

AB LINAS AGRO GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 3 MONTH PERIOD

OF THE YEAR 2012/2013

(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 September 2012	As of 30 June 2012
ASSETS			
Non-current assets			
Intangible assets	5	598	612
Property, plant and equipment	6	150,706	122,256
Investment property	7	9,331	9,513
Animals and livestock		18,052	11,852
Non-current financial assets			
Investments into associates	8	270	286
Investments into joint ventures	8	33,898	29,887
Other investments	9	334	311
Non-current receivables		4,623	5,446
Non-current receivables from related parties	14	1,812	3,230
Total non-current financial assets		40,937	39,160
Deferred income tax asset		5,901	6,289
Total non-current assets		225,525	189,682
Current assets			
Crops		11,284	36,395
Inventories		487,808	136,947
Prepayments		4,991	16,407
Accounts receivable			
Trade receivables		153,050	190,888
Receivables from related parties	14	6,444	3,605
Income tax receivable		1,950	1,043
Other accounts receivable		82,750	17,579
Total accounts receivable		244,194	213,115
Other current assets		20,336	43,575
Cash and cash equivalents		61,379	54,768
Total current assets		829,992	501,207
Assets classified as held for sale		-	-
Total assets		1,055,517	690,889

(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 September 2012	As of 30 June 2012
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		4,401	4,401
Own shares		(4)	-
Reserve for own shares		1,600	1,600
Foreign currency translation reserve		(55)	(44)
Retained earnings		139,201	106,809
Total equity attributable to equity holders of the parent		383,628	351,251
Non-controlling interest		5,666	4,805
Total equity		389,294	356,056
Liabilities			
Non-current liabilities			
Grants and subsidies		12,638	11,855
Non-current borrowings	10	39,901	36,749
Finance lease obligations		2,837	2,568
Trade payables		1,263	1,263
Non-current payables to related parties		6	54
Deferred income tax liability		1,940	899
Other non-current liabilities		450	280
Total non-current liabilities		59,035	53,668
Current liabilities			
Current portion of non-current borrowings	10, 14	8,097	10,075
Current portion of finance lease obligations		989	1,067
Current borrowings	10	321,618	179,465
Trade payables		225,333	48,994
Payables to related parties	14	11,729	3,642
Income tax payable		13,358	12,812
Derivative financial instruments		4,206	7,572
Other current liabilities		21,858	17,538
Total current liabilities		607,188	281,165
Total equity and liabilities		1,055,517	690,889

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





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 September)

	Notes	2012/2013 1 Q	2011/2012 1 Q
Sales	4	338,668	443,933
Cost of sales		(314,184)	(412,350)
Gross profit		24,484	31,583
Operating (expenses)	11	(13,175)	(11,697)
Other income	12	21,380	1,195
Other (expenses)	12	(166)	(142)
Operating profit		32,523	20,939
Income from financing activities		211	375
(Expenses) from financing activities		(1,807)	(3,253)
Share of profit of associates		(16)	83
Share of profit of joint ventures		4,093	1,133
Profit before tax		35,004	19,277
Income tax		(2,333)	(4,179)
Net profit		32,671	15,098
Attributable to:			
Equity holders of the parent		32,392	13,412
Non-controlling interest		279	1,686
		32,671	15,098
Basic and diluted earnings per share (LTL)		0.21	0.095
Net profit			
Other comprehensive income			
Exchange differences on translation of foreign operations		(11)	2,095
Total comprehensive income		32,660	17,193
Attributable to:			
Equity holders of the parent		32,381	14,619
Non-controlling interest		279	2,574
		32,660	17,193

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





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent										
Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as of 1 July 2011	158,940	-	79,545	4,151	-	(3,208)	23,930	263,358	16,591	279,949
Net profit for the year	-	-	-	-	-	-	13,412	13,412	1,686	15,098
Other comprehensive income	-	-	-	-	-	1,207	-	1,207	888	2,095
Total comprehensive income	-	-	-	-	-	1,207	13,412	14,619	2,574	17,193
Acquisition of minority interest	3	-	-	-	-	-	(7,068)	(7,068)	4,297	(2,771)
Balance as of 30 September 2011	158,940	-	79,545	4,151	-	(2,001)	30,274	270,909	23,463	294,372
Balance as of 1 July 2012	158,940	-	79,545	4,401	1,600	(44)	106,809	351,251	4,805	356,056
Net profit for the year	-	-	-	-	-	-	32,392	32,392	279	32,671
Other comprehensive income	-	-	-	-	-	(11)	-	(11)	-	(11)
Total comprehensive income	-	-	-	-	-	(11)	32,392	32,381	279	32,660
Minority interest arising on acquisition of subsidiaries	-	-	-	-	-	-	-	-	582	582
Acquisition of own shares	-	(4)	-	-	-	-	-	(4)	-	(4)
Balance as of 30 September 2012	158,940	(4)	79,545	4,401	1,600	(55)	139,201	383,628	5,666	389,294

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



CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	2012/2013 1 Q	2011/2012 1 Q
Cash flows from (to) operating activities			
Net profit (loss)		32,672	15,098
Adjustments for non-cash items:			
Depreciation and amortization		3,947	2,719
Subsidies amortization		(381)	(358)
Share of profit of associates and joint ventures		(3,996)	(1,198)
(Gain) on disposal of property, plant and equipment		(247)	(81)
(Gain) from acquisition of subsidiary	3	(19,608)	-
Change in accrued expenses		1,598	(1,329)
Change in allowance for receivables and prepayments		(35)	247
Change in fair value of biological assets		(224)	-
Change in impairment of investments		(13)	15
Change in deferred income tax		766	93
Current income tax expenses		1,566	4,086
Expenses (income) from change in fair value of financial instruments		1,647	-
Change of provision for onerous contracts		-	(267)
Dividend (income)		(155)	(33)
Interest (income)		(211)	(375)
Interest expenses		1,807	3,253
		19,133	21,870
Changes in working capital:			
Decrease in biological assets		34,612	22,836
(Increase) in inventories		(350,652)	(140,761)
Decrease in prepayments		11,459	33,533
(Increase) in trade and other accounts receivable		(28,171)	25,557
(Increase) in restricted cash		1,381	(3,453)
Increase in trade and other accounts payable		186,777	65,802
Income tax (paid)		(154)	(1,628)
Net cash flows from (to) operating activities		(125,615)	23,756

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



CONSOLIDATED STATEMENT OF CASH FLOW (CONT'D)

	Notes	2012/2013 1 Q	2011/2012 1 Q
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(10,709)	(5,414)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,181	146
Acquisition of subsidiaries (less received cash balance in the Group)	3	(19,479)	-
(Acquisition) of non-controlling interests and other investments		(1,000)	(837)
Proceeds from repurchased of other investments		20,717	-
Loans (granted)		(45)	(370)
Repayment of granted loans		7	31
Interest received		226	358
Dividend received		155	33
Net cash flows (to) investing activities		(8,947)	(6,053)
Cash flows from (to) financing activities			
Acquisition of own shares		(4)	-
Proceeds from loans		160,706	164,281
(Repayment) of loans		(17,449)	(174,525)
Finance lease (payments)		(340)	(331)
Interest (paid)		(1,740)	(3,707)
Net cash flows from (to) financing activities		141,173	(14,282)
Net increase (decrease) in cash and cash equivalents		6,611	3,421
Cash and cash equivalents at the beginning of the year		54,768	7,624
Cash and cash equivalents at the end of the year		61,379	11,045
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		530	188
Property, plant and equipment acquisitions financed by grants and subsidies		-	383

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.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 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 September 2012 and as of 30 June 2012 the shareholders of the Company were:

	As of 30 September 2012		As of 30 June 2012	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	86,081,551	54.16%	86,081,551	54.16%
Skandinaviska Enskilda Banken AB (Sweden)	15,782,392	9.93%	23,094,969	14.53%
Darius Zubas	17,049,995	10.73%	17,049,995	10.73%
Swedbank (Estonia) Clients	9,232,257	5.81%	9,184,040	5.78%
Other shareholders (private and institutional investors)	30,794,203	19.37%	23,529,843	14.80%
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 September 2012 (LTL 1 each as of 30 June 2012) and were fully paid as of 30 September 2012 and as of 30 June 2012. The Company, its subsidiaries and other related companies did not hold any shares of the Company as of 30 September 2012 and as of 30 June 2012.

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 September 2012 the number of employees of the Group was 778 (595 as of 30 June 2012).

Changes in share capital during the year ended 30 June 2012

No changes in share capital occurred during the year ending 30 June 2012.

Changes in share capital during the year ended 30 September 2012

No changes in share capital occurred during the year ending 30 September 2012.

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 2011/2012 financial year.





3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As of 30 September 2012 and as of 30 June 2012 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 September 2012	30 June 2012	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
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
Noreikiškių ŽŪB	Lithuania	90%	-	Rent and management of agricultural purposes land

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
Linas Agro A/S	Denmark	100%	60%	Wholesale trade of grains and oilseeds, feedstuffs
UAB Lignineko	Lithuania	100%	100%	Manufacturing of lignin

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

ŽŪK KUPIŠKIO GRŪDAI	Lithuania	96.16%	96.16%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.80%	98.80%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	96.76%	96.76%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	70.28%	70.28%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Edfermus 2	Lithuania	100%	100%	Growing and sale of crops
Kėdaniai district Labūnavos ŽŪB	Lithuania	98.64%	-	Mixed agricultural activities
UAB Labūnava 2	Lithuania	98.64%	-	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	10%	-	Rent and management of agricultural purposes land

Investments into indirectly controlled subsidiaries (through UAB Linas Agro grūdų centras KŪB)

Karčemos KB	Lithuania	20%*	-	Preparation and warehousing of grains for trade
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*The Group indirectly controls 20% of shares of Karčemos KB, however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.





GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 3 month period ended 30 September 2012

On 13 July 2012 the Group acquired 98.55% shares of Kėdainiai district Labūnavos ŽŪB for LTL 22,545 thousand from previous owners. After the share acquisition the Group directly controls 98.64% of the investee. The only unaudited financial information on the acquired subsidiary as at 30 June 2012 is available as at the date of the release of these financial statements and is presented below. Kėdainiai district Labūnavos ŽŪB is consolidated to the Group from 1 July 2012. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date	1 July 2012
Property, plant and equipment	24,288
Animals and livestock	5,718
Crops	9,456
Inventories	2,770
Prepayments and other current assets	2,058
Cash and cash equivalents	3,067
Total assets	47,357
Deferred tax liability	(691)
Grants and subsidies	(1,306)
Trade payables	(1,326)
Other liabilities	(1,297)
Total liabilities	(4,620)
Total identifiable net assets at fair value	42,737
Attributable to non-controlling interests	582
Attributable to the equity holders of the parent	42,155
Gain recognized on acquisition of subsidiary, recognised under Other income (Note 12)	19,608
Purchase consideration	22,547
Less: cash acquired	3,067
Total purchase consideration, net of cash acquired	19,480

On 6 August the Company signed the agreement for the acquisition of additional 50% of the voting shares of UAB Dotnuvos projektai increasing its ownership interest to 100%. Purchase price of LTL 32,000 thousand was paid on 12 October 2012. The mentioned company will be consolidated to the Group from 1 October 2012. Additional information on the subsidiary acquired is presented in Note 8. The fair values of the net assets acquired have not yet been assessed by the Group.

On 16 August 2012 the Group established Noreikiškių ŽŪB with LTL 10 thousand share capital.

Changes in the Group during the year ended 30 June 2012

On 1 July 2011 the Group company Rosenkrantz A/S (registered and operating in Denmark) changed its name to Linas Agro A/S.

On 1 July 2011 the Group acquired additional 40% interest of the voting shares of Linas Agro, A/S increasing its ownership interest to 100%. Purchase price EUR 800 thousand (LTL 2,762 thousand equivalent) will be paid by schedule till 15 July 2014. The difference of LTL 7,129 thousand between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.





3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

As part of the purchase agreement a contingent consideration has been agreed with the previous owner of Linas Agro A/S. There will be additional cash payment to the previous owner amounting to maximum EUR 400 thousand (undiscounted). Contingent consideration is related to collection of doubtful Linas Agro A/S trade receivables. The due date of contingent consideration arrangement is 1 October 2014.

The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between EUR 0 and EUR 400 thousand. The fair value of the contingent consideration arrangement is EUR 173 thousand as at acquisition date. It was estimated using probability-weighted payout approach.

On 6 February 2012 the Company sold all shares of PC-JS UKRAGRO NPK. Differences between the sales consideration and the net assets disposed at the disposal date is the following:

	31 January 2012
Non-current assets	22,265
Current assets	92,175
Liabilities	(64,916)
Net asset of subsidiary sold	49,524
Non-controlling interest	20,780
Net assets sold by the Group	28,744
Sales price (received in cash)	90,754
Gain on disposal of subsidiary in the Group*	62,010
Cash disposed in the subsidiary	20,995
Sales price less cash disposed	69,759

**Recorded under other income caption in Group's statement of comprehensive income.*

The Shareholders' agreement between AB Linas Agro Group and PC-JS UKRAGRO NPK non-controlling shareholders expired on 6 February 2012, according to which the Company had an obligation to acquire the shares of PC-JS UKRAGRO NPK from the non-controlling shareholders, if put option is exercised. The non-controlling interest was recognised as though the put option had never been granted and the financial liability was derecognised, with a corresponding credit to the same component of equity.

During the year ended 30 June 2012 the Group acquired 0.43% of Šakiai district Lukšių ŽŪB share capital for LTL 14 thousand, 0.03% Biržai district Medeikių ŽŪB share capital for LTL 1 thousand, 31.41% Panevėžys district Aukštadvario ŽŪB share capital for LTL 143 thousand, 30% Užupės ŽŪB share capital for LTL 3 thousand, 4.06% Sidabravo ŽŪB share capital for LTL 21 thousand. All the shares were acquired from the non-controlling shareholders. The difference of LTL 3,375 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognised within equity.

Acquisition of non-controlling interest in Šakiai district Lukšių ŽŪB, Biržai district Medeikių ŽŪB, Panevėžys district Aukštadvario ŽŪB and Sidabravo ŽŪB have resulted in increase of effective Group ownership of ŽŪK KUPIŠKIO GRŪDAI by 3.28% up to 96.16% as at 30 June 2012 with a result of LTL 61 thousand of gain accounted directly in equity.

During the year ended 30 June 2012 the Group acquired 100% UAB Edfermus 2 share capital for LTL 10 thousand and 20% of Karčemos KB for LTL 977 thousand. Difference between the fair value of net assets acquired of both entities and consideration paid in amount of LTL 1,020 thousand was recorded directly in the income statement, as amount is considered by the management as immaterial.



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, 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.

3 month period ended 30 September 2012	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Not attributed to any specified segment	Adjustments and elimina- tions	Total
Revenue								
From one client UAB MESTILLA	216	-	-	-	-	-	-	216
Other third parties	119,672	129,918	61,127	9,664	18,071	-	-	338,452
Intersegment	-	571	3,789	17,092	23,121	-	(44,573) ¹⁾	-
Total revenue	119,888	130,489	64,916	26,756	41,192	-	(44,573)¹⁾	338,668

Results								
Operating expenses	2,036	1,733	1,577	2,503	1,455	3,871	-	13,175
Segment operating profit (loss)	(7,872)	7,205	3,955	19,336	13,446	(3,547)	-	32,523

3 month period ended 30 September 2011	Grains and oilseeds	Feedstuffs	Agricul- tural inputs	Farming	Other products and services	Not attributed to any specified segment	Adjustments and elimina- tions	Total
Revenue								
From one client UAB MESTILLA	35,408	37	-	-	-	-	-	35,445
Other third parties	106,134	56,446	229,382	5,666	10,860	-	-	408,488
Intersegment	-	551	2,432	10,294	13,656	-	(26,933) ¹⁾	-
Total revenue	141,542	57,034	231,814	15,960	24,516	-	(26,933)¹⁾	443,933

Results								
Operating expenses	1,285	1,157	4,569	1,238	1,002	2,446	-	11,697
Segment operating profit (loss)	175	1,824	16,345	(2,918)	7,918	(2,405)	-	20,939

1) Intersegment revenue is eliminated on consolidation.

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	3 month period ended	
	30 September 2012	30 September 2011
Lithuania	81,653	89,220
Europe (except for Scandinavian countries, CIS and Lithuania)	93,856	58,436
Scandinavian countries	93,746	37,868
Africa	9,664	24,684
Asia	54,772	33,784
CIS	4,977	199,941
	338,668	443,933





4. SEGMENT INFORMATION (CONT'D)

The revenue information above is based on the location of the customer.

	As of 30 September 2012	As of 30 June 2012
Non-current assets		
Lithuania	160,323	132,084
Denmark	91	179
Latvia	221	118
	160,635	132,381

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

5. INTANGIBLE ASSETS

	Software	Other intangible assets	Total
Cost:			
Balance as of 30 June 2011	1,512	157	1,669
Additions	366	13	379
Exchange differences	2	-	2
Disposal of subsidiary	(73)	-	(73)
Balance as of 30 June 2012	1,807	170	1,977
Additions	10	-	10
Acquisition of subsidiaries	1	-	1
Balance as of 30 September 2012	1,818	170	1,988
Accumulated amortization:			
Balance as of 30 June 2011	1,179	124	1,303
Charge for the year	87	11	98
Disposal of subsidiary	(36)	-	(36)
Balance as of 30 June 2012	1,230	135	1,365
Charge for the year	22	3	25
Write-offs	-	-	-
Balance as of 30 September 2012	1,252	138	1,390
Net book value as of 30 September 2012	566	32	598
Net book value as of 30 June 2012	577	35	612
Net book value as of 30 June 2011	333	33	366

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 2011	6,923	95,986	52,601	7,049	10,155	15,247	187,961
Additions	3,236	1,940	6,749	1,488	782	16,951	31,146
Acquisition of subsidiaries	200	-	-	-	-	-	200
Disposals and write-offs	(177)	(210)	(341)	(234)	(28)	(10)	(1,000)
Transfers to/from investment property	610	-	-	-	-	-	610
Reclassifications	176	15,585	4,092	18	411	(20,282)	-
Exchange differences	21	1,298	300	97	118	67	1,901
Disposal of subsidiary	(228)	(17,049)	(4,246)	(1,454)	(1,687)	(298)	(24,962)
Balance as of 30 June 2012	10,761	97,550	59,155	6,964	9,751	11,675	195,856
Additions	24	713	1,841	443	192	5,632	8,845
Acquisition of subsidiaries	3,310	8,539	10,847	1,362	(187)	76	23,947
Disposals and write-offs	-	-	(152)	(112)	(40)	-	(304)
Transfers to/from investment property	(69)	-	-	-	-	-	(69)
Reclassifications	-	134	1,165	-	33	2,332	-
Balance as of 30 September 2012	14,026	106,936	73,856	8,657	9,749	15,051	228,275
Accumulated depreciation:							
Balance as of 30 June 2011	-	24,202	29,883	3,730	6,416	-	64,231
Charge for the year	-	5,588	4,470	871	1,068	-	11,997
Disposals and write-offs	-	(16)	(303)	(185)	(28)	-	(532)
Reclassifications	-	-	(459)	-	459	-	-
Exchange differences	-	66	40	13	36	-	150
Disposal of subsidiary	-	(1,118)	(735)	(316)	(567)	-	(2,736)
Balance as of 30 June 2012	-	28,717	32,896	4,113	7,384	-	73,110
Charge for the year	-	1,775	2,324	278	166	-	4,543
Disposals and write-offs	-	-	(143)	(69)	(323)	-	(535)
Balance as of 30 September 2012	-	30,492	35,077	4,322	7,227	-	77,118
Impairment losses:							
Balance as of 30 June 2011	50	449	19	3	1	-	522
(Reversal) charge for the year	(32)	-	-	-	-	-	(32)
Balance as of 30 June 2012	18	449	19	3	1	-	490
(Reversal) charge for the year	-	-	1	-	2	-	3
Transfer from investment property	8	-	-	-	-	-	8
Balance as of 30 September 2012	26	449	20	3	3	-	501
Net book value as of 30 September 2012							
	14,000	75,995	38,759	4,332	2,519	15,051	150,656
Net book value as of 30 June 2012							
	10,743	68,384	26,240	2,848	2,366	11,675	122,256
Net book value as of 30 June 2011							
	6,873	71,335	22,699	3,316	3,738	15,247	123,208





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 2011	7,781	3,297	11,078
Additions	1,122	-	1,122
Disposals and write-offs	(65)	-	(65)
Transfers to/from property, plant and equipment	(610)	-	(610)
Balance as of 30 June 2012	8,228	3,297	11,525
Additions	335	-	335
Disposals and write-offs	(570)	-	(570)
Transfers to/from property, plant and equipment	69	-	69
Balance as of 30 September 2012	8,062	3,297	11,359
Accumulated depreciation:			
Balance as of 30 June 2011	-	696	696
Charge for the year	-	94	94
Balance as of 30 June 2012	-	790	790
Charge for the year	-	24	24
Balance as of 30 September 2012	-	814	814
Impairment losses:			
Balance as of 30 June 2011	242	1,128	1,370
(Reversal) charge for the year	(148)	-	(148)
Balance as of 30 June 2012	94	1,128	1,222
Transfer to property, plant and equipment	(8)	-	(8)
Balance as of 30 September 2012	86	1,128	1,214
Net book value as of 30 September 2012	7,976	1,355	9,331
Net book value as of 30 June 2012	8,134	1,379	9,513
Net book value as of 30 June 2011	7,539	1,473	9,012

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 September 2012 and as of 30 June 2012 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 September 2012	As of 30 June 2012	
Associates				
UAB Jungtinė Ekspedicija	Lithuania	45.05%	45.05%	Expedition and ship's agency services
Joint ventures				
UAB Dotnuvos Projektai	Lithuania	50%	50%	Sale of seeds, agricultural machinery
Companies controlled by UAB Dotnuvos Projektai				
UAB Dotnuvos Technika	Lithuania	50%	50%	Dormant
SIA DOTNUVOS PROJEKTAI	Latvia	50%	50%	Sale of seeds, agricultural machinery
AS Dotnuvos Projektai	Estonia	50%	50%	Sale of seeds, agricultural machinery

Information on associates and joint ventures of the Group as of 30 September 2012 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	270	(36)	605	202	1,972	100	1,475
Investments into joint ventures							
UAB Dotnuvos Projektai (consolidated)	33,898	8,023	72,583	35,645	140,284	8,967	99,490

Information on associates and joint ventures of the Group as of 30 June 2012 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	286	1	4,416	235	1,269	100	769
Investments into joint ventures							
UAB Dotnuvos Projektai (consolidated)	29,887	8,131	174,067	33,790	124,834	4,398	94,447





9. OTHER INVESTMENTS

Other investments of the Group consist of:

	Share held by the Group	As of 30 September 2012	As of 30 June 2012
Panevėžys district Ėriškių ŽŪB	24.97%	173	173
Other investments		161	138
		334	311

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.

10. BORROWINGS

	As of 30 September 2012	As of 30 June 2012
Non-current borrowings		
Bank borrowings secured by the Group assets	38,545	35,393
Other non-current borrowings	1,356	1,356
	39,901	36,749
Current borrowings		
Current portion of non-current bank borrowings	6,772	8,765
Current portion of other non-current borrowings	1,325	1,310
Current bank borrowings secured by the Group assets	273,927	156,235
Factoring with recourse liability	35,972	21,511
Other current borrowings	11,719	1,719
	329,715	189,540
	369,616	226,289

Interest payable is normally settled monthly throughout the financial year. Accrued interest on bonds issued is settled annually.

11. OPERATING EXPENSES

	2012/2013 1 Q	2011/2012 1 Q
Wages and salaries and social security	6,606	7,290
Consulting expenses	283	276
Depreciation and amortization	1,710	384
Other	4,576	3,747
	13,175	11,697





12. OTHER INCOME (EXPENSES)

	2012/2013 1 Q	2011/2012 1 Q
Other income		
Currency exchange gain	400	757
Rental income from investment property and property, plant and equipment	227	147
Gain from disposal of investment property and property, plant and equipment	290	51
Gain from acquisition of subsidiary (Note 3)	19,608	-
Other income	855	240
	21,380	1,195
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties	(129)	(118)
Loss from disposal of property, plant and equipment	(7)	-
Currency exchange loss	(38)	-
Loss recognized on acquisition of subsidiary (Note 3)	-	(15)
Other expenses	8	(9)
	(166)	(142)

13. COMMITMENTS AND CONTINGENCIES

As of 30 September 2012 the Group is committed to purchase property, plant and equipment for the total amount of LTL 1,692 thousand (LTL 2,754 thousand as of 30 June 2012).

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 650 thousand as of 30 September 2012 (LTL 1,300 thousand as of 30 June 2012).

A few Group companies (Biržų district Medeikių ŽŪB, 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. Biržų district Medeikių ŽŪB is committed not to discontinue operations related to agricultural up to 2014, Šakiai district Lukšių ŽŪB - up to 2015, Sidabravo ŽŪB – up to 2014. 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 10,145 thousand as of 30 September 2012 (LTL 10,145 thousand as of 30 June 2012).





14. 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 September 2012 and 30 June 2012 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.

Subsidiaries:

List provided in Note 3;

Joint ventures (Note 8):

UAB Dotnuvos Projektai;
ŽŪB Dotnuvos Agroservisas (till 28 December 2011, reorganized);
UAB Dotnuvos Technika;
SIA DOTNUVOS PROJEKTAI;
AS Dotnuvos projektai ;
UAB Kustodija (till 19 October 2011).

Associates (Note 8):

UAB Jungtinė ekspedicija.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
UAB MESTILLA (same ultimate controlling shareholders);
PAT UKRAGRO NPK (Ukraine) (same ultimate controlling shareholders, subsidiary starting from 1 July 2010 till 6 February 2012).

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company);
UAB CEY (Arūnas Jarmolavičius is a director of this company).





14. RELATED PARTIES TRANSACTIONS (CONT'D)

The Group's transactions with related parties in 3 month period ended 30 September 2012 were as follows:

2012 1 Q	Purchases	Sales	Receivables			Payables	Current loans received
			Trade receivables	Current loans receivable	Non-current loans receivable		
Members of the board	7	-	-	-	-	-	663
Joint ventures	6,886	392	23	-	-	6,430	-
Associates	2,324	-	-	-	-	1,024	-
Akola ApS group companies	3,204	490	4,238	2,183	1,812	4,275	10,026
	12,421	882	4,261	2,183	1,812	11,729	10,689

* 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 September 2012 and as of 30 June 2012 annual interest rate of the Group's loans borrowed is fixed 7%. Non-current loans receivable from related parties are equal 3.7% and 3 month EURIBOR + 2.45% 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 September 2012 and 30 June 2012.

15. SUBSEQUENT EVENTS

On 12 October 2012 AB Linas Agro Group spent LTL 32 million to acquire 50% shares of UAB Dotnuvos Projektai from other shareholders - natural persons, and took over the management of the company. Additional information on the subsidiary acquired is presented in Note 8. The fair values of the net assets acquired have not yet been assessed by the Group.

On 25 October 2012 the Annual General Meeting of the Shareholders of the Company approved financial statement of the year 2011/2012, profit (loss) distribution of the financial year 2011/2012.

On 23 November 2012 the Company paid approved LTL 4,500 thousand dividends for the financial year ended on 30 June 2012.

