



EGM Presentation

18 March 2011

Alpcot Agro 

Alpcot Agro – agenda

1. Alpcot Agro overview

2. Market overview
3. Operational update
4. Use of proceeds

Alpcot Agro 

Alpcot Agro in brief

Company overview

- The company's business concept is to generate an attractive return on invested capital by acquiring and farming agricultural land in Russia and other CIS states
- Listed on NASDAQ OMX First North in Stockholm since October 19, 2009

Russia

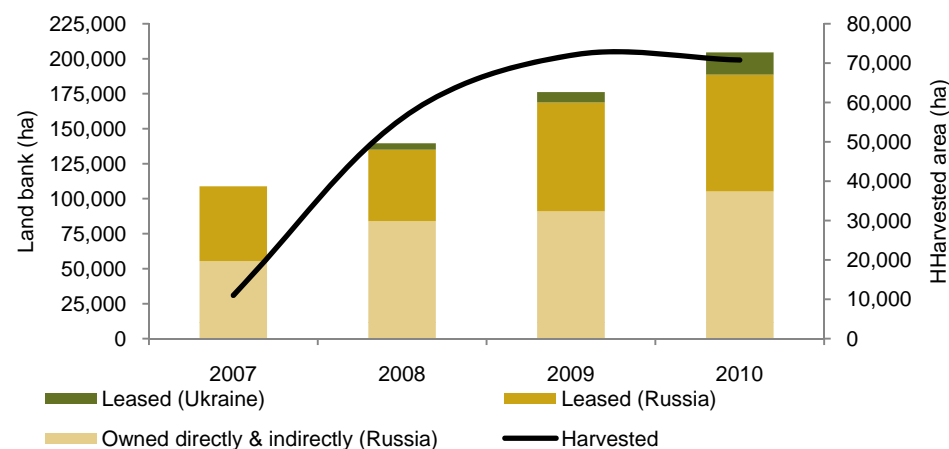
- Controls approximately 188,700 ha of land⁽¹⁾
- Plans to crop more than 84,000 ha in 2011 (excluding fodder crops)
- Has about 6,000 heads of cattle of which 2,800 are milk cows. Current production is about 30,000 kilo of milk per day⁽¹⁾
- Around 1,300 employees

Ukraine

- Controls approximately 15,800 ha of land in four different regions⁽¹⁾
- Plans to crop more than 14,000 ha in 2011
- Around 100 employees

1) As of 31 December 2010

Alpcot Agro land bank and harvesting area



Land bank – Russia and Ukraine

Russian land bank strategy

- Focusing on creating four mega clusters: Kursk, Lipetsk, Kaliningrad, Ertil/Mordova. The mega clusters have high yield potential and proximity to export facilities
- Long term target is to own all the cropped land
- Remaining land will be divested or leased out
- Long term target: 150,000 ha (lower than current size of land bank)



Ukrainian land bank strategy

- Focus on land with high yield potential, in general more precipitation in Ukraine compared to Russia
- All land currently leased (due to moratorium on land transactions) but ultimate target to own all cropped land
- Short term target: 20,000 – 30,000 ha (deemed to be sufficient to reach economies of scale)

Land area	Land under control (ha)
Russia	
Kursk cluster	48,751
Lipetsk cluster	17,902
Kaliningrad cluster	15,000
Ertil/Mordova cluster (Voronezh/Tambov)	41,326
Vorobievka (dairy farming)	12,002
Other	53,692
Russia total	188,673
Ukraine	
Western Ukraine	13,597
Poltava	1,124
Other	1,099
Ukraine total	15,820
Total	204,493

Rights offering

Overview

- Rights offering of approximately SEK 322 million announced on February 16, 2011
- Use of proceeds
 - Repay convertible debt instrument
 - Increase the crop production in Russia
 - Further expand the operations in Ukraine
 - Expand dairy farming
- Terms
 - Subscription price is SEK 6.50 per new share
 - The Company's shareholders are entitled to subscribe for 1 new share for each 1 old share held
- Shareholder support of approximately 20 per cent for the rights offering

Preliminary timetable

Prospectus made public	March 24, 2011
Record date	March 24, 2011
Trading in subscription rights	March 30 – April 12, 2011
Subscription period	March 30 – April 15, 2011
Announcement of the outcome	April 21, 2011

Historic overview

Rapid expansion

2007–2008

- Alpcot Agro was started from absolute scratch in 2007. In 2007 and 2008 the company raised SEK 1,384 million in equity
- Timing unfortunate
 - Inputs for operations purchased at price peak
 - Financial crisis and record harvest in 2008 caused global and Russian grain prices to fall steeply in autumn 2008
 - Operating costs expressed in USD were high in 2008 due fluctuations in the USD/RUB

Consolidation

2009 and onwards

- A convertible bond in 2009 in combination with a rights issue in January 2010 raised SEK 300 million to Alpcot Agro in total
- Land bank in place with focus on improved land quality and yield potential following the acquisitions of land in Kaliningrad and Ukraine
- Recruitment of Russian and Western top managers
- Good second hand M&E acquired and less expensive input materials used
- Following a record drought in Russia, grain prices in Russia and globally increased dramatically in autumn 2010



2010's rights issue – a follow up

Use of proceeds of 2010's rights issue	Status as of February 2011
Increase operational flexibility	<ul style="list-style-type: none"> ▪ Alpcot Agro planted 90,900 ha of commercial crops for harvest in 2010. Due to weather conditions, only 70,800 ha were harvested <ul style="list-style-type: none"> – Compared to 2009 this is a change of +22.2% (planting) and -1.7% (harvesting) respectively
Expand the operations in Ukraine	<ul style="list-style-type: none"> ▪ Considerable ramp-up of operations is ongoing <ul style="list-style-type: none"> – 6,400 ha of winter planting in 2010 compared to 2,200 ha in 2009 – Acquisitions of assets (M&E, grain silo, farm base and land) in Western Ukraine – 15,800 ha under control as of 31 December 2010
Execute the revised strategic plan	<ul style="list-style-type: none"> ▪ Focusing on creating four mega clusters in Russia ▪ Disciplined review of land bank will result in divestments (and future add-on investments) ▪ Land registration is progressing, 66% of the owned land now registered
Planned acquisition of BBAH Sweden AB	<ul style="list-style-type: none"> ▪ Acquisition of BBAH Sweden was completed in early 2010 ▪ Compulsory purchase is ongoing of the outstanding minority of 4.8% ▪ Control of Russian subsidiaries established and integration of operations in Kaliningrad is ongoing

Alpcot Agro – agenda

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Alpcot Agro 

Harvest outlook

Global harvest outlook

- Global grains⁽¹⁾ production forecasts estimate a total 2010/11⁽²⁾ harvest of 1,730 million tonnes
 - Consumption estimated to exceed production
 - World wheat production estimated at 645 million tonnes, down from 677 million tonnes in 2009/10
 - World coarse grain estimated at 1,085 million tonnes, down from 1,107
 - Global carryover stocks estimated at 345 million tonnes, a decrease by 54 million tonnes

(1) Wheat and Coarse grains (Corn, Sorghum, barley, oats, rye millet and mixed grains)
 (2) Refers to the agriculture year. The grains where harvested after June 30, 2010. According to USDA statistics the figures are preliminary

Total grains world estimates

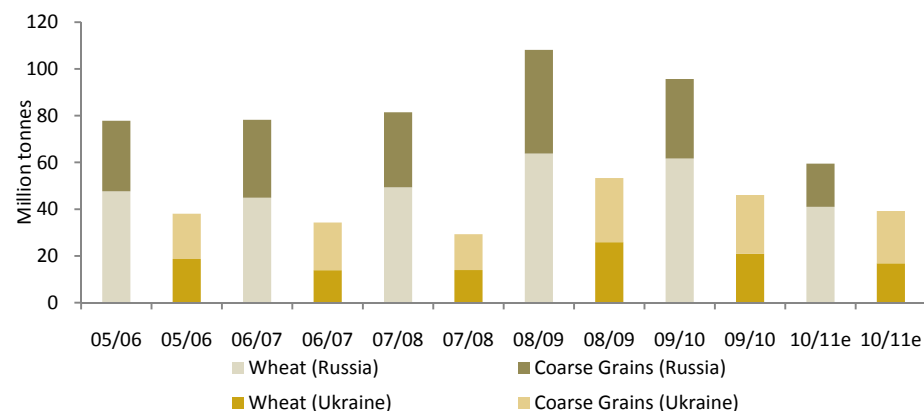
(Million tonnes)	06/07	07/08	08/09	09/10	10/11e
Production	1,588	1,697	1,801	1,784	1,730
Trade	222	239	249	256	242
Consumption	1,629	1,685	1,724	1,755	1,788
Stocks	281	294	371	399	345
Y/Y change	-41	13	77	28	-54

Source: USDA: World Agricultural Supply and Demand Estimates

The Russian and Ukrainian harvest

- The grain production in Russia was approximately 94 million tonnes in 2009/2010
- The Russian production is estimated to 59 million tonnes in 2010/2011
 - Adverse weather conditions in many regions during the summer of 2010 is the main reason behind the decline in the grain harvest
- The grain production in Ukraine was approximately 45 million tonnes in 2009/2010
- The Ukrainian production is estimated to 39 million tonnes in 2010/2011

Grains harvest dynamics



Source: USDA: World Agricultural Supply and Demand Estimates, Ukrstat

The grain market

Key market aspects

Correlation with world prices

- Grain prices in Russia are only partly correlated with world prices
- In years with good supply in Russia, prices in different regions usually equal export prices minus transportation costs to export ports

Strong seasonal variations

- Seasonal minimum grain prices are usually reached during the harvesting season or shortly after, while prices usually reach seasonal maximum at the end of the first quarter of the calendar year
- The difference between the maximum and the minimum price during the agricultural year has varied between 25% and 75% in recent years.

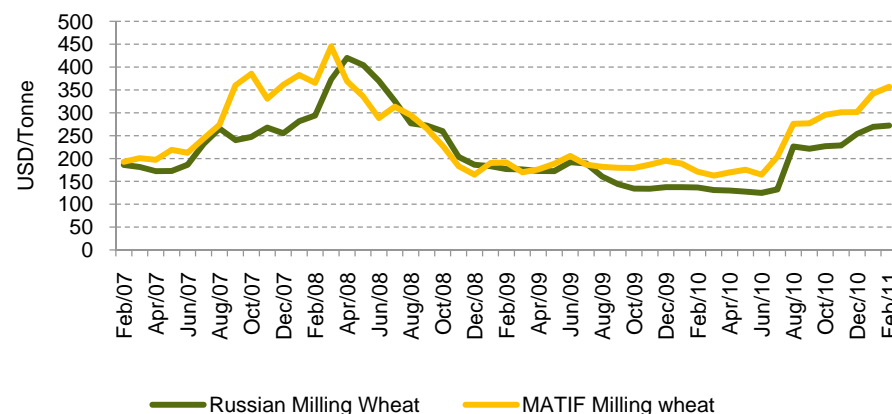
Government interventions

- Grain intervention program was launched in late October to support grain prices. Export of grains is currently prohibited

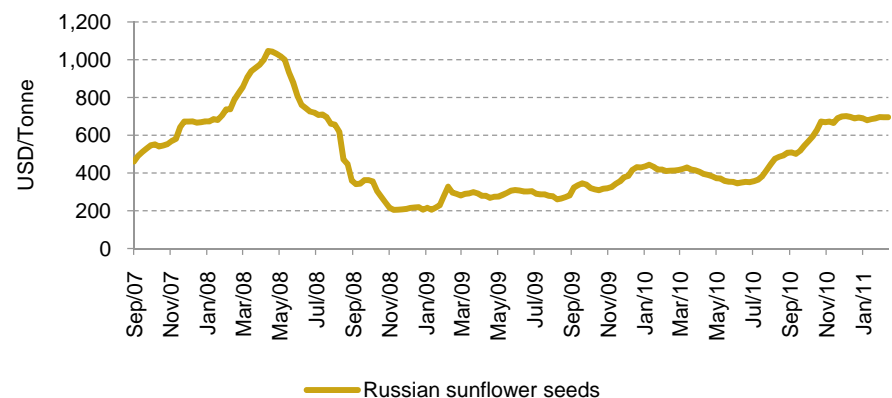
Price (1) (USD/tonne)

Feed wheat	233
Wheat 4 class	238
Wheat 3 class	244
Sunflower seeds	693

Wheat price (USD/tonne)



Sunflower seeds (USD/tonne)



Source: Sovecon/Reuters
1) as of December 2010, including VAT

Source: Sovcon and Reuters

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1. Alpcot Agro overview
2. Market overview
- 3. Operational update**
4. Use of proceeds

Alpcot Agro 

Crop production

Russia

- Acquired 15,000 has in Kaliningrad in beginning of 2010
- The Company has established a co-operation with Baltic Oil terminals in Kaliningrad with a view to construct a grain terminal in Baltysk
- Reconsidered decision to divest the Kursk cluster, since it has lower climate risk than the Company's other clusters in the Russian inland
- Winter planting of 46,100 ha in Russia in the autumn of 2010
- Planned spring planting of up to 40,000 ha in Russia in 2011 according to preliminary plans. Focus on crops such as sunflower, corn, barley, spring rape and spring wheat

Russian inland

- Winter planting of 38,000 ha of winter wheat in the autumn 2010
 - Better establishment of winter crops compared to last year
- Spring planting of about 35,000 ha planned in 2011

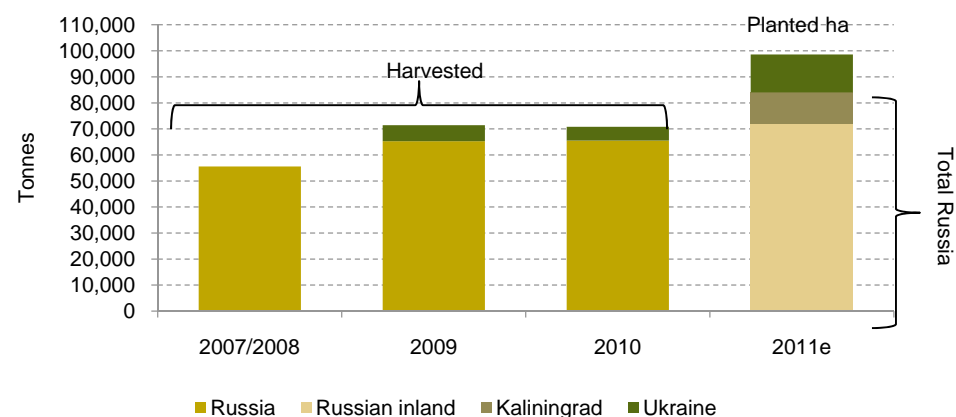
Kaliningrad

- Winter planting of 8,100 ha in Kaliningrad in autumn 2010 whereof 4,400 ha winter wheat and 3,700 ha winter rape
- Spring planting of 3,200 ha planned in 2011

Ukraine

- Acquired 7,500 ha in the Ivano-Frankivsk region, a grain silo and M&E in 2010
- Winter planting of 6,400 ha in Ukraine in the autumn of 2010
 - 5,400 ha of winter wheat and 1,000 ha of winter rape
- Ukrainian spring planting of 8,200 ha in 2011 according to preliminary plans. Focus on corn, soya and sunflower

Alpcot's historical harvests



Crop production break-down

Harvest in Russia 2009-2010

Crop	Harvested area (hectares)		Average yield (tonnes/hectares)	
	2009	2010	2009	2010
Winter wheat	42,600	33,300	2.8	1.7
Sunflower	9,400	13,700	1.5	0.9
Spring wheat	3,700	4,200	2.5	1.2
Winter rye	5,700	-	2.3	-
Spring rape	-	3,000	-	0.9
Barley	1,900	2,900	2.8	2.2
Winter rape	-	1,800	-	2.3
Buckwheat	-	1,500	-	0.4
Beans	-	1,400	-	1.8
Suger beet	-	400	-	8.3
Maize	1,700	1,600	3.8	0.9
Other	330	1,700	n/a	n/a
Total	65,330	65,500	2.6	1.5

Harvest in Ukraine 2009-2010

Crop	Harvested area (hectares)		Average yield (tonnes/hectares)	
	2009	2010	2009	2010
Winter wheat	4,200	1,300	2.3	2.6
Sunflower	-	1,200	-	1.5
Mustard	660	800	0.6	0.5
Buckwheat	620	700	1.0	1.0
Winter rape	-	600	-	0.9
Maize	-	400	-	8.1
Spring wheat	340	-	3.1	-
Other	330	300	n/a	n/a
Total	6,150	5,300	1.9	2.1



Black earth in Voronezh



Winter seeding in Voronezh



Direct seeded winter wheat in Volgograd



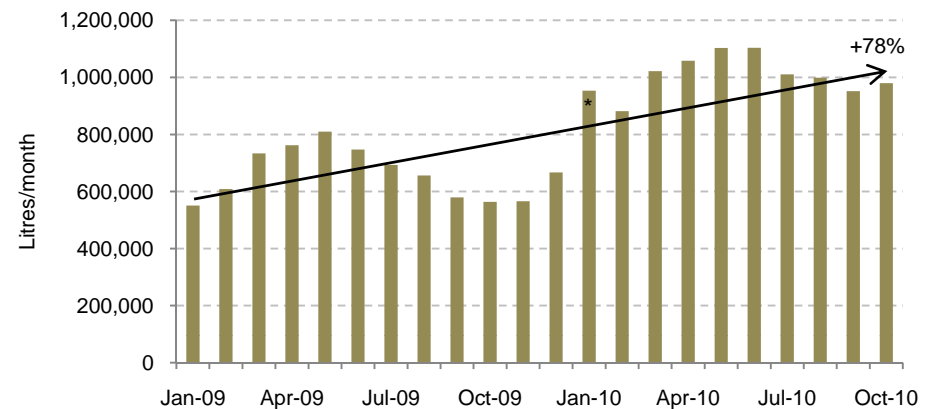
210 ha winter wheat in Volgograd

Dairy business

Dairy business

- Approximately 6,000 animals as of 31 December 2010, of which 2,800 are milk cows
- The dairy farms will be expanded with limited incremental investments
 - Expansion based on a concept of loose housing and milking parlours in existing dairy farms
- The farm Berezova in Vorobievka (Voronezh) will be developed into a livestock centre

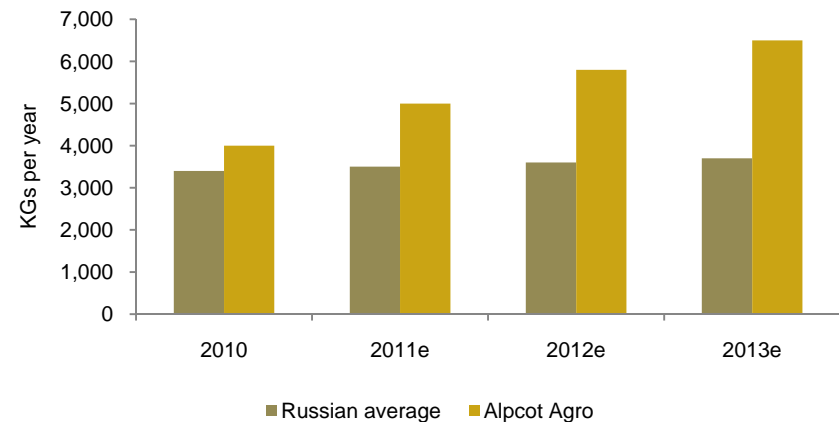
Actual total milk production 2009–2010



Increasing productivity

- Key factors to successful dairy farming in Russia are management and genetics
 - Genetics is gradually being improved by purchasing new heifers (300 acquired in the first half 2010)
 - Alpcot Agro's cows are more productive than the average Russian cow since some of Alpcot Agro's cows are imported
- The average US cow is estimated to produce 9,700 kg in 2011. Alpcot Agro's cows currently produce 4,000 kg per year

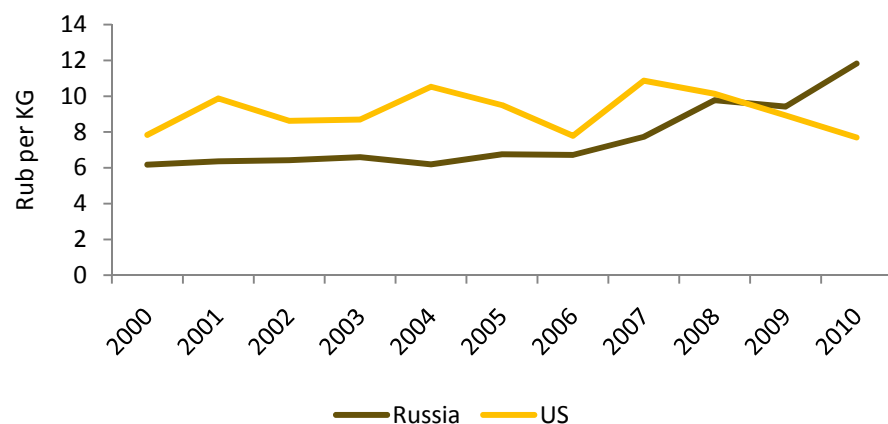
Alpcot Agro's targeted milk productivity/cow vs. Russian average



Dairy farming break-down

- Purchase cost of one cow is approximately 100,000 RUB. Net cost after deduction of subsidies amount to 70,000 RUB
- Price for old cows is 50 RUB/kg, resulting in an approximate income of 25,000 RUB per cow
- More productive cows are gradually purchased to replace existing cows, resulting in an immediate increase in productivity to 6,000 kg per year per cow
- Payback period for a new cow is about one year
- 75% of the feed comes from Alpcot Agro's own crop
- The Russian milk market is under saturated resulting in big imports and subsidies for farmers
- Russian milk prices have surpassed US prices

Milk price



Approx. yearly operating costs per milk cow 2011e

Cost	% breakdown
Total fee cost	40%
Medicines	3%
Diesel & lubricants	7%
Electricity	6%
Salaries & taxes	25%
Various overhead	19%

Total direct operation cost/cow **RUB 48,000-52,000**

(1) Not including costs for calves and bulls that are also a part of dairy farming operations

Targeted yearly EBITDA-margin / milk cow

Productivity per animal (kg)	Milk price / kg (RUB)						
	11	12	13	14	15	16	17
3,000	-50%	-37%	-27%	-18%	-10%	-3%	3%
4,000	-12%	-3%	5%	12%	18%	23%	27%
5,000	10%	18%	24%	29%	34%	38%	42%
6,000	25%	31%	37%	41%	45%	49%	52%
7,000	36%	41%	46%	50%	53%	56%	58%
8,000	44%	49%	52%	56%	59%	61%	64%

Alpcot Agro – agenda

1. Alpcot Agro overview
2. Market overview
3. Operational update
- 4. Use of proceeds**

Alpcot Agro 

2011's Rights issue

Use of proceeds

1.

Repay convertible debt of approximately SEK 70 million



2.

Increase cropped land in Russia



3.

Further expand the operations in Ukraine



4.

Expand dairy farming operations



Increase cropped land in Russia

Preconditions for farming in Russia

- Focus on four mega clusters consisting of or with a view of consisting of at least 30,000 ha
 - Three mega clusters in the Russian inland – Kursk, Ertil/Mordova and Lipetsk
 - Kaliningrad is situated at the Baltic Sea
- Kursk and Kaliningrad has lower climate risk than the other mega clusters
- Conditions for farming are favorable in the mega clusters in the Russian inland with black earth covering most of the area
- In Kaliningrad the climatic conditions are very favorable for farming
 - Well developed infrastructure and the only ice-free port in the Russian Federation on the Baltic Sea
 - Average field size small than in the Russian inland but crop yields are generally higher

Use of proceeds

- The proceeds from the Rights Issue will enable Alpcot Agro to increase its harvested area from 65,500 ha to approximately 85 000 ha
- The Company has winter planted 46,100 ha in autumn 2010 and is planning to spring plant up to 40,000 ha in 2011
- The winter planting will focus on traditional spring crops such as sunflower, corn, barley, spring rape and spring wheat
- The increased spring planting will position Alpcot Agro to benefit from the low carryover stocks in Russia

Further expand the operations in Ukraine

Preconditions for farming in Ukraine

- Disciplined focus on two outstanding farming regions in Ukraine
 - Western Ukraine offers reliable and plentiful precipitation
 - Poltava has outstanding soil quality and has good levels of precipitation
- Infrastructure is more developed in Ukraine compared to Russia
 - Storage capacity can be rented more easily
 - It is closer to the export ports on the Black Sea and to the EU compared to the Russian inland
- Ukraine allows for profitable crop rotation systems
 - Corn and soya rotation can be used in Ukraine, which is a popular crop rotation system in the US
 - There are more winter crops to choose from compared to the Russian inland, winter rape and winter wheat have high profitability potential

Use of proceeds and future plans for Ukraine

- Alpcot Agro Ukraine has an excellent platform for further expansion
- Gradual expansion to 20,000 – 30,000 cropped ha
- By increasing the landholdings Alpcot Agro will benefit from economics of scale and run its operations more efficient
 - Objective expected to be reached in 2012 through organic growth
- Plans to finalise the construction of a grain silo and purchase more M&E
- Ukrainian operations are being separated and placed under Cypriot company Alpcot Agro Ukraine. This allows for more flexibility for strategic options with Alpcot Agro's Ukrainian operations



Image: Field in Rogatyn in northern Ivano-Frankivsk

Expand dairy farming operations

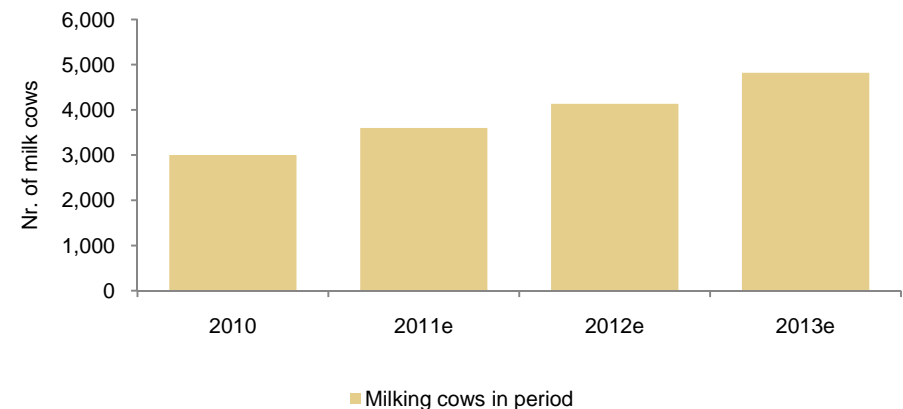
Dairy farming

- Dairy farming business has expanded rapidly during recent years
 - Alpcot Agro currently has four large dairy farms, three of which are located in within a mega cluster
- Location of dairy farms within a mega cluster enables the Company to benefit from the synergies between the crop and dairy business
- Alpcot Agro is in the process of gradually replacing the Russian cows with new Western European cows

Use of proceeds

- Current level is 30,000 kilograms per day and the target is to produce 100,000 kilograms per day with in four years
- The expansion plan consists of purchasing new high yielding European cows and construction of new cow houses
- Russian milk prices are among the highest in the world and Russia is a major importer of dairy products
- Alpcot Agro sees very attractive opportunities for a profitable expansion
- With operating costs per cow fixed, key to attractive returns is increasing productivity per cow

Targeted number of milk cows





Appendix

Alpcot Agro 

Board, management and advisors

Board of Directors



Joakim Ollén
(Chairman)



Sven Dahlin



Catharina Lagerstam



Otto Ramel

Key management



Björn Lindström
CEO and Investment manager



Vladimir Primak
Deputy CEO



Olga Burdova
Chief Financial Officer



Hannes Sjöblad
Head of IR and Investment manager

Investment managers



Peter Geijerman
Investment manager

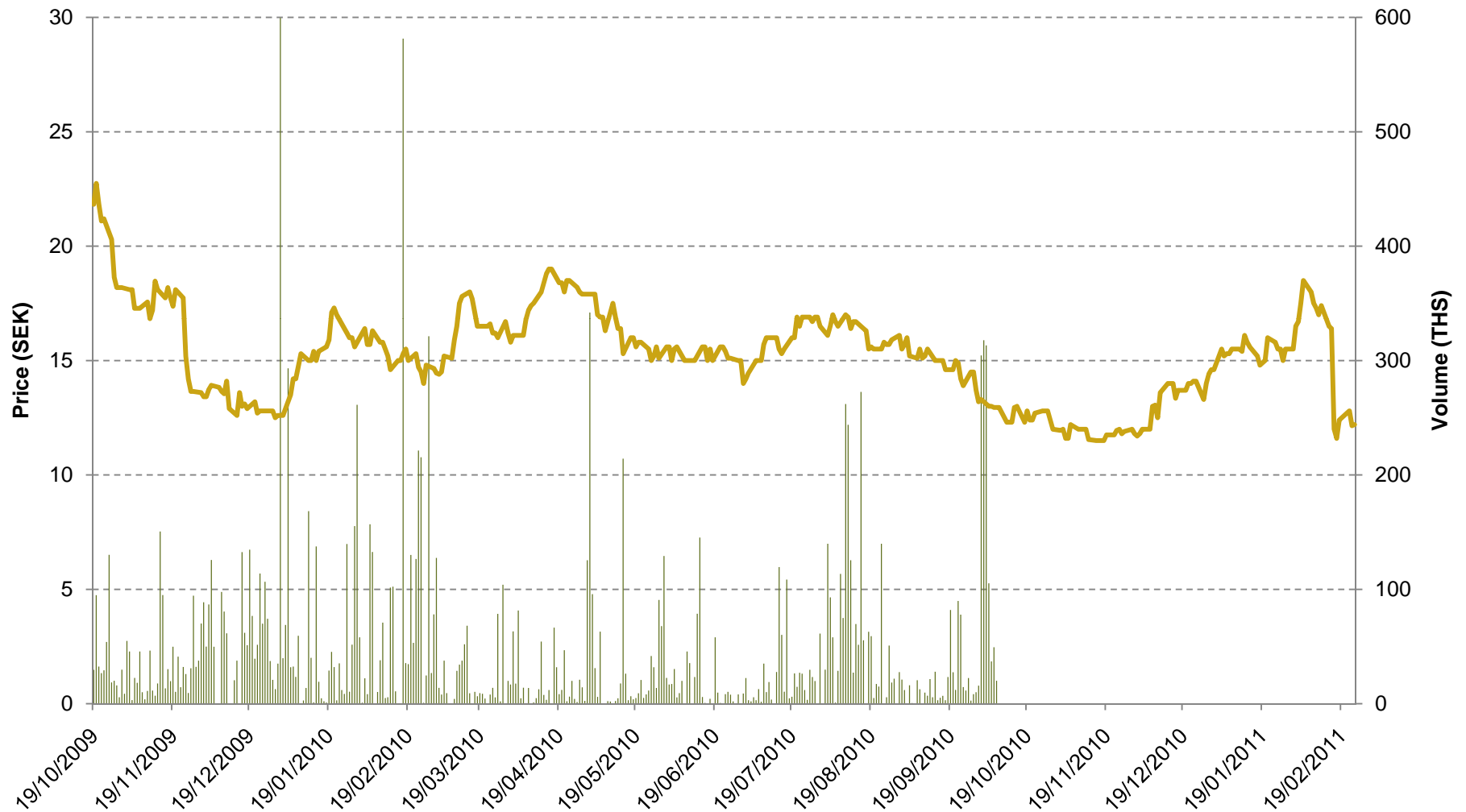


Katre Saard
Investment manager



Alexey Mashchenkov
Investment manager

Share price development



Ownership structure

Shareholder	Number of shares	Share of capital and votes, %
Third AP-Fund	7,930,000	16.0
Nordea Funds	3,001,280	6.1
Two Eye Fund Ltd	2,166,666	4.4
Second AP-Fund	1,524,773	3.1
Avenir Fund	1,339,975	2.7
Sturgeon Central Asia Fund	1,200,000	2.4
Swedbank Robur Funds	838,572	1.7
Hamilton Caroline	628,000	1.3
United Bankers Funds	533,333	1.1
Hamilton Archibald dödsbo	389,575	0.8
Others	30,039,718	60.6
Total numbers of shares	49.591,892	100

Source: SIS Aktieservice 2010-12-31

Consolidated Income Statements

SEK million	7 Sep 2006- 31 Dec 2007	2008	2009	1 Jan-30 Jun 2010	1 Jan-30 Jun 2009
Revenue	15.4	30.3	179.0	83.0	86.3
Gain from changes in fair value of biological assets	14.7	94.4	-4.4	119.2	126.8
Government grants	-	10.3	9.0	5.5	2.6
Total revenues and gain	30.1	134.9	183.6	207.7	215.7
Change in inventory and work-in-progress	4.0	130.7	-31.5	-89.8	-105.9
Raw materials and consumables	-27.7	-196.4	-156.0	-94.0	-91.6
Other external expenses	-25.9	-93.9	-85.5	-30.4	-23.7
Personnel expenses	-4.4	-51.1	-53.7	-47.0	-26.5
Depreciation and amortisation of tangible/intangible assets	-3.1	-35.4	-46.0	-32.0	-21.4
Total operating expenses	-57.2	-246.3	-372.8	-293.2	-269.1
Operating loss before negative goodwill	-27.1	-111.3	-189.2	-85.5	-53.4
Negative goodwill	-	-	-	97.6	-
Operating loss after negative goodwill	-27.1	-111.3	-189.2	12.1	-53.4
Financial items	5.1	5.4	1.9	-39.8	7.1
	-22.0	-106.0	-187.4	-27.7	-46.3
Income tax	3.2	9.9	13.3	4.2	-1.7
Result before tax	-18.8	-96.1	-174.1	-23.5	-48.0
Translation differences	-1.0	-7.5	-104.3	42.2	-62.8
Total comprehensive loss for the period	-19.8	-103.5	-278.4	18.7	-110.8

Consolidated Balance Sheets

SEK million	31 Dec 2007	31 Dec 2008	31 Dec 2009	30 Jun 2010
ASSETS				
Non-current assets				
Tangible fixed assets	65,8	426,6	423,1	637,4
Land in process for registration	-	-	262,5	207,5
Intangible fixed assets	34,4	39,3	11,2	9,7
Biological assets	0,9	14,5	15,8	27,7
Financial fixed assets	122,4	319,7	100,2	93,7
Total non-current assets	223,5	800,1	812,9	976,0
Current assets				
Inventory	10,3	161,3	117,0	51,5
Biological assets	14,7	83,6	69,1	219,2
Trade and other receivables	422,6	184,3	124,8	127,6
Cash and cash equivalents	186,6	105,6	33,5	155,6
Total current assets	634,3	534,8	344,4	553,9
Assets classified as held for sale	-	1,7	7,3	7,9
TOTAL ASSETS	857,8	1 336,6	1 164,5	1 537,8
EQUITY AND LIABILITIES				
Total equity	810,2	1 207,2	941,1	1 203,4
<i>whereof minority interest</i>	-	-	0,0	8,4
Non-current liabilities				
Convertible loan	-	-	56,4	59,1
Other non-current liabilities	12,7	55,5	39,6	91,9
Total non-current liabilities	12,7	55,5	96,1	151,1
Current liabilities				
Short term loans	0,6	18,1	50,1	86,1
Trade and other payables	34,2	55,7	77,2	97,2
Current liabilities	34,8	73,9	127,3	183,3
TOTAL EQUITY AND LIABILITIES	857,8	1 336,6	1 164,5	1 537,8

Consolidated Cash Flow Statements

SEK million	7 Sep 2006- 31 Dec 2007	2008	2009	1 Jan-30 Jun 2010	1 Jan-30 Jun 2009
Net cash flow from operating activities	-55.1	-274.6	-84.4	-80.8	-43.8
Cash flow from investing activities	-222.1	-675.6	-74.6	-20.8	-40.3
Cash flow from financing activities	462.5	867.7	87.8	224.6	88.4
Cash flow for the period	185.3	-82.5	-71.2	123.0	4.3
Cash at the beginning of the period	-	186.6	105.6	33.5	105.6
Exchange difference in cash	1.3	1.5	-1.0	-0.8	-0.6
Cash at the end of the period	186.6	105.6	33.5	155.6	109.3