

CONSOLIDATED INTERIM REPORT

OF THE FINANCIAL YEAR 2013/2014

OF AB LINAS AGRO GROUP

FOR 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2013

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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 Bank of Lithuanian, 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 three months of the financial year 2013/2014, 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 three months of the financial year 2013/2014 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

27 November 2013

AB Linas Agro Group Finance Director

Tomas Tumėnas

27 November 2013



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	State Enterprise Centre of Registers (Valstybės įmonė 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>
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in NASDAQ OMX Vilnius	LNA1L

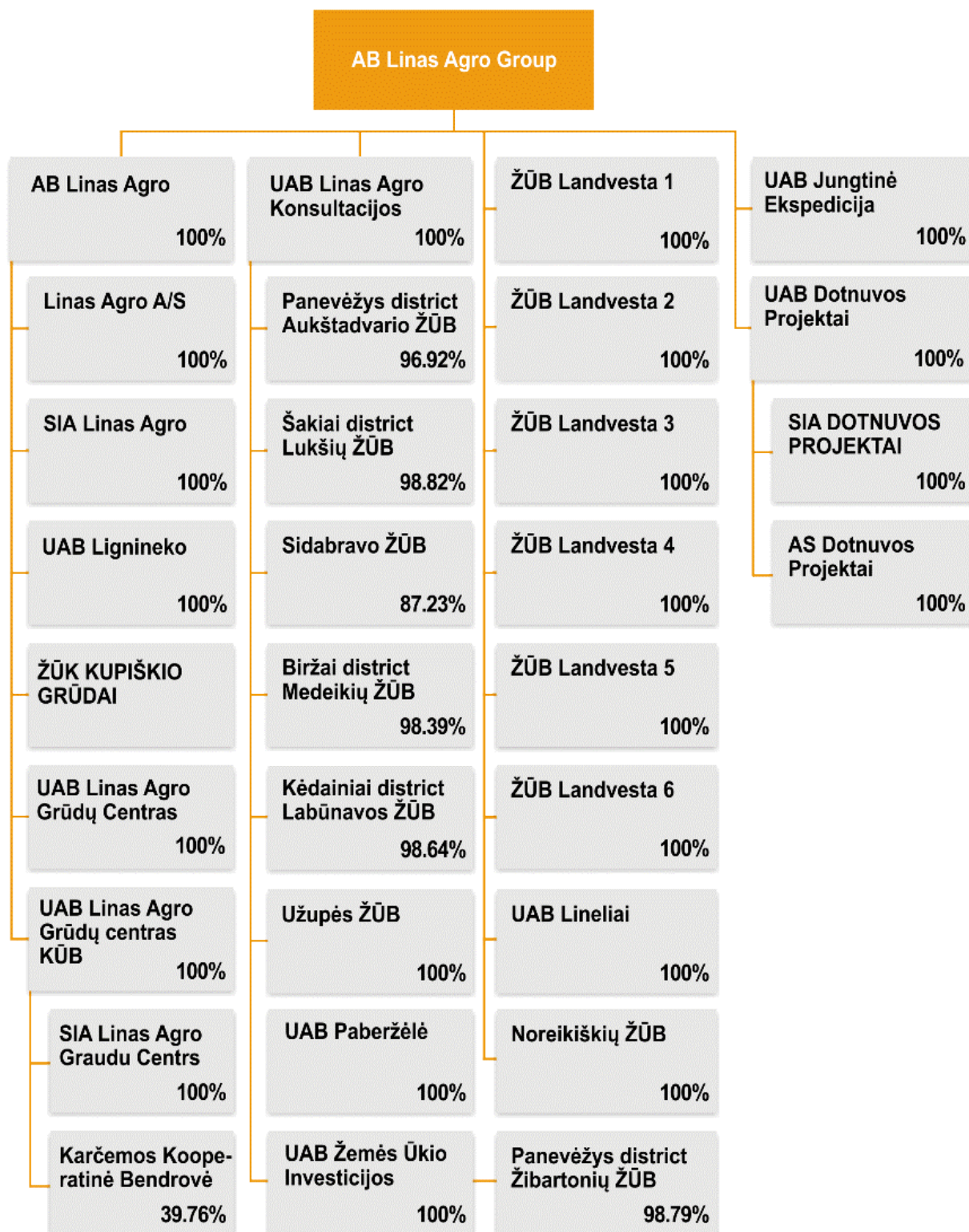
ABOUT THE GROUP

AB Linas Agro Group, together with its directly and indirectly controlled companies (hereinafter - subsidiaries) is a Group of 32 companies, that is founded in 1991 and is operating in four countries – Lithuania, Latvia, Estonia and Denmark. As at 30 September, 2013 the total headcount of the Group amounted to 1,150 employees. The financial year of the Group companies begin on 1 July. The Company does not have any branches and representative offices.





STRUCTURAL CHART OF THE EFFECTIVE STOCK HELD BY AB LINAS AGRO GROUP (AS AT 30 SEPTEMBER 2013)*:



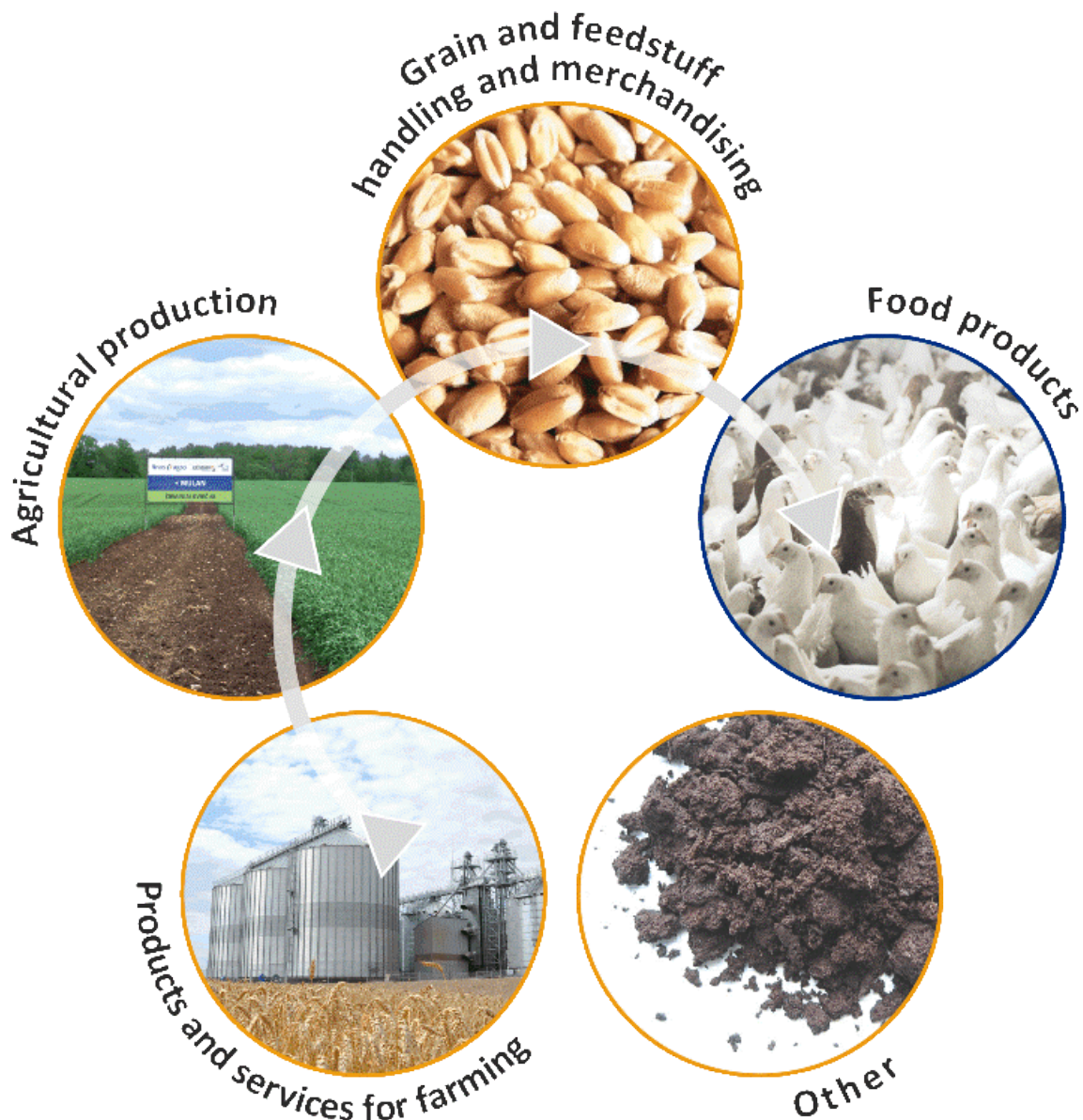
* Dormant companies UAB Gerera (100% shares) and UAB Dotnuvos Technika (100% shares) not included.



The subsidiaries controlled by the Company produce, handle and merchandise agricultural products, also provide products and services for farming. The Company performs only the management function and is not involved in any trading or production activities.

The Group's activities are subdivided into four basic operating segments: *Grain and Feedstuff Handling and Merchandising*, *Products and Services for Farming*, *Agricultural Production* and *Other*. Division into separate segments is dictated by different types of products and character of related activities; however, activities of the segments are often interconnected.

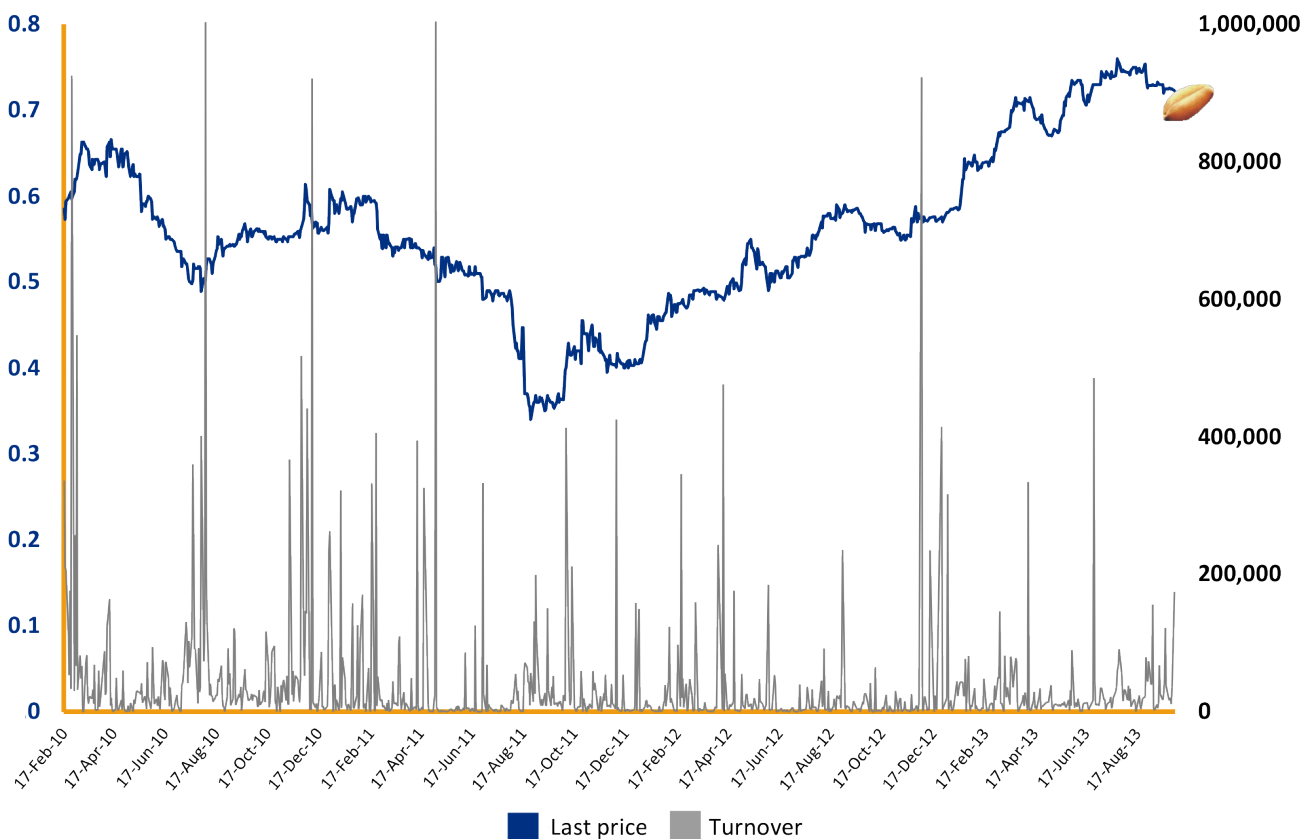
Food products is a new activity segment that will appear in 2013/2014 financial year after the Company acquires group of Latvian poultry companies.





PRICES OF SHARES AND TURNOVER OF AB LINAS AGRO GROUP





Starting from 17 February 2010, the Company has been listed on NASDAQ OMX Vilnius Stock Exchange. Information on changes in the prices of Company's shares and turnover from starting trade until the end of the reporting period, i. e. 30 September 2013, is presented in the following diagram:



ACTIVITY RESULTS OF THE GROUP

- Consolidated revenue of AB Linas Agro Group in the first quarter of 2013/2014 financial year totaled LTL 450 million and was 33% more as compared to previous year (LTL 339 million).
- Consolidated Group's EBITDA reached LTL 31 million (LTL 41 million in previous year).
- The Group's sales volume in tons reached 369 thousand tons of various grains and agricultural inputs and was 11% more as compared to previous year (333 thousand tons).



-  The Group's operating profit reached LTL 25.8 million or was 21% less as compared to the respective period of the previous year (LTL 32.5 million) and the net profit before tax amounted to almost LTL 25 million (compared to LTL 35 million previous year). The net profit attributable to the Group reached LTL 22.1 million (LTL 32.4 million previous year).
-  Grain storage facilities owned by AB Linas Agro Group processed 341 thousand tons of various grains or 11% less than over the respective period of the previous year and 20% more than over respective period of the 2011/2012 financial year.
-  In September 2013 the Group acquired agricultural company Panevėžys district Žibartonių ŽŪB, which sales has been already consolidated and amounted LTL 6.7 million.
-  On July AB Linas Agro group signed agreements on acquisition of some Latvian poultry companies. The transaction should be completed by January 2014. Preliminary AB Linas Agro Group estimates to spend EUR 12.5 million on acquisition of shares of the Latvian companies.

1. FINANCIAL RATIOS

	2013/2014 3 months	2012/2013 3 months	2011/2012 3 months
Revenue (LTL)	450,337,000	338,668,000	443,933,000
Turnover (in tons)	368,682	332,943	393,279
Net profit (loss) attributable to the Group (LTL)	22,094,000	32,392,000	13,412,000
Operating profit (LTL)	25,798,000	32,523,000	20,939,000
Operating profit (LTL) by segments:			
Grain and Feedstuff Handling and Merchandising	10,070,000	11,642,000	7,459,000
Products and Services for Farming	10,855,000	3,760,000	16,528,000
Agricultural Production	7,015,000	19,336,000	(2,918,000)
Other	(407,000)	(67,000)	(139,000)



2. OVERVIEW

Overall market situation in what the Group operates remains dynamic. From one hand, grain yields in markets where the Group is present should be considered positively. It is expected that harvest in Baltic countries – Lithuania and Latvia – will be less as compared with a record harvest in previous year, although still high. It is predicted that harvest in Lithuania will reach 4.1 million tons of various grains (4.7 million in 2012) and Latvia – 1.8 million tons (2.1 million in 2012). In Russia and Ukraine, on the contrary, 25 percent higher harvest is expected than last year. According to International Grain Council (IGC) data the total world grains harvest in 2013/2014 season due to a favorable weather conditions in major grain growing countries (especially USA and CIS) should amount to 1 940 million or 8.4% more as compared to 2012/2013 season. Especially good harvest is expected for corn (10% increase to 948 million tons). From another hand, grain prices due to higher worldwide harvest dropped in the first financial quarter of the year. For instance, wheat price in MATIF Exchange fluctuated between 180-190 euros per ton compared to 260-265 euros per ton a year before, the price of rapeseed was 360-390 euros per ton compared to 500-520 euros per ton in previous season. Decline in the grain prices had an impact on farmer's decisions and many of them decided to store their grain till price recovery. This accordingly influenced the grain purchase volume of the Group. Nevertheless, Group has been actively buying and simultaneously selling grain therefore was able to increase traded volumes of various products from 333 thousand tons last year to 369 thousand tons.

The revenue of the Group amounted to LTL 450 million and was 33% higher as compared to LTL 339 million earned during the same period of the last year. The main reason for the increase in revenue was growth in grain and feedstuff trade volume, also consolidation of UAB Dotnuvos Projektai (LTL 73 million sales revenue has been added on). UAB Dotnuvos Projektai is consolidated in the Group since October, 2012.

The Group managed to increase its gross profit from LTL 24.5 million to LTL 35.6 million and maintained its gross profitability margin at 8%. Group's operating profit reached LTL 25.8 million and was 21% less as compared with respective period of 2012/2013 financial year (LTL 32.5 million). Operating profit was affected by the increase in operating costs from LTL 13.2 million to LTL 19.2 million, mostly due to the consolidation of UAB Dotnuvos Projektai (standalone fixed expenditures of the latter company amounts to LTL 6.6 million). It should be noted that in 2012/2013 financials a positive goodwill, amounted to LTL 19.6 million, has been accounted due to acquisition of agricultural company Kėdainiai district Labūnavos ŽŪB and in this financial year the amount of positive goodwill of acquisition of agricultural company Panevėžys district Žibartonių ŽŪB was LTL 8 million. If we eliminate the above stated affect in Group's financials,





operating profit of AB Linas Agro Group would stand at LTL 17 million as compared to LTL 12.9 million in financial year 2012/2013, which is considered to be a very good achievement.

3. ACTIVITY RESULTS BY SEGMENTS

GRAIN AND FEEDSTUFF HANDLING AND MERCHANDISING

Sales revenue of the largest activity segment of the Group in the first three months of this financial year amounted to LTL 302 million (LTL 268 million during 2012/2013 financial year) and operating profit amounted to LTL 10.1 million (LTL 11.6 million in 2012/2013). Revenue growth was driven by growth of grain sales from 127 thousand to 205 thousand tons. Only sales of wheat increased from 84 thousand tons to 158 thousand tons. Due to seasonality sale volumes of feedstuff dropped from 131 thousand to 77 thousand tons. Due to successful sales of the grains gross profit of the segment increased from LTL 16.7 million to LTL 17.3 million.

PRODUCTS AND SERVICES FOR FARMING

Sales revenue of this segment were by almost 2.3 times higher as compared with previous year and reached LTL 149 million (LTL 65 million during previous respective period). An increase in revenues is mainly attributable due to consolidation of a new business segment – machinery and equipment – within the Group. If we eliminate above mentioned sales (or LTL 68 million), revenues of the segment grew up from LTL 65 million to LTL 81 million. The gross profit of the segment also increased from LTL 5.5 million to LTL 18.6 million (without impact of agricultural machinery, the gross profit would stand at LTL 7.4 million). The operating profit of the segment was LTL 10.8 million and was almost 3 times higher as compared to that of previous year (LTL 3.8 million).

AGRICULTURAL PRODUCTION

This segment covers agricultural production. On September 2013 the Group acquired agricultural company Panevėžys district Žibartonių ŽŪB. Company's revenue amounted to LTL 6.7 million but just one month's income or LTL 2 million has been consolidated into the Group. Despite decline in grain prices the revenue of the segment remained almost unchanged and amounted to LTL 27.9 million compared to LTL 26.8 million earned a year before. The segment's gross profit declined from LTL 2 million to almost zero (a loss of LTL 0.12 million). The Group limited sales of grain in the first quarter due to low grain market prices and shifted further sales to the later periods with expectation of grain price increase later on. The operating



profit of the Segment was LTL 7 million as compared to with LTL 19.3 million in 2012/2013 financial year. In fact, the operating profit was increased by positive goodwill from acquisition of Panevėžys district Žibartonių ŽŪB, amounting to LTL 8 million. And if we eliminate a positive impact of the goodwill this year and last year, the operating loss of the segment would amount to LTL 1 million and LTL 0.3 million respectively. Such results should be treated as normal reflecting seasonality of the business.

OTHER

The sales of this business segment are predominated essentially by sales of lignin. Due to undergoing investigations of usage of this product, sales volumes were thin and amounted to LTL 0.4 million and operating loss was LTL 0.4 million, compared to revenue LTL 0.25 million and operating loss LTL 0.1 million previous year. The Group actively negotiates with probable buyers of this product and expects that sales of this product will commence in spring 2014.

4. FINANCIAL COSTS

Financial expenses over referenced period amounted to LTL 1.6 million and were 13% less than that in 2012/2013 financial year (LTL 1.8 million). The main reasons affecting the expenses reduction were a further drop in the basis of interest rate as well as availability of own funds to finance working capital. Taking into account Group's investment plans, the treasury of the Group predicts that demand for banking financing would increase but financial expenditures are expected to remain at the same level as in 2012/2013 financial year.

5. CASH FLOWS

Group's cash flow from operating activities before the changes in working capital decreased to LTL 16.2 million as compared to LTL 19.1 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative amounting to LTL 140 million (negative LTL 126 million over the respective period of 2012/2013 financial year). This is mainly explained due to more than usual active beginning of trade season. Group's cash and cash equivalents at the end of the reporting period amounted to LTL 20 million (LTL 61 million in 2012/2013 financial year).



THE PUBLICLY DISCLOSED INFORMATION AND OTHER EVENTS OF THE REPORTING PERIOD

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended September 30, 2013, the Company publicly disclosed and distributed via NASDAQ OMX GlobeNewswire system and in Company's website the following information:

Changes in AB Linas Agro Group business segments	Notification on material event	En, Lt	2013-09-10 09:15:31 EEST
AB Linas Agro Group acquired farming company, together with its owner	Notification on material event	En, Lt	2013-09-05 11:45:30 EEST
AB Linas Agro Group notification about interim twelve month financial results of the financial year 2012/2013	Interim information	En, Lt	2013-08-30 09:00:32 EEST
SEB Bank issued AB Linas Agro an LTL 200 million credit line	Notification on material event	En, Lt	2013-08-06 09:06:30 EEST
AB Linas Agro Group is planning to acquire a property management company that owns farming company	Notification on material event	En, Lt	2013-07-22 16:09:30 EEST
AB Linas Agro Group is planning to acquire poultry companies in Latvia	Notification on material event	En, Lt	2013-07-03 13:16:31 EEST
AB Linas Agro Group received Exporter of the Year Award	Other information	En, Lt	2013-07-02 08:30:31 EEST

OTHER EVENTS DURING THE REPORTING PERIOD

5/9/2013	A subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos has acquired 100% of shares of UAB Žemės Ūkio Investicijos that owns farming company Panevėžys district Žibartoniai ŽŪB.
1/8/2013	The share capital of UAB Lineliai was increased from LTL 60,000 to LTL 1,060,000.
24/7/2013	SEB bank has increased its credit line issued a year before to AB Linas Agro by LTL 50 million to LTL 200 million.



SUBSEQUENT EVENTS

- 14/11/2013 AB Linas Agro Group increased the share capital of ŽŪB Landvesta 1 by LTL 100,000 by additional monetary contribution.
- 28/10/2013 Having received the permission of the Competition Council of the Republic of Latvia, AB Linas Agro Group acquired 87% of shares in Latvian company AS Putnu fabrika Kekava together with all rights granted by the shares. The company has paid 1.4 million euros for the shares.
- 4/10/2013 The share capital of UAB Linas Agro Konsultacijos increased from LTL 10,144,600 to LTL 38,400,000.

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