

Black Earth Farming Ltd

Year End Report

1 January – 31 March 2010



Highlights for the three months reporting period

- **Sales volume** for the period 1 January to 31 March 2010 amounted to 135,646 tons, compared to 113,908 tons in corresponding period last year, representing a 19% increase.
- **Total revenue and gains** from continuing operations decreased 12% to RUR 412,972 thousand (USD* 14,064 thousand) compared with RUR 468,366 thousand (USD* 15,950 thousand) same period previous year. Result on revaluation of biological assets and agricultural produce was positive in the amount of RUR 381 thousand (USD* 13 thousand), compared to contribution of RUR 2,205 thousand (USD* 75 thousand) in the same period last year. Average price per ton sold in three months 2010 was 26.6% lower than same period last year, mainly because sales in same period in 2009 contained more high value crops such as Sunflowers and Rapeseed, which from 2009 harvest had already been sold by end of 2009 and three months 2010 therefore only contained sales of various grains.
- **Loss before income tax from continuing operations** was RUR 288,725 thousand (USD* 9,832 thousand) compared to a profit of RUR 63,894 thousand (USD* 2,176 thousand) last year. The profit for three months 2009 however contained Gain on foreign exchange differences in the amount of RUR 294,358 thousand (USD* 10,025 thousand), which significantly influenced the result, same item in three months 2010 was RUR 7,361 thousand (USD* 251 thousand).
- **Loss for the period** was RUR 270,425 thousand (USD* 9,209 thousand) compared to a profit of RUR 1,831 thousand (USD* 62 thousand) last year.
- **Basic loss per share from continuing operations** was RUR 2.17 (USD* 0.07) compared with a profit per share of RUR 0.49 (USD* 0.02) same period last year.
- **Net cash utilised in operating activities** was an outflow of RUR 244,415 thousand (USD* 8,324 thousand) compared with an outflow of RUR 342,530 thousand (USD* 11,665 thousand) same period previous year.
- Total controlled land grew Year on Year, from 321 to 328 thousand hectares as of 31 March 2010, of which land in registered ownership grew 109% Year on Year, from 106 to 222 thousand hectares as of 31 March 2010.

Significant events after the end of the reporting period

- No significant events to report

** The USD equivalent figures are provided for information purposes only and do not form part of the interim consolidated financial statements – refer to note 2 (c).*

Reporting period in figures

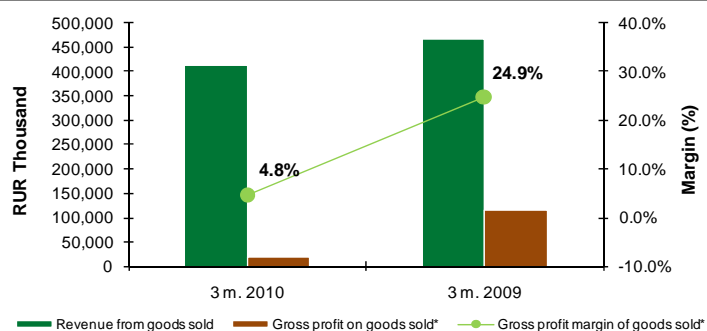
Result	RUR	RUR	Year-on-year
<i>In thousands of</i>	3 m. 2010	3 m. 2009	change
Revenue	412,591	466,161	-11%
Total revenue and gains	412,972	468,366	-12%
Gross profit ¹	19,607	115,963	-83%
<i>Gross margin</i> ²	4.8%	24.9%	-81%
Operating loss	-245,383	-173,757	41%
<i>Operating margin</i>	Neg	Neg	n/a
Loss for the period from continuing operations	-270,425	60,957	-544%
Loss for the period from discontinued operations	-	-59,126	n/a
Loss for the period	-270,425	1,831	-14869%
<i>Net margin in continuing operations</i>	Neg	13.1%	-601%
EBITDA	-91,988	-146,515	-37%
<i>EBITDA Margin</i>	Neg	Neg	n/a

Result	USD*	USD*	Year-on-year
<i>In thousands of</i>	3 m. 2010	3 m. 2009	change
Revenue	14,051	15,875	-11%
Total revenue and gains	14,064	15,950	-12%
Gross profit ¹	668	3,949	-83%
<i>Gross margin</i> ²	4.8%	24.9%	-81%
Operating loss	-8,357	-5,917	41%
<i>Operating margin</i>	Neg	Neg	n/a
Loss for the period from continuing operations	-9,209	2,076	-544%
Loss for the period from discontinued operations	-	-2,014	n/a
Loss for the period	-9,209	62	-14869%
<i>Net margin in continuing operations</i>	Neg	13.1%	n/a
EBITDA	-3,133	-4,990	-37%
<i>EBITDA Margin</i>	Neg	Neg	n/a

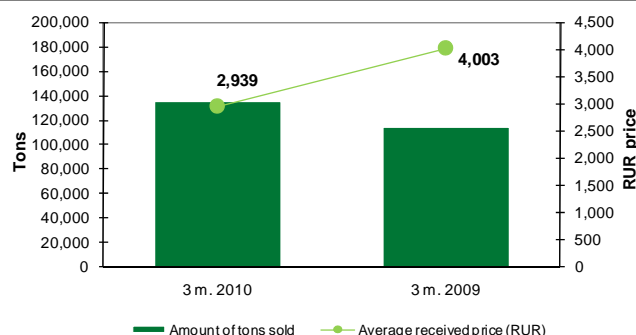
¹ Gross profit excluding Gain/loss on revaluation of biological assets and agricultural produce

² Gross profit margin on sold goods and services excluding gain/loss on revaluation of biological assets and agricultural produce

Revenue versus gross profitability



Sales volume versus average received price



*Excluding Gain/loss on revaluation of biological assets and agricultural produce

* The USD equivalent figures are provided for information purposes only and do not form part of the interim consolidated financial statements – refer to note 2 (c).

Reporting period in figures

Sales volume and price	3 m. 2010	3 m. 2009	Full years		
			2009	2008	2007
Amount of tons sold	135,646	113,908	617,360	117,066	58,274
Year-on-year change	19.1%	-	427.4%	100.9%	801.2%
Average received price per ton (RUR)	2,939	4,003	3,795	5,586	6,148
Year-on-year change	-26.6%	-	-32.1%	-9.1%	71.7%

Land holdings (hectares)	31-Mar-10	31-Dec-09	31-Dec-08	31-Dec-07
Land in the process of ownership registration with the relevant authorities	66	75	214	247
Land in registered ownership	222	216	95	29
Land under long-term lease agreements	40	39	8	13
Total amount of controlled land	328	330	317	289

Personnel	3 m. 2010	2009	2008	2007
Full-time employees at the end of the period	1,808	1,527	1,942	1,180
Average number of employees during the period	1,857	2,041	2,095	799

Operational Storage Capacity	31-Mar-10	31-Dec-09	31-Dec-08
Tons - on farm storage	204,000	204,000	82,000
Tons - Grain Elevator storage	100,000	100,000	80,000
Total capacity as % of gross commercial production	49%	57%	37%

The Company is currently constructing three additional grain elevators, two in the Voronezh region and one in the Kursk region. When finished these three elevators will add an additional 115,000 tons of elevator storage capacity. The Company also plans to increase the use of silobags for 2010, in order to exclude external storage as far as possible.

CEO'S COMMENT

The Company during the quarter continued actively selling crop inventory from the 2009 harvest; total volume of commercial crop sales during Q1 2010 amounted to 136 thousand tons representing 19% increase versus 114 thousand tons sold in Q1 2009.

Prices - as expected - continued to be depressed for Q1 2010 as compared to Q4 2009; however, the Company has been actively selling inventory in order to avoid incurring excessive storage costs in light of continued lack of short term upside potential for grain prices. The crops sold were grains only, mainly Wheat, Barley and Corn. The Company managed to realize better prices in Q1 compared to Q4 2009, whereas average Wheat price was 3% higher quarter on quarter, Barley price as much as 41% higher quarter on quarter, and Corn price 27% higher quarter on quarter, this was due to general market bounce back and the efforts of the new sales team, including the first direct export oriented deal, with 35,000 tons of Barley. Average price for Barley and Corn were also 10% and 30% higher year on year, while Wheat prices – our biggest crop in terms of volume - were 14% lower than Q1 2009, despite the larger proportion of 3rd and 4th grade Wheat from 2009 harvest. Wheat prices in Russia have fallen somewhat after the end of the quarter to below 3,000 RUR or 100 USD per ton in general for all classes of Wheat, historically prices below 100 USD/ton have triggered large movements out of Wheat among producers, thereby going from over- to under- production; whether this trend will repeat itself for 2011 remains to be seen and depends on how long prices will remain at these depressed levels.

The underlying COGS per ton for 2009 harvest of Wheat, Barley and Corn which have been sold during the Q1 2010 were higher than the crops sold in Q1 2009. This is mainly due to relatively more expensive costs of production such as fertilizers, sprays, fuel, etc. which have been procured in preparation for 2009 seeding and harvesting production period. Our continued ongoing procurement cost control initiatives will have been shown once we start selling the crops from 2010 harvest. In addition, I am also pleased to report that for the other (non-production related) cost items the general trend is solidly lower. Our General & Administrative expenses decreased by 16% Year on Year – Q1 2010 USD 5.5 million vs. Q1 2009 USD 6.6 million - due to earlier initiatives in personnel reduction as well as other expense control measures. Further measures and restructuring to lower General & Administrative expenses are being implemented. However, completion of the Company's ongoing three elevator projects will in the future mean new hiring of specialist and managers to run these facilities. At the same time,

we also anticipate to realize material costs savings by being able to avoid and/or significantly reduce using expensive third party elevator storage services. Distribution Expenses in Q1 2010 were 20% lower than for the same period 2009, mainly due to lower volumes being stored during the period.

EBITDA loss for the period decreased year on year, from USD 4.9 million in Q1 2009 to USD 3.1 for Q1 2010. Loss from Continuing Operations for the Q1 2010 amounted to USD 9.2 million versus profit of USD 2.0 million for the same period last year (this was/is largely driven by the Q1 2009 Gain on FX revaluation in the amount of USD 10.0 million, same item in Q1 2010 was USD 251 thousand).

Land in registered ownership stood at 222 thousand hectares as of 31 March 2010, which represents a 3% increase quarter on quarter, but more than doubling year on year. Total controlled land and portion of long term leased land was more or less the same.

Spring seeding started later than last year, around 10 of April, due to the long and cold winter in Russia. Because of the harsh winter and cold snaps in march, most of the Company's Winter Rape succumbed as well as some Winter Wheat and the areas are being reseeded with other spring crops. About 800 hectares remain with Winter Rape seed and Winter Wheat area currently amounts to 74,400. The Barley footprint has been significantly reduced compared to last year, due to currently weak market fundamentals for the crop, in favor of oilseed crops and spring wheat. As of 17 May 2010, 13,900 hectares had been seeded with Spring Barley, 10,100 with Spring Wheat, 30,500 with Spring Rape, 39,000 with Sunflowers, 9800 with Corn and 10,200 with Soya. As of 17 May some Sunflowers and Soya but foremost Corn was left to be planted, the targeted total of planted hectares is still about 200,000 for 2010 harvest.

Black Earth Farming remains one of, if not the best capitalized among the large Russian agricultural holdings, something which in this environment of challenging price levels is being valued by our various stakeholders and also translated into monetary benefits from the many suppliers wanting to work with us. We are fully focused on utilizing this fact together with the experience of our colleagues and further developed internal infrastructure and sales function into reduced production costs and improved profitability for 2010 production year.

On behalf of the Board - 25 May 2010
Sture Gustavsson
CEO and President

Financial performance

Revenue

For the three months ended 31 March 2010 revenue from sales of goods and services decreased 11% in comparison with the same period 2009, and amounted to RUR 412,591 thousand (USD* 14,051 thousand) down from RUR 466,161 thousand (USD* 15,875 thousand) for first three months in 2009. Sales of crops constituted 96.6% of revenue.

Revenue from realisation of goods and services from continuing operations	RUR thousand		Year on year change
	3 m. 2010	3 m. 2009	
Revenues from sales of crop production	398,693	455,919	-12.6%
Revenue from sales of milk and meat	5,122	4,708	8.8%
Revenues from sales of other goods and services	8,776	5,534	58.6%
Total	412,591	466,161	-11.5%

Revenue from realisation of goods and services	USD* thousand		Year on year change
	3 m. 2010	3 m. 2009	
Revenues from sales of crop production	13,578	15,527	-12.6%
Revenue from sales of milk and meat	174	160	8.8%
Revenues from sales of other goods and services	299	188	58.6%
Total	14,051	15,875	-11.5%

Average price per ton sold in three months 2010 was 26.6% lower than same period last year, mainly because sales in same period in 2009 contained more high value crops such as Sunflowers and Rapeseed, which from 2009 harvest had already been sold by end of 2009 and three months 2010 therefore only contained sales of various grains. More specifically the crops sold in the first quarter were Wheat, Barley, Corn and some mixed waste grain. For three months 2010 revenues from sales of crop production decreased 12.6% compared to 2009

Sales of crops Jan-Mar 2010	2009 harvest		2010 harvest		Total		Average price received 1Q 2010 (RUR/ton)	Average price received 1Q 2009 (RUR/ton)
	RUR thousand	Tons	RUR thousand	Tons	RUR thousand	Tons		
Wheat	151,450	49,779	-	-	151,450	49,779	3,042	3,519
Spring Barley	206,472	76,613	-	-	206,472	76,613	2,695	2,448
Corn	38,336	7,840	-	-	38,336	7,840	4,890	3,758
Waste grains	2,435	1,414	-	-	2,435	1,414	1,722	1,831
Sunflowers	-	-	-	-	-	-	-	8,747
Spring rape seed	-	-	-	-	-	-	-	8,180
Total	398,693	135,646	-	-	398,693	135,646	2,939	4,003

Sales of crops Jan-Mar 2010	USD* thousand		USD* thousand		USD* thousand		Average price received 1Q 2010 (USD/ton)	Average price received 1Q 2009 (USD/ton)
	thousand	Tons	thousand	Tons	thousand	Tons		
Wheat	5,158	49,779	-	-	5,158	49,779	104	120
Spring Barley	7,032	76,613	-	-	7,032	76,613	92	83
Corn	1,306	7,840	-	-	1,306	7,840	167	128
Waste grains	83	1,414	-	-	83	1,414	59	62
Sunflowers	-	-	-	-	-	-	-	298
Spring rape seed	-	-	-	-	-	-	-	279
Total	13,578	135,646	-	-	13,578	135,646	100	136

Financial performance

Gain on revaluation (inventory)

As of 31 March 2010 the Company had about 66,129 tons of clean selling weight of harvested crops held in storage and recorded in inventory as finished product.

Finished product/crops in inventory	31-Mar-10	31-Mar-09	31-Dec-09	31-Dec-08	31-Dec-07
Tons	66,129	222,757	203,401	335,600	42,459

For the reporting period the Company faced a Gain on revaluation of biological assets and agricultural produce in the amount RUR 381 thousand (USD* 13 thousand) compared with a Gain of RUR 2,205 thousand (USD* 75 thousand) same period previous year.

The revaluation of the biological assets and agricultural produce is done in accordance with the requirements of IAS 41 which states that a biological asset shall be measured on initial recognition and at each balance sheet date at its fair value less estimated point-of-sale costs. In accordance with the standard, gain or loss arising on initial recognition of a biological asset at fair value less estimated point-of-sale costs shall be included in the profit or loss for the period in which it arises. See the annual report 2009 Note 5 for more in depth description of Gain on revaluation of biological assets and agricultural produce calculation and other accounting principles.

When calculating fair value of crops in inventory and subsequently gain on revaluation of crop in inventory - market prices from the Chamber of Commerce and Industry as of the reporting date are used for the different crops and crop classes.

Balance value of crop production <i>In thousand of</i>	RUR		USD*	
	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
Finished goods	211,508	594,008	7,203	20,229
Raw materials and consumables	412,938	254,915	14,063	8,681
Biological assets (no livestock only crops)	495,843	425,884	16,886	14,504
Total	1,120,289	1,274,807	38,152	43,414

Below are the prices used for valuing the inventory of the most important crops as of 31 March 2010 compared to 31 December 2009.

Crop	RUR/ton 31-Mar-2010	RUR/ton 31-Dec-2009
Wheat-3 class	3,700	3,700
Wheat-4 class	3,300	3,300
Wheat-5 class/feed	2,800	2,800
Corn	4,500	4,500

Crop	RUR/ton 31-Mar-2010	RUR/ton 31-Dec-2009
Barley-Malting	3,500	3,700
Barley-Feed	2,100	3,300
Rape seed	6,700	2,800
Sunflowers	9,900	4,500

Financial performance

Costs

Cost of sales for continuing operations for the period 1 January to 31 March 2010 amounted to RUR 392,984 thousand (USD* 13,383 thousand) in contrast to RUR 350,198 thousand (USD* 11,926 thousand) for the same period in 2009. The increase is mainly driven off of the 19% increase in crops sold in the period. Below is a breakdown of accounting Cost of sales indicators per crop and ton. The cost of sales per ton for crops sold in three months 2010 was 7% lower than same period last year, however, the average for Q1 2009 also related to sales of Sunflowers which have much higher per ton production costs. The underlying COGS per ton for Wheat, Barley and Corn from the 2009 harvest that was sold during the quarter were higher than the crops sold in Q1 2009. This is mainly due to relatively more expensive costs of production such as fertilizers, sprays, fuel, etc. which have been procured in preparation for 2009 seeding and harvesting production period. Our continued ongoing procurement cost control initiatives will have been shown once we start selling the crops from 2010 harvest.

Cost of goods sold	RUR Thousand		USD Thousand*		Year on year change
	Jan-Mar 2010	Jan-Mar 2009	Jan-Mar 2010	Jan-Mar 2009	
Wheat	158,051	108,832	5,383	3,706	45.2%
Spring Barley	187,159	98,388	6,374	3,351	90.2%
Corn	32,673	14,857	1,113	506	119.9%
Waste grains	1,825	955	62	33	91.2%
Sunflowers	-	119,165	-	4,058	n/a
Spring rape seed	-	648	-	22	n/a
Other goods and services	13,275	7,354	452	250	80.5%
Total	392,984	350,198	13,383	11,926	12.2%

Cost of goods sold indicators per crop per ton	RUR		USD*		Year on year change
	Jan-Mar 2010	Jan-Mar 2009	Jan-Mar 2010	Jan-Mar 2009	
Wheat	3,175	2,498	108	85	27.1%
Spring Barley	2,443	2,209	83	75	10.6%
Corn	4,168	2,785	142	95	49.6%
Waste grains	1,291	1,201	44	41	7.5%
Sunflowers	-	6,088	-	207	n/a
Spring rape seed	-	6,481	-	221	n/a
Average	2,799	3,010	95	103	-7.0%

Our General & Administrative expenses decreased by 16% Year on Year – Q1 2010 USD 5.5 million vs. Q1 2009 USD 6.6 million - due to earlier initiatives in personnel reduction as well as other expense control measures. Further measures and restructuring to lower General & Administrative expenses are being implemented. However, completion of the Company's ongoing three elevator projects will in the future mean new hiring of specialist and managers to run these facilities. At the same time, we also anticipate to realize material costs savings by being able to avoid and/or significantly reduce using expensive third party elevator storage services. Distribution Expenses in Q1 2010 were 20% lower than for the same period 2009, mainly due to lower volumes being stored during the period.

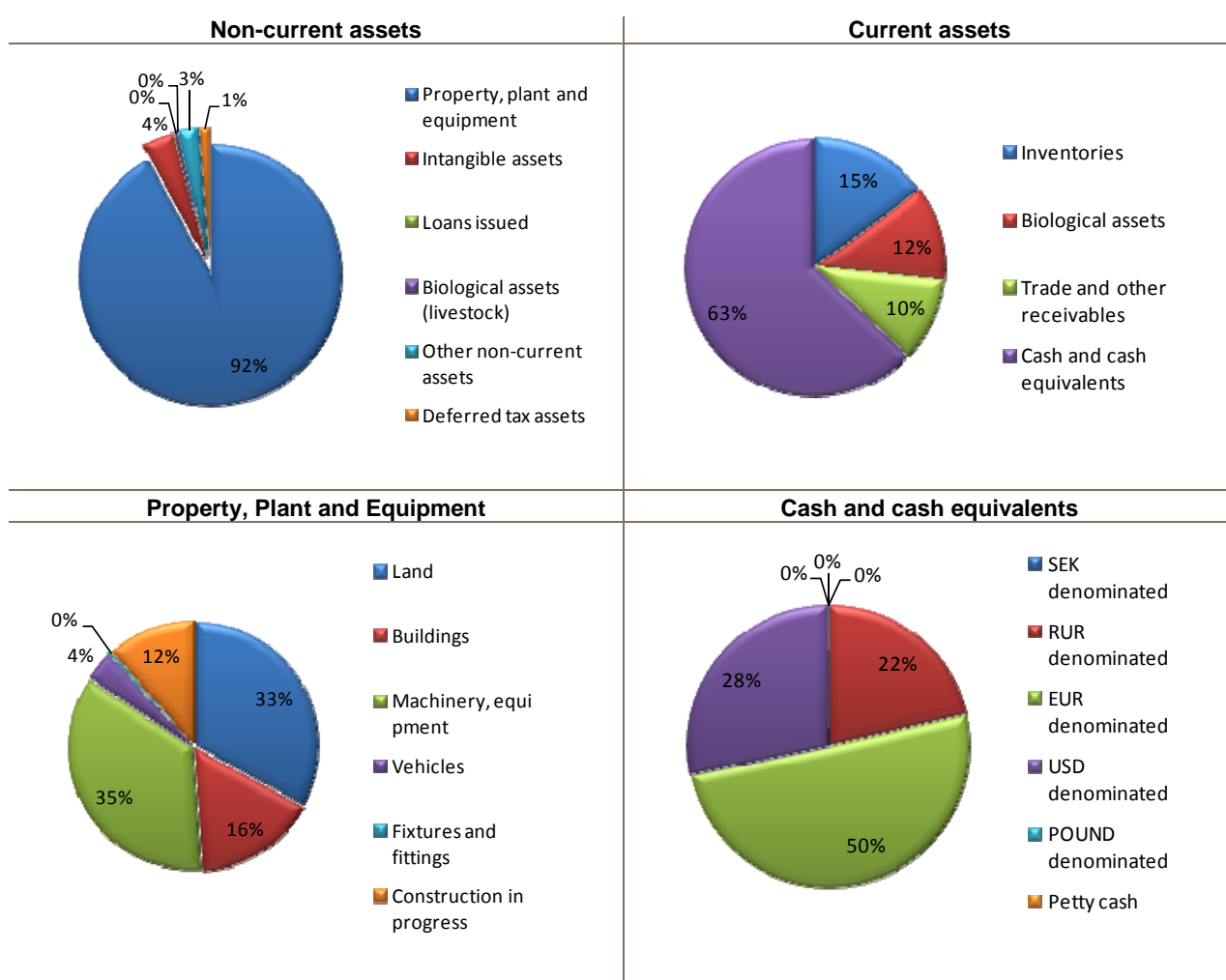
Financial performance

Assets

As of 31 March 2010 about 92.0% of the Company's non-current assets were made up of Property, Plant and equipment. The large increase in the value of Construction in progress is related to the Company's construction of three new elevators and the 34% increase in value of buildings stems from the completed construction of on farm infrastructure such as grain hangars, dryers, cleaners etc.

Property, plant and equipment 31 March 2010	RUR Thousand	USD* Thousand	Change from 31-Dec-09
Land	1,852,407	63,085	12.0%
Buildings	893,151	30,417	34.1%
Machinery, equipment	1,985,957	67,633	6.4%
Vehicles	227,399	7,744	25.0%
Fixtures and fittings	13,473	459	-25.6%
Construction in progress	642,632	21,885	392.2%
Total	5,615,019	191,222	24.3%

The Company had as of 31 March 2010 Cash and Cash equivalents in the amount of RUR 2,639,698 thousand (USD* 89,896 thousand) placed on deposit in different currencies with a variety of established banks. See annual report 2009 Note 33 for more in depth description of financial risks and management of the same.



Equity

Ratios	31-Mar-10	31-Mar-09	31-Dec-09	31-Dec-08
Equity ratio, percent	82%	81%	79%	80%
Debt /Equity ratio, percent	19.6%	21.0%	21.0%	19.3%

Share data	RUR		USD*	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Net asset value (Equity) thousands	8,479,095	10,088,681	288,760	296,608
Net asset value per Share	68.05	81.04	2.32	2.38
Basic profit/(loss) per Share	(2.17)	0.01	(0.07)	0.00

Operational Performance

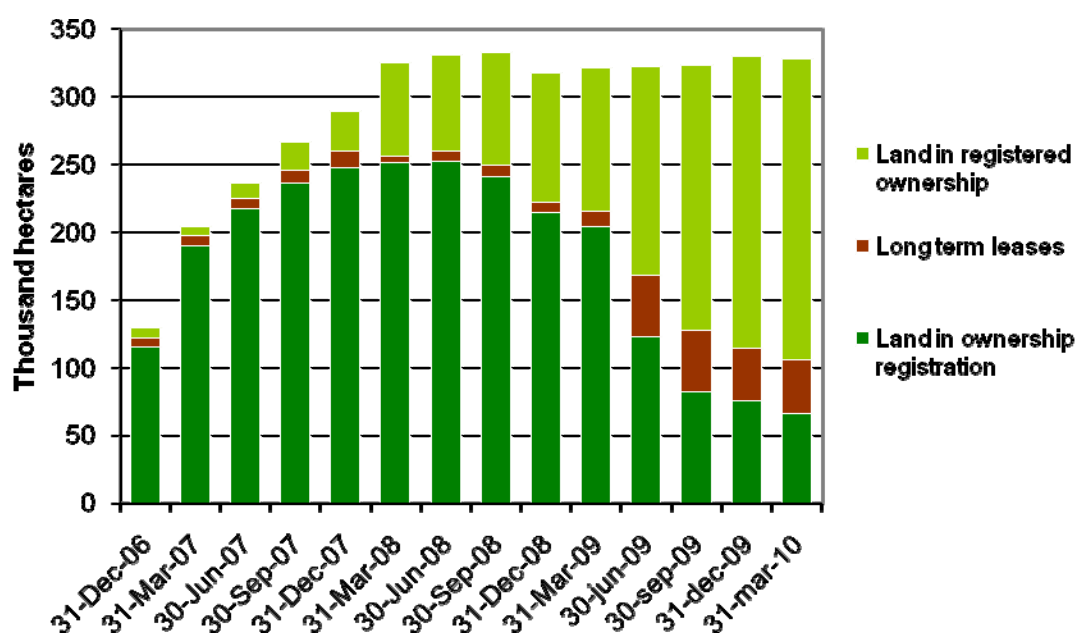
Land

Total land holdings decreased somewhat during the first quarter and amounted to 228 thousand hectares as of 31 March 2010. The amount of land in ownership increased 2.8% compared to 31 December 2009, to 222 thousand hectares. All in all a total of 116 thousand hectares were registered into ownership during the past year, which represents a 109% increase.

The process of obtaining the ownership rights to agricultural land in Russia is as previously described, complicated as well as time consuming and associated with certain risks. See risk section in Annual Report 2009 for a more comprehensive description of risk related to land acquisition and registration.

Consolidation and further improvement of the operational efficiencies in and around the existing farm blocks remains the Company's key targets. Divestment of some less beneficial land assets as well as potential swaps of land with other external parties is a possibility in the strife to improve the overall quality and value of the Company's asset base, which may result in inter-quarterly figures showing a reduction in the total figure for land.

Land holdings



Land holdings (thousand hectares)	31-Mar-08	30-Jun-08	30-Sep-08	31-Dec-08	31-Mar-09	30-Jun-09	30-Sep-09	31-Dec-09	31-Mar-10
Land under control	325	331	333	317	321	322	323	330	328
Quarter-on-quarter change	12.5%	1.8%	0.5%	-4.7%	1.2%	0.3%	0.3%	2.2%	-0.6%
Land in long term lease	5	8.1	8.1	8.1	11	45	45	39	40
Quarter-on-quarter change	-60.9%	62.0%	0.0%	0.0%	35.8%	309.1%	0.0%	-13.3%	2.6%
Land in registered ownership	69	71	83	95	106	154	196	216	222
Quarter-on-quarter change	137.1%	2.9%	17.4%	14.0%	11.6%	45.3%	27.3%	10.2%	2.8%

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

Operational Performance

Production

Spring seeding started later than last year, around 10 of April, due to the long and cold winter in Russia. Because of the harsh winter and also cold snaps in march, most of the Company's Winter Rape succumbed as well as some Winter Wheat and the areas are being reseeded with other spring crops. About 800 hectares remain with Winter Rape seed and Winter Wheat area currently amounts to 74,400. The Barley footprint has been significantly reduced compared to last year, due to currently weak market fundamentals for the crop, in favor of oilseed crops and spring wheat. As of 17 May 2010, 13,900 hectares had been seeded with Spring Barley, 10,100 with Spring Wheat, 30,500 with Spring Rape, 39,000 with Sunflowers, 9,800 with Corn and 10,200 with Soya. As of 17 May some Sunflowers and Soya but foremost Corn was left to be planted, the targeted total of planted hectares is still about 200,000 for 2010 harvest.

Production expansion table

Planted area breakdown

(hectares)	2007	2008	2009
Winter wheat	16,805	48,636	84,698
Winter rape	5,005	875	7,045
Winter triticale	n/a	n/a	2,740
Total winter crops	21,810	49,511	94,483
Spring Barley	20,180	42,638	43,053
Spring wheat	n/a	4,339	3,824
Spring rape	7,035	13,149	7,132
Sunflower	2,541	19,378	26,466
Corn maize	1,215	9,950	8,084
Total spring crops	30,971	89,454	88,559
Total commercial crops	52,781	138,965	183,042
Forage crops	670	2,968	381
Total planted area	53,451	141,933	183,423

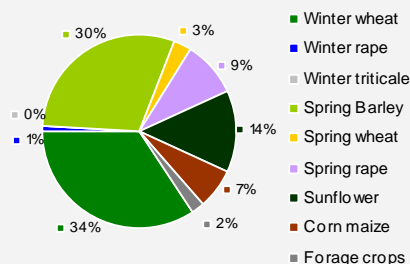
Average Gross Crop Yield

(ton/hectare)	2007	2008	2009
Winter wheat	3.3	4.3	3.5
Winter rape	1.3	1.8	1.6
Winter triticale	n/a	n/a	2.3
Spring Barley	2	3.4	3.0
Spring wheat	n/a	2.9	2.3
Spring rape	0.9	1.4	1.4
Sunflower	2.4	1.4	1.8
Corn maize	5.5	2.6	3.4

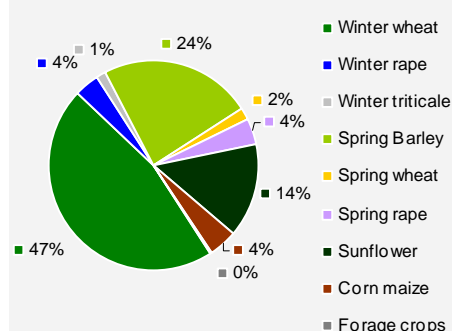
Gross harvest

(ton)	2007	2008	2009
Winter wheat	49,262	206,961	292,657
Winter rape	0	1,536	11,527
Winter triticale	n/a	n/a	6,432
Total winter crops	49,262	208,497	310,616
Spring Barley	42,477	143,259	127,793
Spring wheat	0	12,779	8,764
Spring rape	12,859	18,761	9,708
Sunflower	3,815	27,742	46,602
Corn	1,311	26,088	27,823
Total spring crops	60,462	228,630	220,689
Total commercial crops	109,724	437,127	531,305
Forage crops	2,659	22,928	3,381
Total output	112,383	460,056	534,686

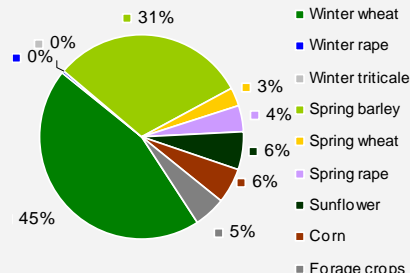
Breakdown of planted area 2008



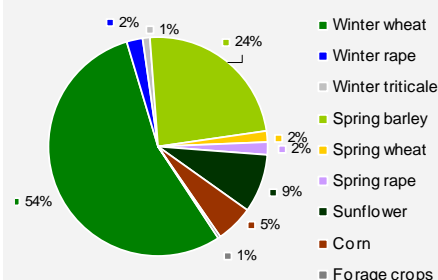
Breakdown of planted area 2009



Breakdown of gross harvest 2008



Breakdown of gross harvest 2009



The Share

Outstanding shares

As of 31 March 2010 the amount of outstanding shares was 124,601,667

Compiled SDR information	
Official listing:	Nasdaq OMX Stockholm
Form of listing:	Swedish Depository Receipt ("SDR")
Round lot:	1
Sector:	Agricultural Products
Exchange ISIN code:	SE0001882291
Short name:	BEF SDB
Reuters:	BEFsdb.ST
Bloomberg:	BEFSDB SS

Shareholders

The total number of shareholders, as of 31 March 2010, amounted to about 9,000.

Trade data for the period 1 Jan 2010 - 15 March 2010

Average Daily Turnover (SEK)	Average No of Traded Shares	Average No of daily trades
5,308,899	205,108	184

Source: NASDAQ OMX

Top 5 shareholders per 31 March 2010

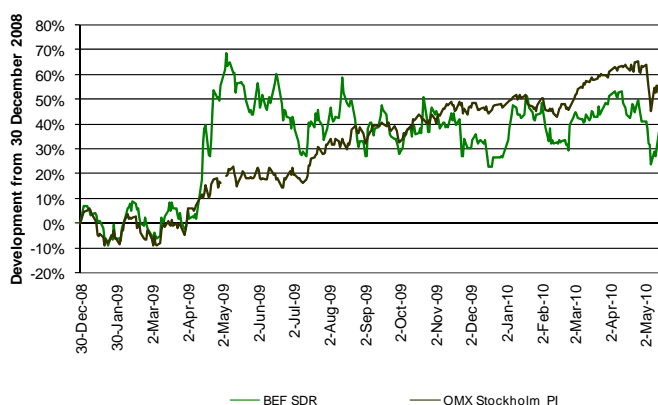
Owner	% of votes & capital
VOSTOK KOMI (CYPRUS) LTD ¹	24.8%
KINNEVIK NEW VENTURES AB	23.0%
ALECTA PENSIONS FÖRSÄKRING	8.0%
LÄNSFÖRSÄKRINGAR	5.1%
DNB NOR BANK ASA ²	2.4%

Source: Euroclear Sweden share registry & shareholders' reference

¹ Subsidiary of Vostok Nafta Investment Ltd.

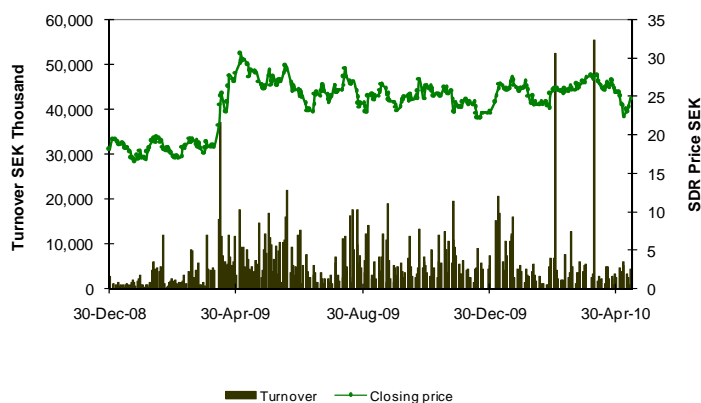
² In its capacity as nominee.

Share Performance vs Stockholm index



Source: NASDAQ OMX

Share Price and Turnover



Source: NASDAQ OMX

Black Earth Farming SDB

Price SEK/SDR 15 March 2010

24.80

Change 1 Month

-6.4%

Change 3 Months

3.3%

52 Week High

29.0

Change 6 Months

-1.2%

Change 1 Year

-12.4%

52 Week Low

22.2

More historic share data and information, including current list of analysts following Black Earth Farming, can be found on the Company's website – www.blackearthfarming.com.

Risks and Uncertainties are described in the annual report for 2009. The risks can be summarised as Risks relating to the Company, Risks relating to the Company's business and Risks relating to Russia. All significant risks and uncertainty factors that existed on 31 December 2009 also exist on 31 March 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2010

<i>In thousands of</i>		RUR	RUR	USD*	USD*
	Notes	3m. 2010	3m. 2009	3m. 2010	3m. 2009
Continuing operations					
Revenue		412,591	466,161	14,051	15,875
(Loss)/gain on revaluation of biological assets and agricultural produce		381	2,205	13	75
Total revenue and gains		412,972	468,366	14,064	15,950
Cost of sales		(392,984)	(350,198)	(13,383)	(11,926)
Gross (loss)/profit		19,988	118,168	681	4,024
Distribution expenses		(53,555)	(66,631)	(1,824)	(2,269)
General and administrative expenses		(162,189)	(193,147)	(5,523)	(6,578)
Taxes other than on income		(11,849)	(5,143)	(404)	(175)
Other gains and losses		(18,892)	58	(643)	2
Other income and expenses		(18,886)	(27,062)	(643)	(921)
Operating loss		(245,383)	(173,757)	(8,356)	(5,917)
Financial income		20,020	327,831	682	11,164
Financial expenses		(63,362)	(90,180)	(2,158)	(3,071)
Loss before income tax		(288,725)	63,894	(9,832)	2,176
Income tax benefit/(expense)		18,300	(2,937)	623	(100)
Loss for the period from continuing operations		(270,425)	60,957	(9,209)	2,076
Discontinued operations					
Loss for the period from discontinued operations	4	-	(59,126)	-	(2,014)
Loss for the period		(270,425)	1,831	(9,209)	62
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(270,425)	1,831	(9,209)	62

<i>Earnings per share (amounts are indicated in)</i>		RUR	RUR	USD*	USD*
From continuing and discontinued operations:	6				
Loss per share, basic		(2.17)	0.01	(0.07)	-
Loss per share, diluted		(2.17)	0.01	(0.07)	-
From continuing operations:	6				
Loss per share, basic		(2.17)	0.49	(0.07)	0.02
Loss per share, diluted		(2.17)	0.49	(0.07)	0.02

The condensed consolidated statement of comprehensive income is to be read in conjunction with the notes to and forming part of the interim consolidated financial statements set out on pages 16 to 20.

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

<i>In thousands of</i>		RUR	RUR	USD*	USD*
	Notes	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
ASSETS					
<i>Non-current assets</i>					
Property, plant and equipment		5,615,019	5,588,241	191,222	190,311
Goodwill		234,321	234,321	7,980	7,980
Intangible assets		12,942	13,409	441	457
Loans issued		8,420	11,055	287	376
Biological assets (livestock)		20,912	20,289	712	691
Other non-current assets		143,603	100,497	4,890	3,422
Deferred tax assets		69,808	75,723	2,377	2,579
Total non-current assets		6,105,025	6,043,535	207,909	205,816
<i>Current assets</i>					
Inventories		624,446	848,923	21,266	28,911
Biological assets (crop production)		495,843	425,884	16,886	14,504
Trade and other receivables		438,183	520,125	14,924	17,713
Cash and cash equivalents		2,639,698	3,211,219	89,896	109,360
Total current assets		4,198,170	5,006,151	142,972	170,488
Total assets		10,303,195	11,049,686	350,881	376,304
EQUITY AND LIABILITIES					
<i>Equity</i>					
Share capital		32,921	32,921	1,121	1,121
Share premium		11,275,731	11,275,731	384,001	384,001
Reserves		132,519	126,930	4,513	4,323
Retained earnings		(2,962,076)	(2,691,651)	(100,875)	(91,666)
Total equity		8,479,095	8,743,931	288,760	297,779
LIABILITIES					
<i>Non-current liabilities</i>					
Non-current loans and borrowings	7	-	1,838,091	-	62,597
Deferred tax liabilities		4,370	26,795	149	913
Total non-current liabilities		4,370	1,864,886	149	63,510
<i>Current liabilities</i>					
Current loans and borrowings	7	1,663,773	188,006	56,661	6,403
Trade and other payables		155,957	252,863	5,311	8,612
Total current liabilities		1,819,730	440,869	61,972	15,015
Total liabilities		1,824,100	2,305,755	62,121	78,525
Total equity and liabilities		10,303,195	11,049,686	350,881	376,304

The condensed consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the interim consolidated financial statements set out on pages 16 to 20.

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2010

<i>In thousands of</i>	RUR	RUR	RUR	RUR	RUR
	Share capital	Share premium	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 1 January 2009	32,898	11,269,910	94,107	(1,342,358)	10,054,557
Issue of shares	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,831	1,831
Recognition of share-based payments	-	-	32,293	-	32,293
Balance as at 31 March 2009	32,898	11,269,910	126,400	(1,340,527)	10,088,681
Balance as at 1 January 2010	32,921	11,275,731	126,930	(2,691,651)	8,743,931
Issue of shares	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(270,425)	(270,425)
Recognition of share-based payments	-	-	5,589	-	5,589
Balance as at 31 March 2010	32,921	11,275,731	132,519	(2,962,076)	8,479,095

<i>In thousand of</i>	USD*	USD*	USD*	USD*	USD*
	Share capital	Share premium	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 1 January 2009	1,120	383,803	3,205	(45,715)	342,413
Issue of shares	-	-	-	-	-
Total comprehensive income for the period	-	-	-	62	62
Recognition of share-based payments	-	-	1,100	-	1,100
Balance as at 31 March 2009	1,120	383,803	4,305	(45,652)	343,576
Balance as at 1 January 2009	1,121	384,001	4,323	(91,666)	297,779
Issue of shares	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(9,209)	(9,209)
Recognition of share-based payments	-	-	190	-	190
Balance as at 31 March 2010	1,121	384,001	4,513	(100,875)	288,760

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 16 to 20.

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2010

<i>In thousands of</i>		RUR	RUR	USD*	USD*
	Notes	3 m. 2010	3 m. 2009	3 m. 2010	3 m. 2009
OPERATING ACTIVITIES					
(Loss)/profit for the period		(270,425)	1,831	(9,209)	62
<i>Adjustments for:</i>					
Income tax (benefit)/expense		(18,300)	2,867	(623)	98
Depreciation and amortisation		108,944	59,364	3,710	2,022
Change in provision for doubtful receivables		7,665	-	261	-
Foreign exchange gain		(7,361)	(294,358)	(251)	(10,025)
Interest income		(12,659)	(33,473)	(431)	(1,140)
Interest expense		62,674	90,180	2,134	3,071
Loss/ (gain) on disposal of property, plant and equipment and intangible assets		3,430	(16,352)	117	(557)
Warrant expense		5,589	32,293	190	1,100
Loss on disposal of subsidiaries		-	45,021	-	1,533
Impairment of inventory		22,252	-	758	-
Change in value of biological assets		(381)	(2,205)	(13)	(75)
Operating loss before changes in working capital		(98,572)	(114,832)	(3,357)	(3,911)
Decrease in inventories		168,236	74,756	5,729	2,546
Increase in biological assets		(70,201)	-	(2,391)	-
Decrease in trade and other receivables		75,242	22,112	2,562	753
Decrease in trade payables and other short-term liabilities		(96,351)	(25,641)	(3,281)	(873)
Cash flows utilised in operating activities before income tax paid		(21,646)	(43,605)	(738)	(1,485)
Interest paid		(222,643)	(298,443)	(7,582)	(10,164)
Income tax paid		(126)	(482)	(4)	(16)
Net cash utilised in operating activities		(244,415)	(342,530)	(8,324)	(11,665)
INVESTING ACTIVITIES					
Interest received		16,385	45,242	558	1,541
Acquisition of land plots		(7,352)	(46,311)	(250)	(1,577)
Acquisition of property, plant and equipment		(137,847)	(155,683)	(4,695)	(5,301)
Proceeds from disposal of property, plant and equipment		1,857	-	63	-
Acquisition of intangible assets		(2,860)	(837)	(97)	(28)
Proceeds from disposal of investments		516	136,239	18	4,640
Loans issued		(2,811)	-	(96)	-
Change in other non-current assets		-	(222,649)	-	(7,582)
Cash flows utilised in investing activities		(132,112)	(243,999)	(4,499)	(8,307)
FINANCING ACTIVITIES					
Repurchase of bonds	7	(34,577)	(18,782)	(1,178)	(640)
Cash flows utilised in financing activities		(34,577)	(18,782)	(1,178)	(640)
Net decrease in cash and cash equivalents		(411,104)	(605,310)	(14,001)	(20,612)
Cash and cash equivalents at beginning of year		3,211,219	4,604,591	109,360	156,812
Effect of exchange rate fluctuations on cash and cash equivalents		(160,417)	493,986	(5,463)	16,823
Cash and cash equivalents at end of the period		2,639,698	4,493,267	89,896	153,023

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2010

1 Background

(a) Organisation and operations

Black Earth Farming Limited (the "Company") is a limited liability company incorporated in Jersey, Channel Islands, on 20 April 2005. The Company is the holding company for a number of legal entities established under the legislation of Cyprus and the Russian Federation. Those entities are together referred to as the "Group".

The Company's registered office is 8 Church Street, St. Helier, Jersey, JE4 OSG, Channel Islands.

The Group is involved in the acquisition and subsequent management of agricultural companies in Russia. The Group's activities include farming, production of crops and dairy produce and the distribution of related products in the Russian Federation. The Group commenced operations in 2005. The majority of the subsidiaries was established in 2006 and had limited activities.

(b) Russian business environment

Although in recent years there has been a general improvement in economic conditions in Russia, Russia continues to display certain characteristics of an emerging market. These include, but are not limited to, currency controls and convertibility restrictions, relatively high level of inflation and continuing efforts by the government to implement structural reforms.

As a result, laws and regulations affecting businesses in Russia continue to change rapidly. Tax, currency and customs legislation within Russia is subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Russia. The future economic direction of Russia is largely dependent upon the effectiveness of economic, fiscal and monetary measures undertaken by the government, together with legal, regulatory, and political developments.

(c) Seasonality

Agricultural sector exhibits obvious seasonal behavior. During the winter period, i.e. December to March, the organic growth of the crops is minimal. Due to this no major inputs are made in the production. All costs related to planting are capitalized in the Balance Sheet under "Biological assets". During the first three months the Group has been selling its crop production harvested in 2009.

2 Basis of preparation

(a) Statement of compliance

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRSs") and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

(b) Functional and presentation currency

The currency of the Russian Federation is the Russian Rouble ("RUR"), which is the Group's functional currency and the currency in which these consolidated financial statements are presented. The Group's main activities are RUR denominated. All financial information presented in RUR has been rounded to the nearest thousand.

(c) Convenience translation

In addition to presenting the consolidated financial statements in RUR, supplementary information in United States dollars ("USD") has been presented for the convenience of users of the consolidated financial statements.

All amounts in the consolidated financial statements, including comparatives, are translated from RUR to USD at the closing exchange rate at 31 March 2010 of RUR 29.3638 to USD 1. All financial information in USD has been rounded to the nearest thousand.

** The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).*

3 Significant accounting policies

The condensed financial statements have been prepared under historical cost convention, except that financial investments classified as available-for-sale are stated at fair value and biological assets measured at fair value less estimated point-of-sale costs.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2009.

4 Segment information

The operating segments definitions were developed by senior management in order to enable effective and efficient operating performance based of the geographic and sub-climactic split of the cropped areas in the four Black Earth regions; namely, Kursk, Lipetsk, Tambov and Voronezh. The Group also has one operating company in Samara region, however, for segment reporting purposes it was included in Tambov, as the company's result is not material as a single operating segment. The management company is located in Moscow. The management company does not produce anything itself and its revenue is a result of selling crops harvested by Group's companies. It sets the general policies for all entities, collects the data and controls implementation of all decisions received therefore it bears the majority of general and administrative expenses. The parent company Black Earth Farming Ltd. is not included in any of the operating segments, as it does not generate any revenue, therefore its assets and expenses have been reflected in the Corporate segment of the assets and expenses.

(a) Segment revenues and results

<i>In thousands of</i>	RUR Revenue from external sales 3 m. 2010	RUR Inter- segment revenue 3 m. 2010	RUR Net result 3 m. 2010	RUR Revenue from external sales 3 m. 2009	RUR Net result 3 m. 2009
Agricultural companies					
- Voronezh region	80,530	25,840	(63)	160,255	(17,245)
- Kursk region	73,356	85,058	(22,940)	126,304	(43,039)
- Lipetsk region	54,493	52,900	(30,083)	85,537	(25,417)
- Tambov region	64,205	11,561	(26,512)	18,438	(15,995)
- Management company Moscow	140,007	69,745	(85,137)	75,626	(126,179)
Total	412,591	245,104	(164,735)	466,160	(227,875)
Prior year revaluation of biological assets in cost of goods sold			-		99,046
Additional administrative costs and director's salaries			(44,075)		(44,948)
Bad debt provision			(3,705)		(6,484)
Impairment of inventory			(22,252)		-
Other income and expenses			(10,616)		6,504
Finance income, net			(43,342)		237,651
Loss for the period from discontinued operations			-		(59,126)
Loss before tax			(288,725)		4,768

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

<i>In thousands of</i>	USD* Revenue from external sales 3 m. 2010	USD* Inter- segment revenue 3 m. 2010	USD* Net result 3 m. 2010	USD* Revenue from external sales 3 m. 2009	USD* Net result 3 m. 2009
Agricultural companies					
- Voronezh region	2,742	880	(2)	5,458	(587)
- Kursk region	2,498	2,897	(781)	4,301	(1,466)
- Lipetsk region	1,856	1,802	(1,024)	2,913	(866)
- Tambov region	2,187	394	(903)	628	(545)
- Management company Moscow	4,768	2,375	(2,899)	2,575	(4,297)
Total	14,051	8,348	(5,609)	15,875	(7,761)
Prior year revaluation of biological assets in cost of goods sold			-		3,373
Additional administrative costs and director's salaries			(1,501)		(1,531)
Bad debt provision			(126)		(221)
Impairment of inventory			(758)		-
Other income and expenses			(362)		223
Finance income, net			(1,476)		8,093
Loss for the period from discontinued operations			-		(2,014)
Loss before tax			(9,832)		162

The accounting principles of the reportable segments are not exactly the same as the Group's accounting policies according to IFRS. The profit before tax for the reportable segments was reconciled to the reported profit before tax as the accounting policies of the segments differ in the following areas:

- Segment reporting does not include additional administrative expenses related to Black Earth Farming Ltd (standalone)
- Segment reporting does not provide any impairment testing.

(b) Segment assets

<i>In thousands of</i>	RUR 31-Mar-10	RUR 31-Dec-09	USD* 31-Mar-10	USD* 31-Dec-09
Agricultural companies				
- Voronezh region	1,625,151	1,750,960	55,345	59,630
- Kursk region	1,616,223	1,619,851	55,041	55,165
- Lipetsk region	2,231,087	2,283,356	75,981	77,761
- Tambov region	1,009,701	1,098,506	34,386	37,410
Management company				
- Moscow	1,643,799	1,755,844	55,981	59,796
Total segment assets	8,125,961	8,508,517	276,734	289,762
Corporate assets	2,177,234	2,541,169	74,147	86,542
Consolidated total assets	10,303,195	11,049,686	350,881	376,304

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

(c) Revenues from major products

The Group's revenues from its major products were as follows:

<i>In thousands of</i>	RUR	RUR	USD*	USD*
	3 m. 2010	3 m. 2009	3 m. 2010	3 m. 2009
Spring Barley	206,472	109,055	7,032	3,714
Wheat	151,450	153,327	5,157	5,222
Corn	38,336	20,044	1,306	683
Milk and meat	5,122	4,708	174	160
Waste grains	2,435	1,456	83	50
Sunflowers	-	171,219	-	5,831
Spring rape seed	-	818	-	28
Other goods and services	8,776	5,534	299	187
	412,591	466,161	14,051	15,875

(d) Geographical information

The Group operates in the Russian Federation. The Group has a head office in Jersey; however the head office does not own any non-current assets and generates only financial income and expenses in addition to administration costs and directors' salaries. Therefore all non-current assets locate in Russia and all of the Group's operations are in Russia.

5 Dividends

The Company is not permitted to pay dividends until the bonds have been redeemed. Therefore, during the three months period no dividends were neither paid out nor declared.

6 Earnings per share

<i>The amounts are indicated in</i>	RUR	RUR	USD*	USD*
	3 m. 2010	3 m. 2009	3 m. 2010	3 m. 2009
(Loss)/profit for the purpose of basic and diluted earnings per share				
(Loss)/profit for the period from continuing and discontinued operations	(270,425,000)	1,831,000	(9,209,469)	62,356
(Loss)/profit for the period from continuing operations	(270,425,000)	60,957,000	(9,209,469)	2,075,923
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	124,601,667	124,521,667	124,601,667	124,521,667
Effect of dilutive share options	1,413,332	997,000	1,413,332	997,000
Weighted average number of shares for the purpose of diluted earnings per share	126,014,999	125,518,667	126,014,999	125,518,667
Earnings per share from continuing and discontinued operations:				
Basic	(2.17)	0.01	(0.07)	0.00
Diluted	(2.17)	0.01	(0.07)	0.00
Earnings per share from continuing operations:				
Basic	(2.17)	0.49	(0.07)	0.02
Diluted	(2.17)	0.49	(0.07)	0.02

The effect of the Company's potentially dilutive securities is anti-dilutive for the first quarter 2010. Accordingly, the diluted loss per share is the same as the basic loss per share for the three months period ended 31 March 2010.

* The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).

7 Repurchase and repayment of debt and equity securities

During first three months 2010, the Group has repurchased a total of 81 units of its bonds at a weighted average of 101% of its nominal value. The Group has spent a total of RUR 38,337 thousand (USD* 1,305 thousand) which represented a total nominal value of RUR 34,577 thousand (USD* 1,178 thousand) and accrued interest of RUR 3,760 thousand (USD* 128 thousand). As a result of these transactions, the Group has realized a net loss of RUR 688 thousand (USD* 23 thousand).

On 15 March 2010 the Interest Payment Date occurred and the Group paid annual interest payment at the amount of RUR 218,883 thousand (USD* 7,454 thousand).

As of 31 March 2010 the Group has in total repurchased 1,318 out of 5,500 bonds issued in 2007.

8 Contingencies and commitments

The Group continues to register land and build up its production as well as real estate portfolio, the latter mainly consist of grain storage and drying capacity. Investment in land includes mainly registration towards ownership of already controlled land plots. Till the end of the 2010 year the Group intends to spend about RUR 175,101 thousand (USD* 5,963 thousand) on land related expenditures. Investments into production predominantly consist of purchases of agricultural machinery and equipment and vehicles. According to 2010 capex program the Group plans to spend RUR 246,630 thousand (USD* 8,399 thousand) on production investment. Investment in infrastructure mainly concerns grain storing facilities, internal drying capacity and other grain handling infrastructure. Till the end of the 2010 year the Group plans capital expenditures related to infrastructure in the amount of RUR 974,953 thousand (USD* 33,203 thousand).

9 Subsequent events

No significant events to report

** The USD equivalent figures are provided for information purposes only and do not form part of the condensed consolidated financial statements – refer to note 2 (c).*

The Board of Directors and the managing director hereby confirm that the interim report gives a true and fair view of the group's operations, financial position and results of operations and describes significant risks and uncertainties the Company is exposed to.

Jersey, May, 24, 2010

Per Brilioth

Sture Gustavsson

Alex Gersh

Henrik Persson

Vladimir Averchev

Paul Wojciechowski

Future financial reports:

Interim report January-June 2010
Interim report January-September 2010
Year-end report January-December 2010

27 August 2010
26 November 2010
25 February 2011

Black Earth Farming Limited

For further information contact:

Gustav Wetterling
Director of Investor Relations and Exchange Compliance Officer
+44 [0] 2071 178 100
gustav@blackearthfarming.com

Terms and Definitions

Units

1 hectare (ha) = 2.47105 acres
1 hectare (ha) = 10,000 square meters

1 metric ton = 2,204.622 pounds (lb)
1 metric ton = 10 centners
1 metric ton of wheat = 36.74 bushels of wheat
1 metric ton of corn = 39.37 bushels of corn

“AGRO-Invest Group”

The Company's subsidiary OOO Management Company AGRO-Invest and its subsidiaries, including OOO Management Company AGRO-Invest-Regions.

“Black Earth”

A soil type which contains a very high percentage of organic matter in the form of humus, rich in phosphorus.

“Black Earth Farming” or the “Company”

Black Earth Farming Limited, a company incorporated in Jersey, Channel Islands, under the 1991 Law with company registration number 89973, including its subsidiaries, unless otherwise is apparent by the surrounding context.

“Black Earth Region”

A territory located in parts of Russia, Ukraine and Kazakhstan endowed with Black Earth.

“Cadastre”

A Russian state register of real property including details of the area owned, the owners and the value of the land.

“CIS”

Commonwealth of Independent States which consists of the former republics of the Soviet Union, excluding the Baltic States. The following countries are included Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan (associated member), Ukraine and Uzbekistan.

“Crop year”

A crop year in Europe typically begins in late summer with the seeding of winter crops and ends approximately one and a half years later depending on when the crops is being harvested and sold.

“Debt/Equity Ratio”

Total amount of long term borrowings divided by total shareholders' equity.

“EBITDA”

EBITDA represents net income (loss) before interest expense, interest income, income tax expense (benefit), depreciation of property and equipment, amortization of intangible assets, and extraordinary or non-recurring income and expenses.

“Earnings per Share”

Net profit attributable to shareholders holding ordinary shares divided by the number of shares issued.

“Equity/Assets Ratio”

Total shareholders' equity divided by total assets.

“EU-27”

The following EU membership countries: Austria, Belgium, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden the United Kingdom, Bulgaria and Romania.

“Fallow land”

Land which is not being cultivated.

“FOB”

Free On Board - an export pricing term where the seller covers all costs up to and including the loading of goods aboard a vessel, but not following freight/shipping costs.

“Grains”

Generic name for wheat, Barley, oats, rye, rye-wheat, durra millet, maize and rice

“Grain elevator”

Building or complex of buildings for drying, cleaning, storage and shipment of grain.

“Land in Ownership”

Land where the Company has obtained the, in the central Cadastre, registered rights of ownership to the land.

“Land under control”

Refers to all land under the Company's control, including fully registered ownership, long term leased land and acquired cropping rights (Pais) in the process of being registered as ownership rights.

“Oblast”

An administrative region of Russia.

“Oilseeds”

A wide variety of seeds which are grown as a source of oils, e.g. cottonseed, sesame, rape seed, sunflower and soybean. After extraction of the oil the residue is a valuable source of protein, especially for animal feedstuffs.

“OOO”

“Closed joint stock company”, the Russian equivalence to a limited liability company.

“Operating Margin”

Operating income divided by net sales.

“Pai”

A share in jointly-owned land received by a farm worker (in the Company's transactions often comprising approximately 2 to 17 hectares of undefined land).

“Russian Export taxes”

There are currently no export taxes for wheat or Barley. For Sunflowers and Oil seed rape there is a 20% export tax.

“SDR”

The Swedish depository receipts issued representing the Shares according to the general terms and conditions for depository receipts in Black Earth Farming.

“VPC”

VPC AB, the Swedish central securities depository and clearing house with address Regeringsgatan 65, Box 7822, SE-103 97, Stockholm, Sweden.

“Öhman”

E. Öhman J:or Fondkommission AB, company registration number 556206-8956, Box 7415, SE-103 91, Stockholm, Sweden.