

Agrowill Group AB  
Consolidated interim financial statements  
and consolidated interim report  
for the 6 month period ended 30 June 2010

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## I. GENERAL PROVISIONS

Accounting period covered by the Report

The report covers 6 month period ended 30 June 2010.

Key data on the issuer

Name of the company:	Agrowill Group AB (hereinafter – AWG or the Company)
Share capital:	LTL 65 260 397
Address of headquarters:	Smolensko g. 10, LT-03201 Vilnius, Lietuva
Telephone:	(8~5) 233 53 40
Fax:	(8~5) 233 53 45
E-mail address:	<a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Website:	<a href="http://www.agrowill.lt">www.agrowill.lt</a>
Legal-organizational form:	Legal body, joint stock company
Place and date of registration:	25 June 2003, Vilnius
Register code:	1262 64360
Register number:	AB2003-926
Registrant of the Register of legal bodies:	State Enterprise Centre of registers

As at 30 June 2010 m. the Group is comprised of the Company and it's subsidiaries:

Name	Legal form	Date and place of registration	Company code	Address	Phone, fax and email
UAB „AVG Investment“	Joining stock company	2005-02-10, State Registrar	300087691	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
BUAB “AWG Investment 1”	Joining stock company	2008-06-18, State Registrar	301745765	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
AVG Investment 2 UAB	Closed joint stock company	2008-07-24, State Register	301807590	Smolensko str. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
AVG Investment 3 UAB	Closed joint stock company	2008-07-24, State Register	301807601	Smolensko str. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Baltic farming land management UAB	Closed joint stock company	2008-10-13, State Register	302003546	Smolensko str. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas“	Joining stock company	2004-09-28, State Registrar	300558595	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 1“	Joining stock company	2005-10-11, State Registrar	300151101	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 2“	Joining stock company	2005-10-11, State Registrar	300151126	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 3“	Joining stock company	2005-10-11, State Registrar	300151165	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 4“	Joining stock company	2006-08-10, State Registrar	300589669	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 5“	Joining stock company	2006-08-10, State Registrar	300589683	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 6“	Joining stock company	2006-08-10, State Registrar	300589719	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 7“	Joining stock company	2007-01-17, State Registrar	300634420	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 8“	Joining stock company	2007-07-16, State Registrar	300921776	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>

Consolidated unaudited interim financial statements and interim report for the 6 month period ended 30 June 2010

Name	Legal form	Date and place of registration	Company code	Address	Phone, fax and email
UAB „Žemės vystymo fondas 9“	Joining stock company	2006-03-09, State Registrar	300547638	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 10“	Joining stock company	2008-01-10, State Registrar	301522723	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 11“	Joining stock company	2005-05-12, State Registrar	300114042	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 12“	Joining stock company	2005-03-08, State Registrar	300094383	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 14“	Joining stock company	2006-08-10, State Registrar	300589726	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 15“	Joining stock company	2006-08-10, State Registrar	300589733	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 16“	Joining stock company	2006-08-10, State Registrar	300589740	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 17“	Joining stock company	2007-01-17, State Registrar	300634388	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 18“	Joining stock company	2007-01-17, State Registrar	300634406	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 19“	Joining stock company	2007-06-21, State Registrar	300886948	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 20“	Joining stock company	2007-06-22, State Registrar	300887726	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 21“	Joining stock company	2007-07-16, State Registrar	300921783	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
UAB „Žemės vystymo fondas 22“	Joining stock company	2008-01-10, State Registrar	301522730	Smolensko st. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Žemės ūkio bendrovė „Spindulys“	Agricultural entity	1993-04-09, Radviliškis district municipality	171330414	Vaitiekūnai, Grinkiškis mun., LT-82380 Radviliškis distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Panevėžio rajono Smilgių žemės ūkio bendrovė	Agricultural entity	1992-09-16, Panevėžys district municipality	168548972	Panevėžys str. 23, Smilgiai, Smilgiai mun., LT-38375	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Skėmių žemės ūkio bendrovė	Agricultural entity	1992-10-01, Radviliškis district municipality	171306071	Skėmiai, Skėmiai mun., LT-82350 Radviliškis distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Anykščių rajono Nausodės žemės ūkio bendrovė	Agricultural entity	1992-08-11, Anykščiai district municipality	154179675	Kirmėliai, Troškūnai mun., LT-29178 Anykščiai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Raseinių rajono Dumšiškių žemės ūkio bendrovė	Agricultural entity	1992-09-29, LR Raseiniai district board	172276179	Paraseinis, Paliepiei mun., LT-60194 Raseiniai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Žadžiūnų žemės ūkio bendrovė	Agricultural entity	1992-06-30, Šiauliai district municipality	175706853	Gudeliai str. 30, Žadžiūnai, Kairiai mun. Liepos 6-osios str. 18, Mantviliškis, Dotnuva mun., LT-58332 Kėdainiai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Kėdainių rajono Mantviliškio žemės ūkio bendrovė	Agricultural entity	1992-11-06, Kėdainiai district board	161274230	Ukmergės str. 7, Alanta mun. LT-33312 Molėtai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Molėtų rajono žemės ūkio bendrovė „Alanta“	Agricultural entity	1992-06-29, Molėtai district municipality	167527719	Ukmergės str. 7, Alanta mun. LT-33312 Molėtai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Eimučių žemės ūkio bendrovė	Agricultural entity	1992-06-29, Šiauliai district municipality	175705032	Eimučiai, Kairiai mun., 80101 Šiauliai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>

Name	Legal form	Date and place of registration	Company code	Address	Phone, fax and email
Žemės ūkio bendrovė „Vėriškės“	Agricultural entity	1992-09-29, Radviliškis district municipality	171305165	Vėriškės, Šeduva mun., LT-77199 Radviliškis distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Želsvelės žemės ūkio bendrovė	Agricultural entity	1992-07-03, Marijampolė municipality	165666499	Želsva, Liudvinavas mun., LT-69193 Marijampolė mun. Ukmergė str. 44, Bukoniai, Bukoniai mun., LT-55075 Jonava distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Žemės ūkio bendrovė „AVG Lankesa“	Agricultural entity	1999-04-06, Jonava district municipality	156913032	Kairėnai, Grinkiškis mun., LT-82031 Radviliškis distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Žemės ūkio bendrovė „Kairėnai“	Agricultural entity	1993-03-02, Radviliškis district municipality	171327432	Rytas str. 2, Jurbarkai, LT-74205 Jurbarkai distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, email <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Jurbarko rajono žemės ūkio bendrovė „Jurbarkai“	Agricultural entity	1992-07-31, Jurbarkas district municipality	158174818	Gotlybiškiai, Šakiai mun., LT-71372, Marijampolė distr.	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Grūduva UAB	Closed joint stock company	1997-02-24, Šakiai district municipality	174401546	Smolensko str. 10, Vilnius	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Agricultural entity Žemės fondas	Agricultural entity	2006-04-07, State Register	300558595	Kogalniceanu Mihail, 51, Chisinau mun., Moldova	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Agrowill group S.R.L.	Closed joint stock company	2008-07-01, Republic of Moldova	100860003153	Baimanskaja st. 7-10, Moscow, Russia	(8~5) 233 53 40; fax: (8~5) 233 53 45, el. p. <a href="mailto:info@agrowill.lt">info@agrowill.lt</a>
Agroprom ZAO	Closed joint stock company	2008-09-01, Russian Federation	1087746061237		

Information on where and when the Report and the documents, on which the Report is based, are publicly available and the name of the mass media means

The report is available during working days from 8.30 to 17.00 at the headquarters of Agrowill Group AB at the address: Smolensko st. 10, Vilnius, or at the Company's internet website: [www.agrowill.com](http://www.agrowill.com).

The announcements of the Company, including the information and other documents related to the Annual General meeting, also the information and other documents related to liquidation or reorganisation of the Company, minutes of the shareholder and Board meetings, other announcements and documents, which according to the law of Republic of Lithuania, the Statutes of the Company and the decisions of the Management have to be announced publicly are announced in the daily newspaper „Respublika“ or delivered to each shareholder and other person personally – either by registered mail, or by signed delivery.

Announcements of the Company are placed on the Stock exchange CNS system and the news agencies.

Persons in charge of the information contained in the Prospectus

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

Algirdas Pereckas, Agrowill Group AB CEO, tel. (8~5) 233 53 40, fax. (8~5) 233 53 45.  
Domantas Savičius, Agrowill Group AB CFO, tel. (8~5) 233 53 40, fax. (8~5) 233 53 45.

## II. INFORMATION ABOUT THE LARGEST SHAREHOLDERS AND ISSUERS MANAGEMENT

### Share capital

The share capital of Agrowill Group AB as at 31 August 2010 is LTL 65 260 397. The share capital is divided into 65 260 397 ordinary shares. Each issued share has a LTL 1 nominal value and fully paid.

The share capital of Agrowill Group AB as at 30 June 2010 was LTL 26 142 732. The share capital was divided into 26 142 732 ordinary shares.

### Shareholders

Total number of shareholders as at 27 August 2010 was 830 (eight hundred thirty). The shareholders owning more than 5 per cent of all the company shares:

Name, surname / name of the company	Company / personal code	Address	Votes held by shareholder	Shares held by shareholder
Vretola Holdings Limited	HE 270472	Baarerstrasse 75, Zug, Šveicarija	16.390.465	25,12%
Volemer Holdings Limited	HE 268133	Avlonos 1, Nicosia, Kipras	13.687.500	20,97%
Finhill soft management UAB	300125868	Smolensko g. 10, Vilnius	8.343.609	12,79%
Hermis Capital UAB	125699527	A. Tumėno g. 4, Vilnius, Lietuva	7.494.685	11,48%
Linās Strėlis	-	-	4.841.942	7,42%

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

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

Name of issued securities	369 days duration bonds
Number of issued bonds	160.000 units
Nominal value	LTL 100 or EUR 28,9620
Total nominal value	LTL 16.000.000 or EUR 4.633.920
Price of emission	LTL 88,5478 – 89,0472 or EUR 25,6452 – 25,7899
Currency of emission	LTL or EUR
Interest rate	12 %
Interest amount	LTL 11,4522 – 10,9528 for one bond
Redemption date	29 June 2009
Start of subscription period	6 June 2008
End of subscription period	25 June 2008
Payment date for bonds	On the day of subscription
Interest payment date	29 June 2009
Type of securities emission	Public emission
Restrictions on transfers of securities	None
Conversion of securities	None

All payments related to the payment for bonds emission, redemption of bonds and payment of interest are made in LTL or EUR. The bonds can not be redeemed before the redemption date either on demand by the Issuer, or the investor. The Company did announce that it will not redeem the above mentioned bonds issue on time.

The Company had also issued three non-public bonds issues, which are not traded in the open market:

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

The Company did also announce that it will not redeem the above mentioned bonds issues on time.

On 1 March 2010, Vilnius district court has agreed to raise the Restructuring case for Agrowill Group AB. This ruling was sued to the Court of Appeal. On 20 May 2010 Lithuanian Court of Appeal left in force the ruling of a lower court.

If the Companies Restructuring Plan will be approved, the outstanding bonds will be paid back according to the Restructuring plan.

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

The sales of the Issuer's securities on VSE

Over the accounting period, the Companies shares were traded on the Vilnius Stock Exchange (hereinafter – OMX Vilnius) since April 2008 – after the IPO.

Reporting period	Price, LTL			Date of last session	Total turnover	
	max	min	Last session		Units	LTL, mill
I quarter 2010	0,45	0,32	0,42	2010.03.31	2.998.555	1,129
II quarter 2010	0,68	0,44	0,58	2010.06.30	1.897.348	0,975

Trading information of Agrowill Group AB bonds on OMX Vilnius:

Reporting period	Price, %			Date of last session	Total turnover	
	max	min	Last session		Units	LTL, millin
I quarter 2010	-	-	-	2010.03.31	-	-
II quarter 2010	-	-	-	2010.06.30	-	-

Agreements with the mediators of securities public circulation

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

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

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

## Members of the managing bodies

The managing bodies of the company are general meeting of the shareholders, the Supervisory Council, the Board of Directors and Managing Director. The Supervisory Council (consisting of 3 members) is elected by the shareholder meeting. The Board of directors is formed from 5 members. The chairman is elected by the Board. The Boardmembers are elected by the Supervisory Council. The Board of Directors elect and recall the Director, decide upon remuneration and other working conditions, approves official rulebook, awards and handles penalties. The General director is the manager of the Company.

Information on managing bodies of the Company as at 30 June 2010:

### Data on collegial bodies as at 31 December 2009:

Name, Surname	Position	End of current term of office	Period of service as a member
Ramūnas Audzevičius	Chairman of Supervisory Board	Until general meeting of shareholders to be held in 2010	Member of Supervisory Board since 05-12-2007
Hugh Miles Thomas	Member of Supervisory Board	Until general meeting of shareholders to be held in 2010	Member of Supervisory Board since 05-12-2007
Edvardas Makelis	Member of Supervisory Board	Until general meeting of shareholders to be held in 2010	Member of Supervisory Board since 05-12-2007
Algirdas Pereckas	General director	Term not assigned	General director as of 2010-05-25
Mindaugas Juozaitis	Member of Board	Until general meeting of shareholders to be held in 2011	Member of Board since 01-12-2008
Domantas Savičius	Member of Board	Until general meeting of shareholders to be held in 2011	Member of Board since 14-12-2007
Vladas Bagavičius	Member of Board	Until general meeting of shareholders to be held in 2011	Member of Board since 01-12-2008
Linus Strėlis	Member of Board	Until general meeting of shareholders to be held in 2011	Member of Board since 14-12-2007
Gediminas Žiemelis	Chairman of Board	Until general meeting of shareholders to be held in 2011	Member of Board since 14-12-2007
Robertas Giedraitis	Chief accountant	Term not assigned	Chief accountant since 02-02-2009

Information on the shares of the Company held by the members of the Supervisory Board, the Board and the top management as of 30 June 2010:

Name and position of member of Supervisory Board/Board/management	number of ordinary registered shares of the Company owned by the member the ownership right	Share of authorised capital of the Company held by the member, %	% of votes attached to the shares owned by the member
Linus Strėlis, Member of the Board	4 841 942	18,52	18,52
Gediminas Žiemelis, Chairman of the Board	8 993 (together with related legal entity AB "ŽIA valda" – 7 948 829)	0,03 (together with related legal entity AB "ŽIA valda" – 30,40)	0,03 (together with related legal entity AB "ŽIA valda" – 30,40)
Domantas Savičius, Member of the Board, CFO	19 417	0,07	0,07
Mindaugas Juozaitis, Member of the Board, General Director	3 695	0,01	0,01



### III. FINANCIAL SITUATION

All figures in Groups financial statements and explanatory notes are in LTL thousand, unless otherwise stated.

#### Consolidated income statement

	6 months ended 30 June		3 months ended 30 June	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Sales	11 695	28 313	5 810	9 413
Cost of sales	(2 945)	(24 822)	1 872	(5 883)
Gross profit	8 750	3 491	7 682	3 530
Operating expenses	(5 089)	(12 760)	(2 270)	(7 754)
Operating profit	3 661	(9 269)	5 412	(4 224)
Financial income	122	403	115	272
Financial expenses	(5 328)	(6 715)	(4 116)	(2 610)
Profit before tax	(1 545)	(15 581)	1 411	(6 562)
Profit tax	-	-	-	-
Group profit before minority interest	(1 545)	(15 581)	1 411	(6 562)
Attributable to:				
Equity holders of the Company	(1 467)	14 929	1 428	(6 211)
Minority interest	(78)	(652)	(17)	(351)
Net profit	(1 545)	(15 581)	1 411	(6 562)

CEO  
Algirdas Pereckas

CFO  
Domantas Savičius

Consolidated balance sheet

	30 June 2010	31 December 2009 restated	30 June 2010
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	143 029	146 960	145 970
Investment property	82 364	82 364	85 413
Intangible assets	2 918	2 961	31 099
Long term receivables	307	232	420
Financial assets	146	139	235
	<u>228 764</u>	<u>232 656</u>	<u>263 137</u>
Biological assets			
Livestock	9 919	9 981	16 935
Crop	18 458	5 124	26 907
	<u>28 377</u>	<u>15 105</u>	<u>43 842</u>
Current assets			
Inventory	5 921	7 255	9 013
Trade receivables, advance payments and other receivables	16 106	13 497	26 419
Cash and cash equivalents	693	3 725	4 071
	<u>22 720</u>	<u>24 477</u>	<u>39 504</u>
<b>Assets, total</b>	<u>279 861</u>	<u>272 238</u>	<u>346 482</u>
Shareholders equity			
Share capital	26 143	26 143	26 143
Share premium	22 271	22 130	22 130
Revaluation reserve	43 619	44 462	26 893
Legal reserve	2 000	2 000	2 000
Retained earnings	(47 806)	(46 421)	3 980
Equity attributable to the shareholders of the Company	<u>46 086</u>	<u>48 314</u>	<u>81 146</u>
Minority interest	191	103	2 869
<b>Shareholders equity, total</b>	<u>46 277</u>	<u>48 417</u>	<u>84 015</u>
Non-current liabilities			
Borrowings	73 175	23 046	124 059
Obligations under finance lease	6 820	7 081	10 074
Grants	10 701	10 650	11 222
Deferred tax liability	17 919	17 919	17 124
	<u>108 615</u>	<u>58 696</u>	<u>162 479</u>
Current liabilities			
Current portion of non-current borrowings	24 798	55 420	16 178
Current portion of non-current obligations under finance lease	4 503	4 770	3 921
Current borrowings	43 788	62 605	32 727
Trade payables	28 624	17 498	24 355
Other payables and current liabilities	23 256	24 832	22 807
	<u>124 969</u>	<u>165 125</u>	<u>99 988</u>
<b>Total liabilities</b>	<u>233 584</u>	<u>223 821</u>	<u>262 467</u>
<b>Equity and liabilities, total</b>	<u>279 861</u>	<u>272 238</u>	<u>346 482</u>

CEO  
Algirdas Pereckas

CFO  
Domantas Savičius

Consolidated statement on changes in equity

	Share capital	Share premium	Revaluation reserve	Legal reserve	Retained earnings	Equity attributable to the shareholders of the company	Minority interest	Total
Balance as at 31 December 2008	26 143	22 130	27 993	2 000	18 905	97 171	3 578	100 749
Decrease of revaluation reserve due to depreciation	-	-	(1 100)	-	4	(1 096)	(57)	(1 153)
Net profit (loss)	-	-	-	-	(14 929)	(14 929)	(652)	(15 581)
Balance as at 30 June 2009	26 143	22 130	26 893	2 000	3 980	81 146	2 869	84 015

	Share capital	Share premium	Revaluation reserve	Legal reserve	Retained earnings	Equity attributable to the shareholders of the company	Minority interest	Total
Balance as at 31 December 2009	26 143	22 130	44 462	2 000	(46 421)	48 314	103	48 417
Decrease of revaluation reserve due to depreciation	-	-	(843)	-	248	(595)	-	(595)
Net profit (loss)	-	-	-	-	(1 467)	(1 467)	(78)	(1 545)
Balance as at 30 June 2010	26 143	22 130	26 893	2 000	(47 640)	46 252	25	46 277

CEO  
Algirdas Pereckas

CFO  
Domantas Savičius

## Comments to the financial statements

### General information

Agrowill Group AB (hereinafter the Company) is a public company, located in the capital of Republic of Lithuania Vilnius. The Company was established on 25 June 2003. The main operations of the Company include management of subsidiaries.

The consolidated Group (hereinafter the Group) consists of the Company and subsidiaries. The subsidiaries included in the Group's consolidated financial statements are indicated below:

Subsidiary	Country	Group ownership interest, %		Profile
		30 June 2010	31 December 2009	
AVG Investment UAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
AWG Investment 1 BUAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
AWG Investment 2 UAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
AWG Investment 3 UAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
Baltic Farming Land Management UAB	Lithuania	100,00%	100,00%	The subsidiary specializes in acquisitions of agricultural companies
Žemės fondas ŽŪB	Lithuania	100,00%	100,00%	The subsidiary specializes in rent of land
ZAO „Agroprom“	Russia	75,00%	75,00%	Management of subsidiaries
„Agrowill group“ S.R.L.	Moldova	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 1 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 2 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 3 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 4 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 5 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 6 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 7 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 8 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 9 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 10 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 11 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 12 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 14 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 15 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 16 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 17 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 18 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 19 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 20 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 21 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Žemės vystymo fondas 22 UAB	Lithuania	100,00%	100,00%	Acquisitions and rent of land
Agricultural company „Agrowill Spindulys“	Lithuania	99,96%	99,96%	Agricultural operations
Agricultural company „Agrowill Smilgiai“	Lithuania	99,95%	99,95%	Agricultural operations

Subsidiary	Country	Group ownership interest, %		Profile
		30 June 2010	31 December 2009	
Agricultural company „Agrowill Skémiai“	Lithuania	99,87%	99,87%	Agricultural operations
Agricultural company „Agrowill Nausodė“	Lithuania	99,81%	99,81%	Agricultural operations
Agricultural company „Agrowill Dumšiškės“	Lithuania	99,36%	99,36%	Agricultural operations
Agricultural company „Agrowill Žadžiūnai“	Lithuania	99,02%	99,02%	Agricultural operations
Agricultural company „Agrowill Mantviliškis“	Lithuania	98,79%	98,79%	Agricultural operations
Agricultural company „Agrowill Alanta“	Lithuania	98,56%	98,56%	Agricultural operations
Agricultural company „Agrowill Eimučiai“	Lithuania	98,41%	98,41%	Agricultural operations
Agricultural company „Agrowill Vėriškės“	Lithuania	98,41%	98,41%	Agricultural operations
UAB „Grūduva“	Lithuania	97,28%	97,28%	Agricultural operations
Agricultural company „Agrowill Želsvelė“	Lithuania	97,17%	97,17%	Agricultural operations
Agricultural company „Agrowill Lankesa“	Lithuania	95,93%	95,93%	Agricultural operations
Agricultural company „Agrowill Kairėnai“	Lithuania	94,82%	94,82%	Agricultural operations
Agricultural company „Agrowill Jurbarkai“	Lithuania	87,78%	87,78%	Agricultural operations

As of 30 June 2010 the Group had 470 employees, 31 December 2009 – 438 employees. Main operations of the Group – production and sales of milk and different grain and rapeseed crops, as well as land management activities.

#### Accounting policies

Financial statements for the 6 months ended 30 June 2010 are prepared in accordance with International Financial Reporting Standards (hereinafter – IFRS). The financial data for the year ended 31 December 2009 presented by the Group is different from the one presented over NASDAQ OMX information system on 3 March 2010 due to several corrections made after that.

#### Revenues and expenses

Over the 1st half of 2010, the Group earned LTL 11,7 million (2009: LTL 28,3 million) of revenues from agricultural activities. The decrease as compared to previous year is due to decrease in cow herd by around 30 percent, disposal of Polva Agro in the end of 2009, as well as reduced volumes of cattle sales.

Gross profit of the Group was significantly better than in 2009 due to actions taken to increase the efficiency of managed agricultural entities.

Group's operating expenses over the 6 month period ended 30 June 2010 reached LTL 5,1 million (2009: LTL 12,8 million). The significant decrease occurred as numerous cost-cutting decisions were taken, the decrease in personnel number as well as review of agreements.

Financing expenses in 2010 totalled LTL 5,3 million (2009: LTL 6,7 million). The main reason for decrease – Restructuring cases raised for almost all agricultural entities, as well as some agreements regarding decrease of interest reached with the local banks.

#### Balance sheet

Groups Property, Plant and Equipment balance did not change significantly over 6 months. The increase as compare to 30 June 2009 balance is a result of revaluations performed in the end of 2009.

Group's biological assets over the 6 months of 2010 increased due to investments made in the crop fields. As compared to 30 June 2009 balance, the assets decreased due to change in milking cow herd.

Liabilities of the Group grew by LTL 10 million up to LTL 234 million, as most of the spring and summer crop raising inputs (mineral fertilizer, pesticides, herbicides and other) were financed by the suppliers with a 1 October 2010 payment. No significant loan or other accounts payable decreases or increases occurred over the period.

#### Information on audit

Consolidated financial statements of the Group for the 6 month period ended 30 June 2010 were not audited.

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

The newest events in the activity of the Issuer

In April 2010, the Group announced that it has obtained management rights to Agricultural company "Gustoniai". The Group had acquired almost 70 per cent of voting rights in the company, but was neglected its shareholder rights by former managers.

AB „Agrowill Group“ closed selling deal of its subsidiary „Agrowill Eesti“ OÜ. It owned agricultural company „Polva Agro“ OÜ.

The dispute over the increase of share capital of AB Agrowill Group between AB Agrowill Group and UAB Finance Risk Management was terminated. AB Agrowill Group and the company UAB Finance Risk Management which belongs to Invalda group (before known as Finasta Risk Management), signed a Peace Agreement on the increase of Company's share capital. The dispute was started in 2008 December. After finishing the procedures of share capital increase, the share capital of AB Agrowill Group will come up 1,545 million Lt to 27,688 million Lt.

In August the Company issued a new LTL 37,6 million share capital emission which was acquired by two foreign investors and Hermis Capital UAB. After this issue, the share capital of the Company reached LTL 65,26 million.

Material events over January – June 2010:

The Company informs of all material events over the CNS system of NASDAQ OMX VILNIUS stock exchange.

Announcement date	Announcement header
04.06.2010	AVG: „Agrowill Group“ is strengthening management in production companies
01.06.2010	AVG: CORRECTION: On AB „Agrowill Group“ interim report for three months of 2010
01.06.2010	AVG: On AB „Agrowill Group“ interim report for three months of 2010
01.06.2010	AVG: „Agrowill Group“, AB closed selling deal of its subsidiary „Agrowill Eesti“ OÜ
25.05.2010	AVG: New CEO starts at AB „Agrowill Group“
20.05.2010	AVG: Decision of the Court of Appeal of Lithuania with regard to restructuring proceeding of AB „Agrowill Group“
18.05.2010	AVG: AB „Agrowill Group“ reached an Agreement with AB Bank SNORAS regarding Loan Extension
30.04.2010	AVG: The ordinary shareholders meeting „Agrowill Group“ AB
16.04.2010	AVG: Agrowill Group is about to add another agricultural company
03.03.2010	AVG: On AB „Agrowill Group“ interim report for twelve months of 2009
02.03.2010	AVG: On AB „Agrowill Group“ interim report for twelve months of 2009
01.03.2010	AVG: Court initiated restructuring proceeding for AB „Agrowill Group“
26.02.2010	AVG: Notification about disposal of a block of shares