



Current report 16/07/2013

Agroton Public Limited Considers Proposing Amendments To The Terms And Conditions Of Its US\$50,000,000 12.50 Per Cent. Notes Due 2014 (the "Notes")

Agroton Public Limited (the "**Company**") is currently considering proposing amendments to certain of the terms and conditions of the Notes due to the following developments and factors:

Inability to withdraw cash from its sole cash account

As a Cypriot company, Agroton Public Limited has its sole cash account with the Bank of Cyprus. On 28 April 2013, the Bank of Cyprus Public Company Limited proceeded with a recapitalisation through a bail-in of depositors (a deposit-to-equity conversion). The bail-in of depositors affected those customers having total deposits of over EUR100,000, including accrued interest, on 26 March 2013 with the Bank of Cyprus. The Company had approximately US\$4.5 million in its account with the Bank of Cyprus on 26 March 2013.

As a result, according to the most recent Bank of Cyprus statement dated 15 July 2013, the Company cannot withdraw any cash from its sole cash account. US\$ 1.6 million of the Company's cash account has been converted into equity, US\$ 1.0 million has been written off as a provision for the equity conversion, and the remaining US\$ 1.9 million (which is shown on the Company's available balance) is currently inaccessible. The Company is in correspondence with the Bank of Cyprus regarding gaining access to the Company's available balance. In the meantime, the Company intends to open a second cash account with a third party bank.

Lack of sufficient operating cash flow

Due to poor weather conditions during the 2012-2013 agricultural year compared to the previous 2011-2012 period, the Company presently lacks sufficient operating cash flow to finance the current 12.5% coupon on its Notes. Specifically, the lack of rain between July and November 2012 reduced the number of planted hectares as well as yields of winter wheat, while further drought conditions during Spring 2013 significantly reduced the planted hectares and expected yields for the Company's sunflower crop. Specific details concerning the impact of such poor weather conditions on the Company's operations are set forth in the chart below.

Crop	2012/2013 agricultural year			2011/2012 agricultural year		
	Planted (hectares)	Expected yield (tonnes per hectare)	Current price, USD	Planted (hectares)	Yield (tonnes per hectare)	Average price, USD
Wheat	34,000	2.7	160	43,000	3.2	216
Sunflower	35,000	1.5	442	38,600	1.8	541

As a result of the above, the Company is currently considering the need to amend certain terms and conditions of the Notes, including terms relating to the payment of interest, in which case a detailed memorandum and notice setting out the proposed amendments will be sent to holders of the Notes to solicit their consent.

Legal grounds: art. 70 Section 1 of the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of July 29th 2005 (Dz.U. of 2005, No 184, item 1539) in conjunction with the Cyprus Law providing for Transparency Requirements in relation to information about Issuers whose Securities are admitted to Trading on a Regulated Market of 2007, N.190(I)/2007 (as amended) and the Disclosure and Transparency Rules ("DTRs") of the United Kingdom's Financial Conduct Authority, specifically DTR 2.