entity 301019661, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail <i>info@landvesta.lt</i>
ŽŪB Landvesta 6 100%	Rent and management of agricultural land	14/1/2008, Code of legal entity 301520074, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail <i>info@landvesta.lt</i>

Company name, share of the stock held by the Group	Principal activities	Registration date, company code, company register	Contact data
UAB Dotnuvos Projektai 100%	Sale of seeds, agricultural machinery	5/3/1996, Code of legal entity 261415970, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko g. 6, Akademija, LT-58351 Kėdainiai district, Lithuania Ph. +370 347 370 30 Fax +370 347 370 40 E-mail info@dotnuvosprojektai.lt www.dotnuvosprojektai.lt
SIA DOTNUVOS PROJEKTAI 100%	Sale of seeds, agricultural machinery	26/4/2010, Code of legal entity 43603041881, Register of Enterprises of Republic of Latvia	The principal place of business: Jūrmalas iela 13C, Pinki, LV-2107 Babītes novads, Latvia The registered address: Bauskas iela 2, LV-3001 Jelgava, Latvia Ph. +371 679 131 61 Fax +371 677 602 52 E-mail info@dotnuvosprojektai.lv www.dotnuvosprojektai.lv
SIA BUVNIECIBAS DIZAINA GRUPA 100%	Rent of buildings and premises	27/12/1993, Code of legal entity 40103110968, Register of Enterprises of Republic of Latvia	Jūrmalas iela 13C, Pinki, LV-2107 Babītes novads, Latvia Ph. +371 673 215 79
AS Dotnuvos Projektai 100%	Sale of seeds, agricultural machinery	11/11/2010, Code of legal entity 12019737, Estonian Central Register of Securities (Eesti Väärtpaberikeskus AS)	Savimäe 7, Vahi 60534 Tartu vald., Estonia Ph. +372 661 2800 Fax +372 661 8004 E-mail info@dotnuvosprojektai.ee www.dotnuvosprojektai.ee
Noreikiškių ŽŪB 100%	Growing and sale of crop	16/8/2012, Code of legal entity 302841649, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių g. 70, Žibartoniai vill. LT-38323 Panevėžys district, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 Email noreikiskes@linasagro.lt
Užupės ŽŪB 100%	Growing and sale of crop	6/4/2011, Code of legal entity 302612561, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail uzupe@linasagro.lt
UAB Paberžėlė 100%	Rent and management of agricultural purposes land	30/6/2008, Code of legal entity 301772627, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės g. 81, Užupės vill. LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail paberzele@linasagro.lt





Company name, share of the stock held by the Group	Principal activities	Registration date, company code, company register	Contact data
UAB Lineliai (former UAB Labūnava 2) 100%	Rent and management of agricultural purposes land	9/3/2012, Code of legal entity 302740714, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės g. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
Šakiai district Lukšių ŽŪB 98.82%	Mixed agricultural activities	30/10/1992, Code of legal entity 174317183, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Lukšių vill. 2, Lukšiai subdistrict LT-71176 Šakiai district, Lithuania Ph. +370 345 442 88 Fax +370 345 442 25 E-mail luksiai@linasagro.lt
Kėdainiai district Labūnavos ŽŪB 98.64%	Mixed agricultural activities	9/3/1993, Code of legal entity 161228959, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Barupės g. 9, Labūnavos vill. LT-58173 Kėdainiai district, Lithuania Tel./faks. (8 347) 34 180 E. p. labunava@linasagro.lt
Biržai district Medeikių ŽŪB 98.39%	Growing and sale of crop	5/10/1992, Code of legal entity 154771488, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Medeikių vill., Parovėjos subdistrict LT-41462 Biržai district, Lithuania Ph. +370 450 584 22 Fax +370 450 584 12 E-mail medeikiai@linasagro.lt
ŽŪK KUPIŠKIO GRŪDAI 97.70%	Grain processing and storage	8/4/1999, Code of legal entity 160189745, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Technikos g. 6, LT-40122 Kupiškis, Lithuania Ph. +370 688 67477 Fax +370 688 67 471 E-mail info@kupiskiogrudai.lt
Panevėžys district Aukštadvario ŽŪB 96.76%	Mixed agricultural activities	9/3/1993, Code of legal entity 168573274, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pirties g. 3, Aukštadvario vill. Ramygalos subdistrict LT-38255 Panevėžys district, Lithuania Ph./fax +370 45 592 651 E-mail aukstadvaris@linasagro.lt
Sidabravo ŽŪB 87.23%	Mixed agricultural activities	20/4/1993, Code of legal entity 171331516, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Sidabravas, LT-82251 Radviliškis district, Lithuania Ph. +370 422 477 27 Fax +370 422 476 18, E-mail sidabravas@linasagro.lt

Company name, share of the stock held by the Group	Principal activities	Registration date, company code, company register	Contact data
UAB Jungtinė Ekspedicija 45%	Logistics and forwarding services	17/2/1998, Code of legal entity 141642963, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	I. Kanto g. 12-3, LT-92235 Klaipėda, Lithuania Ph. +370 46 310 163 Fax +370 46 312 529 E-mail info@je.lt , www.je.lt
Karčemos kooperatinė bendrovė 20%	Grain processing and storage	9/3/2010, Code of legal entity 302487798, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Šiaulių g. 72, Gustonių vill. Naujamiesčio subdistrict LT-38355 Panevėžys district, Lithuania Ph. +370 45 454 051 Fax +370 45 454 054 E-mail priemimas@karcemoskb.lt

6. EMPLOYEES

As of 31 December 2012 AB Linas Agro Group and subsidiaries employed 951 employees or 148 employees more than in December 31, 2011 (803).

AB Linas Agro Group does not have a collective agreement.

7. KEY EVENTS

DATA ON THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 31 December 2012, the Company publicly announced through both the NASDAQ OMX Vilnius Stock Exchange GlobeNewswire information system and on its website the following information:

AB Linas Agro Group is planning to acquire 54.95% shares of UAB Jungtine Ekspedicija	Notification on material event	2012-12-28 09:00:31 EET
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Notice on acquisition of own shares	Notification on material event	2012-12-28 08:09:31 EET
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Notice on acquisition of own shares	Notification on material event	2012-12-06 08:13:32 EET
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AB Linas Agro Group notification about interim three months financial results of the financial year 2012/2013	Interim information	2012-11-30 09:00:32 EET
AB Linas Agro Group investor's calendar for the end of 2012 and 2013	Other information	2012-11-21 09:09:32 EET
Procedure for the payout of dividends for the financial year ended 30 June 2012	Notification on material event	2012-10-26 08:39:35 EEST
AB Linas Agro Group notification about the Annual information of the financial year 2011/2012	Annual information	2012-10-26 08:30:37 EEST
Results of voting of Annual General Meeting of AB Linas Agro Group, held on 25 of October, 2012	Notification on material event	2012-10-26 08:26:35 EEST
AB Linas Agro Group took over management of UAB Dotnuvos Projektai	Notification on material event	2012-10-12 09:00:32 EEST
Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	2012-10-03 09:00:32 EEST
AB Linas Agro Group notification about interim twelve months financial results of the financial year 2011/2012	Interim information	2012-08-30 10:05:32 EEST
AB Linas Agro Group is planning the purchase of 50% of shares of UAB Dotnuvos projektai	Notification on material event	2012-08-06 11:48:30 EEST
Linas Agro Group acquired Labūnavos agricultural company	Notification on material event	2012-07-16 09:00:30 EEST

OTHER EVENTS DURING THE REPORTING PERIOD

On 13 July 2012 UAB Linas Agro Konsultacijos purchased LTL 2,304,984 worth of shares of Kėdainiai district Labūnavos ŽŪB.

On 31 July 2012 share capital of Užupės ŽŪB increased from LTL 10,000 to LTL 6,314,000.

On 16 August 2012 Noreikiškių ŽŪB was established and on 28 November 2012 share capital increased from LTL 10,000 to LTL 155,000.

On 23 October 2012 share capital of ŽŪB Landvesta 6 increased from LTL 310,000 to LTL 320,000.

On October and November months of 2012 share capital of ŽŪB Landvesta 4 increased from LTL 426,000 to LTL 437,000.

On October and November months of 2012 UAB Linas Agro Konsultacijos additionally purchased LTL 219,365.6 worth of shares of Sidabravo ŽŪB.

On 1 November 2012 UAB Linas Agro Konsultacijos additionally purchased LTL 1,041 worth of shares of Šakių rajono Lukšių ŽŪB.

On 28 November 2012 the authorized capital of UAB Linas Agro Konsultacijos increased from LTL 9,720,200 to LTL 10,144,600.

On 18 December 2012 UAB EDFERMUS 2 renamed into UAB Paberžėlė and authorized capital of the company increased from LTL 10,000 to LTL 271,000.

SUBSEQUENT EVENTS

On 2 January 2013 UAB Labūnava 2 was renamed into UAB Lineliai, also registration address of the company and the start of the financial year was changed.

On 15 January 2013 SIA BUVNIECIBAS DIZAINA GRUPA was affiliated to SIA DOTNUVOS PROJEKTAI by the way of reorganisation.

On 17 January 2013 AB Linas Agro Group sold part (7,028 units) of acquired own common shares.





8. ACTIVITY RESULTS OF THE GROUP



Consolidated revenue of AB Linas Agro Group in the first half of financial year 2012/2013 totaled LTL 1,123 million and was 29% more as compared to previous year (LTL 869 million) that included revenues of Ukrainian company PJ-SC UKRAGRO NPK.



The Group's sales volume reached 1 million tons of various grains and agricultural inputs and was 22% more as compared to previous year (0.8 million tons). Excluding PJ-SC UKRAGRO NPK sales volumes, Group's sales volume in tons grew by 1.5 times.



Exports of the Group increased. The Group reached a historic high, having dispatched 5 Panamax type vessels (average vessel tonnage – 60 thousand tonnes).



The Group's operating profit reached LTL 77 million or was 2.4 times higher as compared to the respective period of the previous financial year (LTL 32 million). The net profit before tax amounted to LTL 78 million (compared to LTL 28 million previous year). The net profit attributable to the Group reached LTL 68 million (LTL 19 million previous year).



Grain storage facilities owned by AB Linas Agro Group processed 518 thousand tons of various grains or 61% more than over the respective period of the previous year.



In July 2012 The Group acquired agricultural company Kėdainiai district Labūnavos ŽŪB, which revenues during the reporting period has been consolidated and amounted to LTL 10 million.



In October 2012 The Group acquired and consolidated UAB Dotnuvos Projektai, this increased Group's revenues by LTL 74 million and the gross profit by LTL 8 million. UAB Dotnuvos Projektai is among the leading sellers of agricultural machinery, seeds and grain storage equipment in Lithuania.



FINANCIAL RATIOS

	2012/2013	2011/2012	2010/2011	2009/2010
	6 months	6 months	6 months	6 months
Sales in tons	1,026,114	843,845	869,526	842,770
Sales revenues (thousand LTL)	1,122,922	868,668	796,135	554,357
Gross profit (thousand LTL)	88 801	54,195	42,204	45,067
Gross profit margin	8%	6%	5%	8%
EBITDA (thousand LTL)	91,104	38,400	24,277	38,008
EBITDA margin	8%	4%	3%	7%
Operating profit (thousand LTL)	76,991	31,687	17,361	32,760
Operating profit margin	7%	4%	2%	6%
Profit before taxes EBT (thousand LTL)	77,581	28,396	15,662	32,444
Profit before taxes margin	7%	3%	2%	6%
Net profit (thousand LTL)	68,545	21,634	12,827	25,741
Net profit margin	6.1%	2.5%	1.6%	4.6%
Current ratio	1.5	1.8	1.5	1.3
Debt / Equity ratio	1.1	0.6	1.1	0.7
Net financial debt / EBITDA	4.4	4.6	10.9	3.1
Return on equity (ROE)	16.4%	5.5%	4.9%	14.7%
Return on assets (ROA)	9.2%	5.7%	3.5%	10.9%
Earnings per share (LTL)	0.43	0.14	0.08	0.22





OVERVIEW

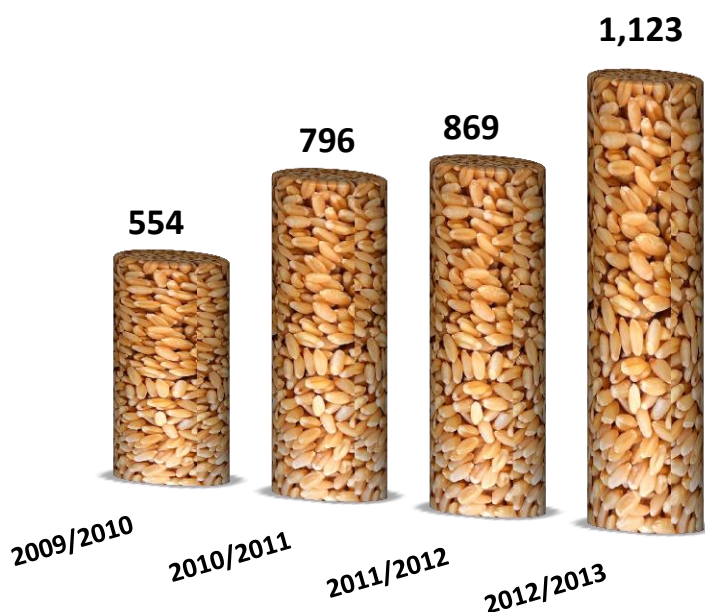
The financial results of AB Linas Agro Group over first six months of FY 2012/2013 are the best for the past three years. Group's consolidated revenues amounted to LTL 1,123 million or grew up by 29% if compared to the corresponding period of previous year. Despite of the sale of Ukrainian company, the total trading volume exceeded 1 million tons (22% more as compared to 2011/2012). Trade growth has been positively affected by a big cereal harvest in Lithuania and Latvia – the highest in the last five years. According to preliminary data, yields for wheat and rapeseed grew by 28% in Lithuania and by 27% in Latvia if compared to 2011. Growing demand for feedstuffs and solid market presence were other factors which influenced sales growth. After consolidation of UAB Dotnuvos Projektai in the second quarter of the financial year, Group's revenues grew up by LTL 74 million as well.

All Groups' business segments were profitable. AB Linas Agro Group operating profit totaled LTL 77 million and was almost 2.4 times higher if compared to the same period of previous year (LTL 32 million). This is mainly explained due to growing sales volumes, increased profitability in grains and oilseeds, successful risk management and introduction of a new business segment into Group's activities – machinery and equipment. Group's gross profit margin increased from 6% last year to 8% this year. The Group does not expect to incur unexpected losses due to non-delivery of goods because it has implemented more strict risk management policy.

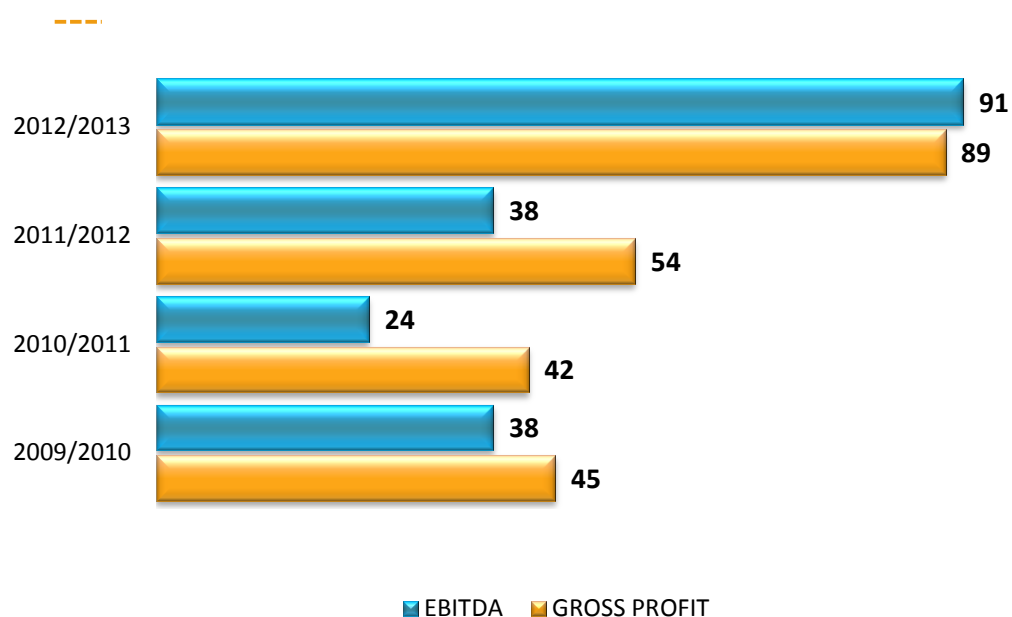
Group's operating costs amounted to LTL 40 million and were 46% higher than during the respective period of the last year (LTL 27 million). Operating cost growth is mainly explained by consolidation of the new companies within the Group (additional operating cost was LTL 11 million).

The performance of the companies owned by the Group together with partners (UAB Jungtinė Ekspedicija and Karčemos kooperatinė bendrovė) was profitable. The aggregated net profit of the companies was approx. LTL 0.5 million (LTL 0.15 million in 2011/2012 financial year).

SALES REVENUES , LTL MILLION



EBITDA & GROSS PROFIT , LTL MILLION



ACTIVITY RESULTS BY SEGMENTS

OPERATING PROFIT (THOUSAND LTL) BY SEGMENTS

	2012/2013	2011/2012	2010/2011
	6 months	6 months	6 months
Grains and oilseeds	18,769	3,307	(8,390)
Feedstuffs	18,379	6,140	4,177
Agricultural inputs	8,805	22,073	17,230
Farming	16,634	(3,550)	1,763
Machinery and equipment	9,721	n.d	n.d
Other products and services	17,439	9,385	7,147





GRAINS AND OILSEEDS

Traditionally largest business segment of the Group generated growth in sales revenue to LTL 583 million during six months of the financial year (LTL 362 million in 2011/2012 financial year), the operating profit amounted to LTL 18.8 million (LTL 3.3 million operating profit in FY 2011/2012). The operating profit growth was mainly obtained by increased volume of trade: 588 thousand tons of various grains were sold (compared to 391 thousand tons in FY 2011/2012). The results of this business segment of half-year are the best over the past four years. Most of the trading took place between October and December. Only during the second quarter of the financial year various grains for more than 464 million litas were sold. The Company expects to maintain the gross profit margin of 4% during the entire trading season.



FEEDSTUFFS

The sales revenue of feedstuffs segment reached LTL 319 million and the operating profit totaled LTL 18.4 million (LTL 6.1 million in FY 2011/2012). Approximately 282 thousand tons of feedstuffs were sold, 85% more than during the respective period last year (152 thousand tons). Strong demand for feedstuff on European market was the key driving factor for such trade volume growth. The Group expects quite successful activity results for this business segment over the other reporting periods of the financial year.



AGRICULTURAL INPUTS

After the Group sold Ukrainian company PJ-SC UKRAGRO NPK, trade volume of the segment declined both in litas and tonnage, although profitability remained almost unchanged. The gross margin remained at 9% as compared to 8.6% in FY 2011/2012. The operating profit of the segment reached LTL 8.8 million and was 2.5 times less as compared to the respective period of the last year (LTL 22 million). Excluding fertilizers sales volumes of the sold Ukrainian company, the sales revenue of the segment grew up by almost 70% to LTL 136 million. Fertilizer trade volume in litas increased by 70%, seed trading volume – 68% (including 32% increase due to consolidation of UAB Dotnuvos Projektai), plant protection products sales increased by 51%.



FARMING

This segment covers agricultural production. In July 2012 the Group acquired agricultural company Kėdainiai district Labūnavos ŽŪB. Due to the record harvest and consolidation of Kėdainiai district Labūnavos ŽŪB into the Group the aggregated revenues of the segment during the first half of the year grew from LTL 28 million to LTL 50 million. The operating profit amounted to LTL 16.6 million (LTL 3.6 million loss was recorded in FY 2011/2012). The profit increase is mainly explained by a positive impact of market asset value of Kėdainiai district Labūnavos ŽŪB as compared to its acquisition value.



MACHINERY AND EQUIPMENT

This is a new Segment of Company activity, which appeared this financial year, after the Group acquired 100% shares of UAB Dotnuvos Projektai. This segment includes wholesale and retail of new and used agricultural and forest machinery and spare parts, also designing and installation of grain cleaning, drying and storage facilities. Segment activities are being developed in three countries-Lithuania, Latvia and Estonia. Only the financial results of the second quarter of the Group or respectively the fourth calendar quarter of the financial year of UAB Dotnuvos Projektai are consolidated.



Sales revenues from this segment reached LTL 57 million, operating profit was almost LTL 10 million.

During the reporting period the Company sold 343 units of new and second-hand machinery or 41% more than previous year. Installed and reconstructed 11 grain storage facilities, the revenues from this business were LTL 16 million or 4% higher as compared to the respective period of the previous year.

During the reporting period, the company strengthened its infrastructure by reconstructing administrative and storage facilities of 975 m2 in Plunge.

OTHER PRODUCTS AND SERVICES

This segment includes grain warehousing services, logistics services, trade in lignin biofuel and other categories of goods and services. The sales of this business segment are predominated essentially by activities of grain storage facilities controlled by the Group. Due to the high harvest in Lithuania and Latvia and increased own grain storage capacity sales revenue of this segment was up 83% and reached LTL 55 million as compared to previous year (LTL 30 million in FY 2011/2012). The gross profit of the segment was LTL 21 million (LTL 11 million in previous year) while operating profit – LTL 17 million that was 89% higher compared to respective period of the previous year (LTL 9 million).





FINANCIAL COSTS

Financial expenses over referenced period amounted to LTL 4 million and were 17% less as compared to FY 2011/2012. Due to high harvest in Baltic countries Group's demand for working capital increased by 2.3 times, although sufficient own capital and comparatively low interest rates on financial loans allowed the Group to control all over its financial expenses. The main aim of the Group's treasury remains unchanged – to supply sufficient financial resources in order to maintain Group's demand for its working capital.

CASH FLOWS

Group's cash flow from operating activities before the changes in working capital increased to LTL 59 million as compared to LTL 42 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative amounting to LTL 148 million (positive LTL 78 million over the respective period of 2011/2012 financial year). This is mainly explained due to the growing sales of the Group and substantially increased stocks (due to active purchase of grains stocks increased by 202 mln Lt). Group's cash balance at the end of the reporting period amounted to LTL 58 million (LTL 38 million over the respective period of 2011/2012 financial year).

INVESTMENTS

The Group spent almost LTL 55 million on acquisitions (Kėdainiai district Labūnavos ŽŪB, UAB Dotnuvos Projektai and other).

Subsidiaries of the Group invested almost LTL 12 million over the referenced period. The breakdown of major investments are presented in the table.

Type of investments	Amount invested, LTL thousand
Grain storage facilities and equipment, warehouses and other	5,513
Investments into agricultural equipment ,machinery, buildings and agricultural land	4,388
Other investments	2,046

9. SCOPE OF RISK AND MANAGEMENT THEREOF

MARKET RISK

Market risk shall be understood as a risk to generate a profit lower than planned if the tone of market prices is unfavourable. Price fluctuation risk is relevant.

The Group trades in futures contracts in NYSE Euronext Paris SA to control the price risk arising from purchasing rapeseeds and wheat from farmers. The Group has approved an internal trade risk management system and established the credit risk management committee that analyses trade transactions of the Group as well as their amounts and limits. Some of the buyers are insured against insolvency risk by international insurance companies.

RISK RELATED TO ACTIVITIES OF CONTROLLED COMPANIES

The companies controlled by the Group are involved in trade in agricultural commodities and agricultural inputs, warehousing of agricultural products and other activities. Although operations of a majority of controlled companies are profitable, negative changes in the markets, where the parent company and controlled companies operate, may affect its profitability.

Managers of the Group in charge of corresponding activities constantly monitor and analyse the activities of companies controlled by the Group, essential transactions, provide budgets of activities of the controlled companies to the Board of the Group and, correspondingly, control their execution and material changes.

POLITICAL RISK

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group.

SOCIAL RISK

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key employees of the Group will stay with the Group in the future. Loss of such employees or the Group's failure to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group.

Non-competition agreements are signed with some executives of the Group.





COUNTERPARTY RISK

The Group enters forward contracts with the clients who commit the delivery of production under terms and conditions of the contract. As the prices of products increase, the risk of breach of forward contracts and non-delivery of production by counterparties emerges. The bigger the difference between the contract price and the current market price on the day of delivery, the higher is the risk. This risk is low due to the favorable market situation this trading season.

10. AUTHORISED CAPITAL AND SHARES OF THE COMPANY

The size of authorized capital of the company has not changed since 17 February 2010.

On 31 December 2012, the authorized capital of the Company amounts to LTL 158,940,398.00 (one hundred and fifty-eight million, nine hundred and forty thousand, three hundred and ninety-eight litas). The authorized capital of the Company is divided into 158,940,398 ordinary registered non-certificated shares. The nominal value of one share is LTL 1.00 (one litas). The ISIN code of the share is LT0000128092.

Type of shares	Number of shares	Nominal value (LTL)	Total nominal value (LTL)	Portion in the authorised capital (%)
Ordinary registered shares	158,940,398	1	158,940,398	100
Total	158,940,398	–	158,940,398	100

All the shares of the Company are fully paid.

The company is not aware of any limitations of transfer of securities or other shareholders' agreements on limitation of transfer of securities and/or voting rights.

The Company's bodies have not issued any authorizations for the issue or redemption of the Company's shares.

The Board of the Company, in accordance with the decision of the Annual General Meeting of AB Linas Agro Group Shareholders from 27 October 2011 "The determination of the order of own share acquisition" and the Board powers, determined the precise share acquisition conditions and decided to purchase up to 798,000 (seven hundred ninety eight thousand) units of Company ordinary registered shares of 1 (one) litas per share nominal value for the price of 0.579 EUR per one ordinary registered share of the Company during the period from 7 December 2012 till 21 December 2012. The purchasing of the determined amount of the Company shares was fully completed during that period.

11. AGREEMENTS CONCLUDED WITH INTERMEDIARIES OF THE PUBLIC SECURITIES MARKET

On 11 November 2009, the Company signed the Issuer's Securities Accounting Management Agreement with AB Swedbank represented by the Securities Transactions Department (Code: 112029651; address—Konstitucijos ave. 20A, LT-03502 Vilnius).

12. INFORMATION ABOUT OWN SHARES OF THE COMPANY

As of 31 December 2012 the Company owned 798,000 ordinary registered shares of the Company or 0.5 % of all shares. The own shares acquired by the Company do not grant the right to vote, also the company is not entitled to use the granted property and non-property rights.

The subsidiaries of the company did not own shares in the Company. Subsidiaries of the Company did not buy or sell there own shares during the reporting period.

13. INFORMATION ABOUT TRADE IN THE COMPANY'S SECURITIES IN THE CONTROLLED MARKETS

All 158,940,398 ordinary registered shares of the Company were included in the Official List of NASDAQ OMX Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092). The ticker of the shares on NASDAQ OMX Vilnius Stock Exchange is LNA1L.

Trading in the Company's shares on NASDAQ OMX Vilnius Stock Exchange started on 17 February 2010.

AB LINAS AGRO GROUP SHARE PRICE AND TURNOVER

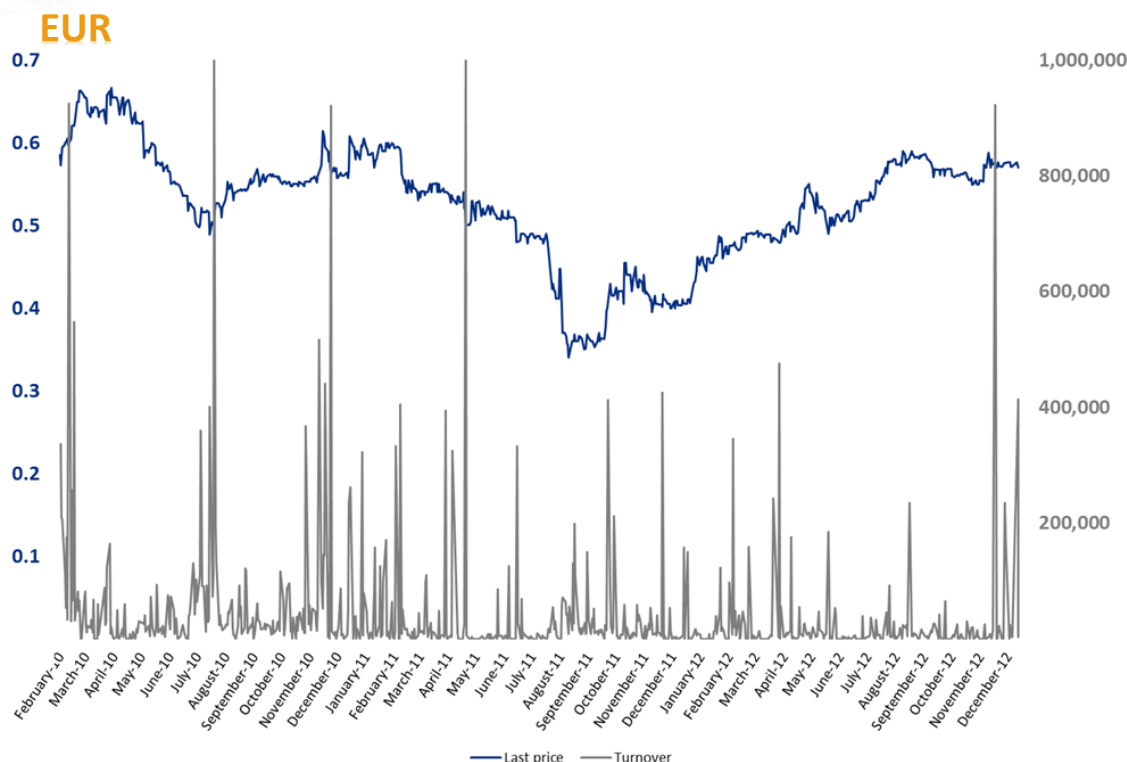
AB Linas Agro Group is included in the composition of the comparative index OMX Baltic Benchmark of the stock exchanges of the Baltic countries from 1 July 2010.

Information on the prices of shares and turnovers during the period from trade starting on 17 February 2010 to the end of the reporting period, 31 December 2012:





AB LINAS AGRO GROUP, CODE OF LEGAL ENTITY 148030011, SMELYNES G. 2C, PANEVEZYS, LITHUANIA



14. SHAREHOLDERS

According to the list of shareholders provided by AB Linas Agro Group securities account operator AB Swedbank (data for end of 31 December 2012), the number of Company's shareholders at the end of the reporting period totaled 995.

Shareholders controlling more than 5% of Company's shares as at 31 December 2012:

Name of shareholder / company name, legal form, code, Office address	Number of shares held on the basis of the right of ownership	Portion in the authorized capital and voting rights	Portion of votes provided by shares held on the basis of the right of ownership	Portion of indirectly held votes
Akola ApS (limited liability legal company), code 25174879, Harbour House, Sundkrogsgade 21, 2100 Copenhagen, Denmark)	87,670,551	55.16%	55.44%	—
Skandinaviska Enskilda Banken AB (code 5020329081SE, Sergels Torg 2, 10640 Stockholm, Sweden)	14,906,061	9.38%	9.43%	—
Darius Zubas	17,049,995	10.73%	10.78%	—

Name of shareholder / company name, legal form, code, Office address	Number of shares held on the basis of the right of ownership	Portion in the authorized capital and voting rights	Portion of votes provided by shares held on the basis of the right of ownership	Portion of indirectly held votes
Swedbank AS (code 10060701, Liivalaia 8, 15040 Tallinn, Estonia)	9,058,744	5.70%	5.73%	–
Other shareholders (private and institutional investors)	30,255,047	19.03%	18.63%	–
Total	158,940,398	100.00%	100.00%	–

All shares issued by the Company grant equal rights to the Company's shareholders. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders (except 798,000 ordinary registered shares acquired by the Company that do not give the right to vote).

15. MANAGEMENT BODIES

In accordance with the Articles of Association of AB Linas Agro Group, the managing bodies are the following:

- The General Meeting of Shareholders;
- The Board of the Company;
- The Head of the Company (Managing Director).

The Company does not have the Supervisory Board. From 28 October 2010 the Audit Committee operates in the Company.

On 25 October 2012 Ordinary General Meeting of Shareholders was held where all the members of the Board were re-elected for a new four-year term. On 12 November 2012 Darius Zubas was elected Chairman of the Board.

The Head of the Company and the composition of the Board remained unchanged during the six months period of financial year 2012/2013 ended 31 December 2012.

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.

THE BOARD OF THE COMPANY

The Board of the Company consists of seven members elected for a period of four years.





The members of the Board as of 31 December 2012:

Name	Position within the Board	Cadence started	Cadence ends
Darius Zubas	Chairman of the Management Board	25 October 2012	24 October 2016
Vytautas Šidlauskas	Deputy Chairman of the Management Board	25 October 2012	24 October 2016
Arūnas Zubas	Member of the Management Board	25 October 2012	24 October 2016
Dainius Pilkauskas	Member of the Management Board	25 October 2012	24 October 2016
Arūnas Jarmolavičius	Member of the Management Board	25 October 2012	24 October 2016
Andrius Pranckevičius	Member of the Management Board	25 October 2012	24 October 2016
Tomas Tumėnas	Member of the Management Board	25 October 2012	24 October 2016

The Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfillment of their obligations.



Darius Zubas (b. 1965) – Chairman of the Management Board, shareholder – has 17,049,995 shares of the Company equal to 10.73% of all shares and votes of the Company. The main founder of the Group.

Graduated from Veterinary Academy of Lithuanian University of Health Sciences (former Lithuanian Veterinary Academy) in 1988 and obtained a diploma of Veterinarian. Managing Director of the Company since 1997. Managing Director of AB Linas Agro since 1991 and Chairman of the Management Board since 2006. Chairman of the Board of Directors of Linas Agro A/S since 2004.



Vytautas Šidlauskas (b. 1963) – Member of the Management Board (Deputy Chairman of the Management Board), shareholder of the Company – owns 6,003,521 shares of the Company or 3.78% of all shares and votes of the Company.

Graduated from Faculty of Chemistry of Kaunas University of Technology (former Kaunas Polytechnic Institute) in 1987 obtaining a diploma in Public Nutrition Technology and Management. Has been employed with the Group since 1991. Managing Director of UAB Gerera since 1993. Trade Director of AB Linas Agro since 1999 and Member of the Management Board since 2006. Member of the Board of Directors of Linas Agro A/S since 2004.



Dainius Pilkauskas (b. 1966) – Member of the Management Board, shareholder of the Company – owns 480,281 shares of the Company or 0.3% of all shares and votes of the Company.

He is a graduate of Veterinary Academy of Lithuanian University of Health Sciences (former Lithuanian Veterinary Academy) where in 1991 he obtained a diploma of Zoo Engineer. Has been employed with the Group since 1991. Trade Director for Baltic States and Member of the Management Board of AB Linas Agro since 2006.



Arūnas Zubas (b. 1962) – Member of the Management Board, shareholder of the Company – owns 480,281 shares of the Company or 0.3% of all shares and votes of the Company.

Graduated from Kaunas University of Technology (former Kaunas Polytechnic Institute) in 1985 and holds a diploma in Chemical Technology. He was employed with the Group from 1995 to 2005 as Grain trading manager in AB Linas Agro. Member of the Management Board of AB Linas Agro since 2006.



Andrius Pranckevičius (b. 1976) – Member of the Management Board. Does not own shares of the Company.

Is a graduate of Kaunas Technological University where in 1998 he obtained a bachelor's degree in Business Administration and, in 2000, master's degree in Marketing Management. He also took executive education programs in Harvard Business School, Wharton Business School, Stanford and Berkeley Business School (2004–2007) and program of leadership development in Harvard Business School (2009). Joined the Group in 1999. Deputy Managing Director of AB Linas Agro since 2005 and the Member of the Management Board since 2006. Deputy Managing Director of AB Linas Agro Group since 2009.



Tomas Tumėnas (b. 1972) – Member of the Management Board, shareholder of the Company – owns 2,200 shares of the Company or 0.001% of all shares and votes of the Company.

In 1995 obtained the diploma in Economics from Vilnius University and a certificate in International Business Economics from Aalborg University. In 2011 obtained MBA (Master of Business Administration, Program for (Full) Financial Specialist & Managers) at Manchester Business School, The University of Manchester. Has been employed with the Group since 2001. Finance Director at AB Linas Agro since 2001 and Member of the Management Board since 2009. Finance Director of AB Linas Agro Group since 2009.





Arūnas Jarmolavičius (b. 1964) – Member of the Management Board and shareholder of the Company – owns 39,272 shares of the Company or 0.02% of all shares and votes of the Company.

In 1991 graduated from Vilnius University and holds a diploma in Economics and Industry Planning. Has been employed with the Group since 2001 as Project Director of AB Linas Agro, is the Member of the Management Board since 2008.

THE COMPANY MANAGEMENT

Company Management as of 31 December 2012:

Position	Name and surname	Employed since
Managing Director	Darius Zubas	01-09-1996
Deputy Managing Director	Andrius Pranckevičius	19-11-2009
Finance Director	Tomas Tumėnas	19-11-2009
Chief Accountant	Ramutė Masiokaitė	19-11-2009

The Management of the Company work under open-ended contracts of employment.

Information about Darius Zubas, Andrius Pranckevičius, and Tomas Tumėnas is provided in the chapter **THE BOARD OF THE COMPANY**.



Ramutė Masiokaitė (b. 1971) – Chief Accountant. Does not own shares of the Company.

Graduated from Vilnius University in 1994 and acquired the qualifications of an economics, financial and credit specialist. She started her employment with the Group in 1998 in the capacity of the Chief Accountant of AB Linas Agro. In 2001 she became Finance Controller of AB Linas Agro and works so far, in 2009, was appointed as Chief Accountant of AB Linas Agro Group.

AUDIT COMMITTEE

The Ordinary General Meeting of the Company's Shareholders, held on 28 October 2010 formed the Company's Audit Committee of three members, elected the members and approved the Regulations of Activity of the Audit Committee. The members of the Committee are elected for the term of office of 4

(four) years. The elected members of the Committee began their service from the moment the General Meeting of the Company's Shareholders during which they had been elected was over.

THE MEMBERS OF AUDIT COMMITTEE as of 31 December 2012:

Andrius Drazdys – independent member of the Audit Committee. Term of office began on 28 October 2010, term of office ends on 27 October 2014. Does not own shares of the Company. Is employed as a Chief Finance Officer at UAB Vilniaus margarino gamykla.

Artūras Pribušauskas – member of the Audit Committee. Term of office began on 28 October 2010, term of office ends on 27 October 2014. Shareholder of the Company – owns 15,000 shares of the Company or 0.01% of all shares and votes of the Company. Employed as a Treasury Manager at AB Linas Agro Group and AB Linas Agro.

Kristina Prūsienė – member of the Audit Committee. Term of office began on 28 October 2010, term of office ends on 27 October 2014. Does not own shares of the Company. Employed at AB Linas Agro as an Accountant.

16. PROCEDURE OF AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's Articles of Association shall be amended in accordance with the procedure provided for in the laws of the Republic of Lithuania. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law on Companies of the Republic of Lithuania.

17. INFORMATION ABOUT THE COMPLIANCE WITH THE COMPANY MANAGEMENT CODE

The Company complies with the company management procedures stipulated in the Law on Companies of the Republic of Lithuania. The Company complies with the essential management principles for the companies listed on NASDAQ OMX Vilnius. The managing bodies of the company are the General Meeting of Shareholders, the Board of the Company and the Head of the Company (Managing Director).

The Company does not have the Supervisory Board. The Company's Board consists of seven members to be elected for a period of four years, but the Chairman of the Board is also the Head of the Company (Managing Director). The Company has the Audit Committee.





AB LINAS AGRO GROUP, CODE OF LEGAL ENTITY 148030011, SMELYNES G. 2C, PANEVEZYS, LITHUANIA

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