



AGRIA GROUP HOLDING AD
SUMMARY NOTE
PART III OF THE PROSPECTUS FOR PUBLIC OFFERING OF SHARES



The Investment Intermediary authorized to prepare the Prospectus of Securities is the United Bulgarian Bank AD, with a registered office and business address at 5 Sveta Sofia Str, Vazrazhdane District, Sofia.

The Prospectus contains the entire information about AGRIA GROUP HOLDING AD necessary to make a decision on whether to invest in the Offered Shares, including the main risks related to the Company and its operations. It is to the investors' interest to become carefully acquainted with all the parts of the Prospectus, including the Securities Note and the Registration Document, before making an investment decision.

The Financial Supervision Commission confirmed the Prospectus for Public Offering of Shares by a decision No1515-E/13.11.2007, which is not a recommendation to invest in the Offered Shares. The Financial Supervision Commission bears no responsibility for the truthfulness and completeness of the data contained herein.

The members of the Board of Directors of AGRIA GROUP HOLDING AD are jointly liable for the damage caused by false, misleading, or incomplete data in the Summary Note. United Bulgarian Bank AD, in its capacity of authorized Investment Intermediary who has prepared the Prospectus, is jointly liable for the damage caused by false, misleading, or incomplete data in the Summary Note. The persons preparing the annual financial statements of the company are liable jointly with the persons under the previous two sentences for damage caused by false, misleading, or incomplete data in the financial statements of the Company, and the auditors – for the damage caused by the financial statements they have audited.

29 September 2007

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Investors can obtain the Summary Note, Part III of the Prospectus for Public Offering of Shares of AGRIA GROUP HOLDING AD, as well as additional information, at the office of the Issuer in 29 Atanas Moskov Str, Zapadna Promishlena Zona, Varna., tel.: 052 / 55 40 00, 052 / 55 40 11, contact persons: Emil Raykov, Teodora Ivanova, every business day from 10 to 17 hrs.

The Summary Note, Part III of the Prospectus for Public Offering of Shares of AGRIA GROUP HOLDING AD is available to investors also at the office of the Investment Intermediary authorized to prepare the Prospectus – United Bulgarian Bank AD, every business day from 9:00 to 17:00 hrs at: 9 Todor Alexandrov Blvd, Sofia, tel.: 02 / 811 37 55, fax: 02 / 811 37 59, contact person: Vladislav Matev, e-mail: matev_v@ubb.bg.

The Prospectus for Public Offering of Shares of AGRIA GROUP HOLDING AD can be obtained also from Bulgarian Stock Exchange – Sofia AD starting from the date of listing of the Company's shares, as well as from the Financial Supervision Commission starting from the date of confirmation of the Prospectus for Public Offering of Shares of the Company.

Investing in the Offered Shares is related to certain risks. The risk factors specific to the offered securities are set forth on page 6 and the following of the Securities Note, as well as on page 8 and the following of the Registration Document and page 8 and the following of the Summary Note.

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1. Members of the Management and Supervisory Bodies, Procurators, Consultants and Auditors of the Issuer. Liability for the Preparation of the Summary Note.

1.1 Names and functions of the members of the management body

AGRIA GROUP HOLDING AD, for the sake of brevity is called the Company or Issuer, is a joint stock company with a single-tier management system.

The members of the Board of Directors of AGRIA GROUP HOLDING AD are:

Emil Veselinov Raykov –EGN (personal identification number) 7207288244	Chairman of the Board of Directors and Executive Director
Kristina Zheleva Bozhkova – EGN 7103265571	Member of the Board of Directors
Krasen Marinov Yorkishev – EGN 7404021668	Member of the Board of Directors
Daniela Dimitrova Taneva – EGN 6311131072	Member of the Board of Directors
Anna Dimitrova Belchinska – EGN 7407011072	Member of the Board of Directors

All members of the Board are physical persons.

The above-mentioned members of the Board of Directors of Agria Group Holding AD, Varna are entered in the register court – Varna District Court under the batch of the Issuer in accordance with Decision №8843 dated 11 October 2007 under company case №3875 under the inventory list of 2007 and are indicated in the certificate of good standing of the Company dated 17 October 2007.

Representation

AGRIA GROUP HOLDING AD is represented before third parties independently by the Executive Director Emil Veselinov Raykov.

As of the date of preparation of the present document the Company has not appointed a procurator.

1.2 Name, registered office and business address of the main banks, investment intermediaries and legal consultants with whom the Issuer has established lasting relations

The main bank with which AGRIA GROUP HOLDING AD has established lasting relations is United Bulgarian Bank AD, a joint stock company, Sofia, 5 Sveta Sofia Str.

The Company has signed a contract with United Bulgarian Bank AD with registered office and business address Sofia, Vazrazhdane District, 5 Sveta Sofia Str. for preparing a Prospectus for Public Offering of Shares of the Company, for entry of the issue of company shares in the register of public companies and other issuers of securities kept by the Financial Supervision Commission, and for registration of the issue of company shares for trading on the Bulgarian Stock Exchange – Sofia AD.

AGRIA GROUP HOLDING AD has not established lasting relations with other investment intermediaries.

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AGRIA GROUP HOLDING AD has not established lasting relations with external legal consultants. Legal services are provided by a person appointed on a labour contract – Teodora Ivanova.

Legal consultant for the issue is Savin Stefanov, a legal advisor with United Bulgarian Bank AD, in his capacity as an employee of the United Bulgarian Bank AD, with which the Company has concluded the above mentioned contract for registration of the issue of company shares for trading on the Bulgarian Stock Exchange – Sofia AD.

1.3 Name, registered office and business address of the Issuer’s auditors for the previous three years

Auditor of the consolidated financial reports for the years 2004, 2005 and 2006 of AGRIA GROUP HOLDING OOD, a limited liability company, in the capacity of a company which is wound up by means of transformation into AGRIA GROUP HOLDING AD, a joint stock company, was Bogomil Krastev Tonchev, address: Varna, 6 Parizhka Komuna Str., with license registration number 0110. AGRIA GROUP HOLDING OOD, in the capacity of a company which is wound up by means of transformation into AGRIA GROUP HOLDING AD, has no obligation for auditing its annual reports for 2004, 2005 and 2006 on an unconsolidated basis.

1.4 Persons liable for preparing the Summary Note, Part III of the Prospectus for Public Offering of Shares of AGRIA GROUP HOLDING AD and declaration by these persons

The person liable for preparing the Registration Document is Vladislav Matev, an analyst with the United Bulgarian Bank AD, who by signing the last page of the present document declares that

(1) when preparing the Summary Note, he has taken due care to ensure its compliance with the legal requirements;

(2) to the best of his knowledge the information in the Registration Document is not false, misleading or incomplete and truly presents the circumstances regarding the Company that are material to the investors.

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2. Basic Information about the Issuer

2.1. Summary of financial information

Summary of financial information on a consolidated basis

Main indicators (in thousands of BGN)	30 June 2007	30 June 2006	30 June 2005	2006	2005	2004
Operating income	26 513	15 421	14 576	32 074	30 161	28 693
Operating profit/loss	893	262	33	849	339	247
Net operating profit/loss	893	262	33	771	288	235
Net profit/loss for the period per share (in BGN)	0.18	52.40	6.60	0.15	57.60	47.00
Total assets	51 675	39 102	19 257	44 694	23 596	15 065
Net assets	20 292	16 297	4 595	18 125	5 198	2 730
Share Capital	5 100	4 005	4 005	5 100	4 005	2 005
Number of shares	51 000	40 050	40 050	51 000	40 050	20 050
Unpaid Capital	0	338	338	114	338	705
Dividend per share (in BGN)						

Summary of financial information on an unconsolidated basis

Main indicators in (thousands of BGN)	30 June 2007	30 June 2006	30 June 2005	2006	2005	2004
Operating income	7	0	162	446	178	199
Operating profit/loss	3	0	87	411	40	4
Net operating profit/loss	3	0	87	411	40	3
Net profit/loss for the period per share (in BGN)	0.00	0.00	17.40	0.08	8.00	0.60
Total assets	5 678	4 978	4 511	5 532	4 500	3 755
Net assets	5 572	4 210	1 934	5 455	3 725	1 318
Share Capital	5 100	4 005	4 005	5 100	4 005	2 005
Number of shares	51 000	40 050	40 050	51 000	40 050	20 050
Unpaid Capital		338	338	114	338	705
Dividend per share (in BGN)						

The annual reports for 2005 and 2006, are audited on an unconsolidated basis and the annual reports for 2004, 2005 and 2006. are audited on a consolidated basis.

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2.2. Capitalization and Indebtedness

The table below contains information about AGRIA GROUP HOLDING OOD as of 30 June 2007 on an unconsolidated basis. In August 2007 AGRIA GROUP HOLDING OOD was wound up by means of transformation into AGRIA GROUP HOLDING AD. The transformation of AGRIA GROUP HOLDING AD by means of changing its legal form within the meaning of Art. 264 and the following of the Company Act from a limited liability company to a joint-stock company was effected on 28 August 2007 by virtue of its entry in the company register of Varna District Court by a decision of the same date, which is why the information presented below is valid for AGRIA GROUP HOLDING Ltd.

Indicators (BGN in thousands)	30.6.2007
Shareholders' equity	5 572
Share capital	5 100
Reserves	0
Retained Earnings	472
Total liabilities	106
Long-term liabilities	0
Current liabilities	106

The current liabilities of the Company as of 30 June 2007 include liabilities to suppliers and clients (BGN 68,000), insurance and tax liabilities (BGN 3,000), and other current liabilities (BGN 35,000). The current liabilities of the Company are unsecured.

2.3. Reasons for performing a Public Offering of Securities

The main reasons for performing a Public Offering of the Shares from this issue are:

- Attracting financial resources from external sources needed for the implementation of the Company's investment program;
- Diversification of the shareholder structure of the Company, in particular by attracting Bulgarian and foreign investors.

In case of a successful Public Offering, the Company will acquire the status of a public company. The special requirements regarding public companies will help perfect the corporate governance of the Company in the conditions of transparency and regular accountability. The public status of the Company will contribute to strengthening its competitive position and boosting its reputation in the minds of a wide range of potential consumers of the goods and services offered by Company.

The funds raised from the subscription and sale of Shares from this issue will be used to finance the operations of the Company, in particular to implement the investment program described in the Registration Document, Part I of the Prospectus for Public Offering of Shares.

In view of the scope of activity and the objectives of the Issuer, as well as considering the fact that the latter does not perform directly its own production and/or commercial activity similar to the activity of its subsidiary companies, the plans of AGRIA GROUP HOLDING AD are related to and consist in its direct interest in the subsidiaries it controls in the structure of the Holding and their investment plans, projects

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and intentions set forth and described in detail in their investment programs in section *Subsidiaries* of the Registration Document, Part I of the Prospectus for Public Offering of Shares.

The sources of funds for the implementation of the investment programs of the subsidiary companies from the economic group, part of which is the Issuer, are in the following areas:

- Own interest of the Issuer and the subsidiaries in the form of non-distributed profit for past years;
- Profit from current activities during the implementation of the investments;
- Attracted funds in the form of share capital as a result of the Public Offering of up to 1,700,000 ordinary registered Shares from the capital of AGRIA GROUP HOLDING AD with a nominal value of BGN 1 (one) each.

The funds raised by the issue will be used for the implementation of the overall investment program of the subsidiary companies from the Holding’s structure for the period of 2007-2012, in the areas and terms set forth in section *Subsidiaries* of the Registration Document, Part I of the Prospectus for Public Offering of Shares. In this sense, each one of the components and the areas of the investment program is given priority along with the rest and should be viewed parallel to them in terms of degree of importance.

The Issuer declared that in their opinion, the working capital of the Company, including the additional capital secured by means of selling the Shares from the capital increase of AGRIA GROUP HOLDING AD, is enough for the needs of the Holding’s structure.

2.4. Risk factors

AGRIA GROUP HOLDING AD WOULD LIKE TO INFORM ITS PROSPECTIVE INVESTORS THAT INVESTMENT IN SHARES IS RELATED TO CERTAIN RISKS. INVESTORS SHOULD READ CAREFULLY THE RISKS SPECIFIC TO THE ISSUER’S ACTIVITY BEFORE MAKING AN INVESTMENT DECISION.

Depending on the extent to which they can be managed, monitored or eliminated, the risks that influence the Company’s activity can be divided into systematic (general) risks, generated by the economy as a whole as a result of the fluctuation of macroeconomic indicators, and specific (non-systematic) risks, specific to the Company’s activity. The factors are listed in a sequence determined by the characteristics of the Issuer’s activity.

2.4.1. Specific risks

General company risks

Market risks

Market risk is related to the changes in market conditions. It includes income risks, profit risks, interest rate, liquidity and currency risks.

Income risks

The Company’s future sales are subject to normal market risks. The main future income depends on the possibility for AGRIA GROUP HOLDING AD to perform its market and investment strategy, as well as on the current market situation. To reduce those risks considerably, the Company relies on an increased intra-company capability of effective forecasting and planning, as well as on maintaining stable customer relations.

Profit risks

The market risk can also influence the Company’s expenses, particularly in cases when the rate of growth of expenses is faster than that of income.

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Interest rate risk

The interest rate risk manifests itself in the possibility of a rise in the cost of financing the Company’s activity. Regarding fixed rate loans, in the case of a potential drop in market interest rates, the issuer may not succeed in obtaining resources at the available lower interest rates. If such circumstances arise, the Issuer would be operating under less advantageous conditions than its competitors. Such development would lead to higher interest payments by the Issuer in comparison to other companies which would finance their activities at the current market rates; consequently, this would lead to lower net profit. Regarding floating rate loans, in the case of a potential drop in market interest levels, the interest rate payable by the Company on its loans will also drop. An interest rate risk for floating rate loans exists in the case of a rise in market levels, when the resources used by the Issuer will become more expensive. In order to minimize the interest rate risk, the Issuer diversifies the sources through which it ensures the financing of its activity.

Liquidity risk

Liquidity risk is a risk related to the possibility for the Issuer to cover its trade liabilities to suppliers and creditors within the negotiated term and amount of payments. AGRIA GROUP HOLDING AD manages its assets and liabilities in such a way as to guarantee that it will cover its daily payments regularly and without delay. This risk component is minimized by accuracy and commitment in agreements with the trade counterparties with which cash revenue and payments are planned.

Currency risk

Currency risk is the risk that the Issuer may suffer losses due to the fluctuation of market prices of the various currencies it uses. AGRIA GROUP HOLDING AD conducts its operations in Bulgarian leva (BGN) and Euro (EUR). The Euro is the main currency in which the Issuer settles its foreign trade relations – sales of produce and purchase of materials necessary for its activity. Under the conditions of a currency board and a fixed rate of the BGN against the EUR, the management consider that the Issuer is not exposed to a significant risk of changes in currency rates.

Operational risks

The chief operational risks and the measures taken to minimize those risks are to be considered in terms of the operations of the Issuer’s subsidiaries, because Agria Group Holding AD functions as a legal entity which is a holding company carrying out investment activities, which aims to manage the stake it holds in its subsidiaries, and which, as of the date of preparation of the present Registration Document, does not directly carry out any other production and/or commercial activity of its own.

The operational risk is related to damage or loss suffered by the Company due to human error, technological imprecision, and impossibility for machines and equipment to perform a certain task, or to a mistake in the procedure or organization. The probability that the Issuer may suffer damage or loss due to human error, technological imprecision, and impossibility for machines and equipment to perform a certain task, or to a mistake in the procedure or organization via its Subsidiaries is insignificant. Part of the chief operational risks are related to a potential load on capacities and to providing the necessary raw materials. Potential risks could arise in relation to the provision of labourers in the regions where the Subsidiaries of the Issuer perform their commercial activities.

The main risk for the Issuer’s Subsidiaries which perform commercial activities related to growing and storing agricultural produce includes inclement weather conditions, diseases and other natural risks. In order to minimize those risks and any potential loss, the Subsidiaries obtain insurance policies for all

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areas on the production in progress of all agrotechnical activities against all main risks, together with storm, fire and hail, including insurance policies against freezing of all crops being grown.

Insurance policies are obtained against all general risks, including earthquake risk for all real estate and production capacities owned by the companies in the group.

Despite the tight competition, the Company considers that it has a competitive edge on the market owing to its experienced management staff and its established reputation. In this respect it should be noted that the management staff and the Company’s employees are highly qualified and motivated specialists, organised in relatively independent active structural units which maintain a maximally complete and up-to-date data base on the development and trends of the respective markets.

2.4.2. General risks

Systematic risk is generated by the general conditions under which economic subjects operate and for this reason it influences every business, institution and financial instrument. This calls for a thorough investigation and analysis of the components of systematic risk – macroeconomic, political, inflation, credit, tax etc. risks, as well as for adjustment of each subject’s investment policy to the influence of that risk. The Issuer organises its activity by taking into account the nature and influence of systematic risks and forecast accounts. The table below summarises the main macroeconomic indicators concerning Bulgaria from 2003 to the first half of 2007.

Table 1: Main macroeconomic indicators

	2003	2004	2005	2006	June 2007
REAL SECTOR					
Gross domestic product (millions of BGN)	34,628	38,823	42,797	49,091	24,472
Gross domestic product (annual real growth rate, %)	5.0	6.6	6.2	6.1	6.6
GDP per capita	4,426	4,989	5,529	6,376	–
Unemployed (thousands of persons)	501	451	397	338	275
Unemployment (%)	13.5	12.2	10.7	9.1	7.4
Index of consumer prices (change in comparison to the respective period of the previous year, %)	5.6	4.0	6.5	6.5	5.6
Average monthly salary (BGN)	273	292	324	355	406
PUBLIC FINANCES					
<i>CONSOLIDATED FISCAL PROGRAM (million of BGN)</i>					
Cash deficit (-)/surplus (+)	0.9	834.9	801.5	1,632.7	1,617.4
Government debt and government-guaranteed debt	16,643.7	15,559.0	13,386.5	12,119.9	11,256.8
MONEY AND CREDIT (millions of BGN)					
Monetary Aggregate M3 (Broad money)	16,566.5	20,394.4	25,259.6	32,061.4	35,348.7
Monetary Aggregate M3 (Broad money) as percentage of GDP	47.8	52.5	59.0	65.3	67.6
Base interest rate	2.68	2.61	2.04	2.69	3.78
EXTERNAL SECTOR					
Gross external debt (millions of EUR)	10,640.6	12,658.5	15,089.6	20,110.7	21,689.6
Gross external debt (as percentage of GDP)	60.1	63.8	69.0	80.1	81.2
Balance of payments (millions of EUR)					
Current account	-972.3	-1,306.9	-2,621.9	-3,934.7	-2,909.3
Current account (as percentage of GDP)	5.5	6.6	12.0	15.7	10.9
Trade balance	-2,425.6	-2,953.5	-4,409.7	-5,562.3	-3,285.7
Trade balance as percentage of GDP	13.7	14.9	20.2	22.2	12.3
Foreign Direct investment in Bulgaria	1,850.5	2,735.9	3,103.3	4,364.0	2,366.4
Foreign Direct investment in Bulgaria/current account deficit (%)	190.3	209.3	118.4	110.9	81.3

Source Bulgarian National Bank

Systematic risk includes:

Risks related to the influence of the main macroeconomic factors

The economic policy implemented by the present and previous governments aims to maintain macroeconomic stability as a prerequisite for high economic growth. The macroeconomic stability is based on a fixed exchange rate, reliable bank system, reasonable fiscal policy aiming to achieve a balanced budget, and a restructuring of the key spheres of the economy. The efforts of the executive power to further restructure the country's economy, to increase its competitiveness and attract new investments create additional prerequisites for accelerated economic growth in a midterm perspective. As far as there is a consensus among political powers to adhere to a policy that will sustain the achieved macroeconomic stability and will accelerate economic growth, drastic changes in macroeconomic indicators cannot be expected.

Growth of the Gross Domestic Product (GDP)

The Gross Domestic Product (GDP) has registered a stable growth rate for the past few years. After the year 2000, the Bulgarian economy has been realising rates of growth higher than 4% per year under the conditions of a stable macroeconomic environment. For the past three financial years the growth of GDP has exceeded 6 per cent: 6.6 % for 2004, 6.2% for 2005 and 6.1% for 2006. The expected real growth rate of GDP for 2007 is 6.2%. The forecast growth rate for Bulgaria for the next two years is 6.2% for 2008 and 6.1% for 2009.

Inflation

The sustainable curbing of inflation processes in the country over the last years as a result of the stabilization plan, the fixing of the exchange rate of the BGN and the implementation of a restrictive fiscal policy also have a positive influence on generating a real rate of return as a major factor in the investment process. Thus, the relatively low level of inflation risk in the country allows active economic subjects to generate real profit from their operations and significantly facilitates the forecasting of short- and midterm future results.

Expectations for the future include continued minimization of inflation and meeting the Maastricht criterion for long-term price stability. Bulgaria's strategy for joining the European Economic and Monetary Union and adopting the Euro by 2012 at the latest has a disciplinary effect on the government's economic policy, ensures transparency and predictability for citizens and economic subjects, and places our country in a better position to meet the inflation requirements for membership in the Euro-zone. The inflation measured in June 2007 was 5.6%.

External Sector

During the period of 2000 – 2004 the deficit on the current account did not exceed 6.6% of GDP. In 2005 the deficit doubled, reaching 12% of GDP, and in 2006 it was 15.7% of GDP. In 2007 the deficit is expected to keep its high level with slim chances of decrease. By June 2007 the deficit was 10.9% of GDP and it is expected to reach 20% by the end of 2007. The large deficit on the current account, without a counterbalancing surplus on the financial account, could lead to a rapid depletion of currency reserves. For the past years, however, the positive balance on the financial account is high enough to compensate for the negative balance on the current account. The currency reserves of the Bulgarian National Bank are also increasing. Most of the deficit on the current account is financed by foreign direct investment. The stabilization of the economy and the privatization of some big state monopolies during the past few years has increased the influx of foreign direct investment into the country.

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Fiscal policy

The fiscal policy is one of the main instruments for influencing the country's economy. Furthermore, it can be regarded as a long-term strategy for managing public income and expenditure and for achieving stable levels of government debt. For 2006 the level of the budget surplus amounts to 3.6% of GDP. In compliance with the Convergence Program of Bulgaria, adopted by the government, for the 2007 – 2009 period the budget surplus is planned to be sustained at a level of 1.5 – 2% of GDP.

Unemployment

The level of unemployment for 2006 dropped to a 9.12% of the active population, which is twice lower than in 2002 and 2003. In June 2007 the level of unemployment was extremely low – 7.4%. The government expects that during the next two or three years unemployment will drop to 7.5%.

Government Debt

Government debt and government-guaranteed debt represented 24.7% of GDP at the end of 2006, against 55.9% for 2002. In nominal value it decreased by one-third for the same period: from 18.0 billion to 12.1 billion, whereby Bulgaria meets the Maastricht criterion requiring the ratio of total government debt to GDP to be below 60%. As of June 2007 government debt amounts to 22%, calculated on a yearly basis.

Credit risk

Credit risk is related to the creditworthiness of the debtor state and its ability to regularly repay its credit liabilities. The estimation and measurement of this risk is carried out by specialized international credit agencies. The increased trust in the country was reflected in another increase of Bulgaria's credit rating by the Standard & Poor's rating agency to a rate of BBB+ (in October 2006) and in a change of the expectation for the country's Baa3 rating for long-term bonds in local and foreign currency from stable to positive by Moody's in February 2007.

Tax policy

The last three governments have been implementing a consistent tax policy aimed at decreasing direct taxes, increasing indirect taxes and improving the rate of tax collection. A positive change in fiscal policy is the reduction of corporate tax from 15% to 10% since 1 January 2007. As a whole, the changes in tax rates in the future are not expected to influence negatively the investment intent of counterparties in the country and abroad.

Political risk

Political risk reflects the influence of the political processes in the country on the economic and investment process as a whole, hence on the return on investment. Presently, there are several factors that predetermine the economic policy:

- Bulgaria's membership in the European Union;
- The treaty of 2004 between the government and the European Central Bank, aiming to preserve the currency board arrangement at the existing level of fixed exchange rate of the BGN in a ratio of BGN 1.95583 for EUR 1.00 until Bulgaria becomes member of the Euro-zone;
- The upcoming accession to the European Exchange Rate Mechanism II from the middle of 2007;
- Adopting the common European currency as a legal tender in Bulgaria by 2012 at the latest.

The risk of abrupt and unfavourable changes in the economic policy led by the country is unlikely.

2.5. Risk factors specific to the offered securities

INVESTMENT IN THE COMPANY'S SHARES, SUBJECT TO THE PUBLIC OFFERING, IS RELATED TO A HIGH DEGREE OF RISK. POTENTIAL INVESTORS SHOULD READ CAREFULLY AND UNDERSTAND THE INFORMATION PRESENTED BELOW REGARDING THE RISK FACTORS CHARACTERISTIC OF THE OFFERED SHARES, TOGETHER WITH THE INFORMATION ABOUT RISK FACTORS CONTAINED IN THE REGISTRATION DOCUMENT, AS WELL AS THE WHOLE INFORMATION IN THE PROSPECTUS, BEFORE MAKING A DECISION TO ACQUIRE SHARES ISSUED BY THE COMPANY.

2.5.1. Price risk

After the possible successful capital increase of AGRIA GROUP HOLDING AD via a Public Offering of Shares from the current issue, their market value will be defined on the basis of supply and demand, and the price of the Shares may rise or fall. These fluctuations of the prices may cause a given security to cost much less at a given moment than at a previous moment. Such dynamic prices are particularly typical of the market of ordinary shares whose stock exchange prices may be subject to abrupt fluctuations in response to publicly disclosed information about the financial results of the Company or about other significant events related to its activity.

2.5.2. Liquidity risk

Liquidity risk arises from the insecurity about the presence of active market demand for the securities of the Company for a certain period of time. Poor liquidity would make it difficult to prevent possible losses or to make capital gains due to the impossibility to sell the Company's Shares.

2.5.3. Inflation risk

The inflation risk is the probability that the general price levels in the economy will rise, as a result of which the purchasing power of the local currency - Leva - will fall. Inflation processes lead to a decrease in the real yield the investors receive. During the last few years, in the conditions of a currency board and a restrictive fiscal policy, inflation in the country has been maintained at a relatively low level and the expectations are for inflation to remain at such levels also in the following years as well.

2.5.4. Currency risk

The currency risk that the Company's Shares carry arises from the fact that they are denominated in Bulgarian Leva. Changes in the exchange rate of the Lev against another currency would change the yield investors expect to receive, compared to the yield they would receive from an investment expressed in another currency. The possible depreciations of the Lev in such a situation would lead to a decrease in the yield from investing in the Company's securities. On the other hand, the decrease in the yield would lead to a decrease in the investors' interest and respectively to a decrease in Share prices. The monetary system functioning in the country, in which the Bulgarian Lev is pegged to the Euro by law, eliminates to a large extent the currency risk and provides for a fluctuation of the Lev with respect to the rest of the international currencies that is subject entirely to the behaviour of the common European currency. The stability and high confidence in the reliability of the currency board in the country, as well as the dominant position of the Euro on the international currency markets, reduces the currency risk to minimum levels.

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2.5.5. Risks for the Company’s shareholders

The risk of investing in shares is related to the uncertainty and impossibility of accurate forecasting of future effects and influence on the expected return on investments made. The management of various risks – their definition, measuring the extent of their influence, applying measures and techniques to limit and underwrite residual components - represents the main objective in the protection of the investors’ interests.

2.5.6. No guaranteed payment of annual dividends

Financial results depend on many factors – the skill and professionalism of the management team, the development of the market on which the Company operates, as well as the overall economic development in the country and the region. Furthermore, a decision to distribute profit in the form of dividends is made by the General Meeting of Shareholders of the Company. Investors should bear in mind that it is possible that for a given year the Company makes no profit at all, and even if it does, the General Meeting of Shareholders may not take a decision to distribute it in the form of dividends.

2.5.7. Price risk

The price risk for the Company’s shareholders arises from the changes in the price of its Shares, as a result of which shareholders could incur losses from the sale of the securities they possess. The change in Share price depends on the influence of factors that vary in kind and degree – the Company's net asset value, financial results, reputation, demand and supply on the public markets, the economic situation, and perspectives for development of the country, etc. The Company does not guarantee that the prices of the securities it offers will be maintained and will increase their value. It is not going to redeem its securities in order to maintain current market prices.

3. Information about the issuer

3.1. Information about the issuer, historical overview and development

3.1.1. Name and information about changes in the name

AGRIA GROUP HOLDING AD was established by means of transformation of the legal form of AGRIA GROUP HOLDING, within the meaning of Art. 264 and following of the Company Act, from limited liability company to joint stock company with the same name. The joint stock company was registered and entered into the company register by a decision of 28 August 2007 on company case №3875/2007 under the inventory list of Varna District Court. The winding-up of the transformed limited liability company was entered into the register by force of the same decision. The name of the newly-registered company is AGRIA GROUP HOLDING AD.

No other changes in the legal organizational form of the Company besides the transformation listed above have been made.

The Company was established in 2002 as a limited liability company with the name Agria and was entered in the Company Register of the Varna District Court with decision under company case №1270 under the inventory list for 2002. The name of the company has been changed only once – from Agria to Agria Group Holding, in connection with the court registration of the holding structure, and this circumstance was entered with decision №1546/16.02.2007 of Varna District Court into the batch file of the Company. With the aforementioned decision, the change in the scope of activities of the company was entered as well, by adding the additional activities specific to holding companies that are required by the provisions of the Company Act.

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3.1.2. Country of incorporation, registered office, business address, telephone (fax), e-mail, website

The company is incorporated in the Republic of Bulgaria and its registered office and business address are 29 Atanas Moskov Str., Zapadna Promishlena Zona, Varna, telephone number: 052 / 55 40 00, 052 / 55 40 11, fax 052 / 511 602, e-mail: office_korn@mbox.contact.bg, web-site: agriabg.com.

3.1.3. Important events in the development of the issuer over the last 5 financial years.

Listed below are important events in the development of the Issuer AGRIA GROUP HOLDING AD /transformed by means of change of the legal form from a limited liability company to a joint stock company/ over the last five financial years:

➤ Increase of the registered capital of the Issuer from BGN 5,000 /five thousand Bulgarian leva/ to BGN 5,100,000 /five million and one hundred thousand Bulgarian leva/;

➤ Acquisition by the Issuer of shares and stocks in the capital of the following companies /subsidiaries/:

- Kristera AD, Popovo – 21,854 ordinary registered shares, representing 98% of the capital in the company;
- Hlebozavod Korn AD, Shumen – 509,600 ordinary registered shares, representing 98% of the capital in the company;
- Hlebozavod Korn AD, Varna – 7,252 ordinary registered shares, representing 98% of the capital in the company;
- Hlebozavod Korn AD, Targovishte – 196,000 ordinary registered shares, representing 98% of the capital in the company;
- Korn-K AD, Varna – 2,744 ordinary registered shares, representing 98% of the capital in the company;
- Agro EOOD, Varna – 50 shares of BGN 100 each, representing 100% of the capital in the company;
- Kristera-Agro EOOD, Devnya - 100 shares of BGN 100 each, representing 100% of the capital in the company;
- Korn Security EOOD, Sofia - 50 shares of BGN 100 each, representing 100% of the capital in the company.

The shares in the capital of the subsidiaries are acquired under the terms and procedures stipulated by law: by means of endorsement of the temporary certificates representing shares in the capital of the joint stock companies and registration into the Book of Shareholders – for joint stock companies, and by means of agreements for transfer of company shares with the signatures of the parties certified by a notary public and registration of the transfer of shares into the company register at the respective district court and under the batch of the respective company – for limited liability companies.

Establishment of AGRIA GROUP HOLDING AD by means of transformation of the legal form of AGRIA GROUP HOLDING from limited liability company to a joint stock company.

3.2. Business overview

The scope of activity of the Company is: acquisition, management, assessment, and sale of interest in Bulgarian and foreign companies; acquisition, management, and sale of bonds; acquisition, management, and sale of patents, concession of licenses for patent use to companies that the holding company has a stake in; financing of companies in which the holding company has a stake; commercial intermediation and agency; commission activities, forwarding, warehouse services and leasing; purchase, construction and furnishing of real estate for subsequent sale; architecture, design and construction; engineering,

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barter, and re-export; trade activities – import and export in Bulgaria and overseas, as well as any other activity not prohibited by law for which no particular permits are required and there is no restrictive treatment of its performance in Bulgaria or overseas.

The object of the Company is to hold interests in any form in other companies or in their management, as well as to engage in manufacturing and commercial activities on its own.

AGRIA GROUP HOLDING AD as a holding company depends on the operations and results of its subsidiaries. The operations of Kristera AD, one of the subsidiaries, commenced in 1998 with the privatization transaction of a warehouse with a capacity for 60,000 ton of grain, purchased from Zarneni Hrani, Sofia – an independent unit in the town of Popovo, and a mill attached to it for the processing of bread wheat into white and dark flours and waste product – bran, at a rate of 120 ton per 24 hours. The management team has built a structure to work aggressively and develop its operations in the agricultural sphere. By building this structure, the main strategic goal is to create functioning companies in the grain – flour – bread chain. By developing the operations during several hard economic crises and meeting with the highly aggressive competition in the sector, the management team has acquired significant experience and skills, and as a result has over the last few years created a successful business, currently represented by AGRIA GROUP HOLDING AD.

The operations of the holding are focused in three main directions, and currently a lot of efforts are being invested in a fourth direction, namely:

1. Agricultural business – development of approximately 50,000 decares of agricultural land, on which four main crops are grown: bread wheat, oil-bearing rapeseed, oil-bearing sunflower and forage maize.
2. Processing industry – processing of bread wheat into flours and bran, at a rate of 120 ton per 24 hours
3. Food industry – production of bread and bread products.
4. Currently under development – production of raw vegetable oils from oil-bearing rapeseed, oil-bearing sunflower and soybean, intended for the production, in a second phase /estimated around 2009/ of biofuels – biodiesel.

In connection with these main activities of the holding, there are subordinate activities that function, namely licensed transportation activities, trading in fertilizers for agricultural production, plant protection products, trading in fuels and lubricants, trading in sowing seed by world-renowned companies such as Pioneer, Lembke, Swit Agro, Monsanto, KWC, and others.

4. Operating results, financial standing and prospects

4.1. Operating results

4.1.1. Information regarding material factors, including extraordinary and rare events or new developments, which have a significant impact on the operating income of the issuer, as well as information on the level of such impact.

No extraordinary and rare events or new developments are known that may have significant impact on the operating income of AGRIA GROUP HOLDING AD. No factors are known that may negatively influence AGRIA GROUP HOLDING AD.

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4.1.2. Significant changes in operating income and information on the degree to which such changes result from changes in prices or volume of goods or services offered by the issuer or by the introduction of new goods or services.

The structure of the revenues of AGRIA GROUP HOLDING OOD, which is wound up by means of transformation into AGRIA GROUP HOLDING AD, on a consolidated basis is shown in the table below:

Indicators	2006 г.	2005 г.	2004 г.
Net sales	32,074	30,161	28,693
Growth of sales on a year-to-year basis - %	6.34%	5.12%	

Indicators	30.06.2007	30.06.2006
Net sales	26,513	15,421
Growth of sales on a year-to-year basis - %	71.92%	0

The change in operating revenues results from the change in the volume of goods and services offered by the Company.

4.1.3. Influence of inflation and foreign exchange rates, if such information is material

Since the introduction of a currency board in 1997 inflation has been tamed and in the last three years annual inflation was a single-digit number. The company expects inflation to stay within these limits over the next three years, which will not have a significant impact on its operations. The influence of inflation and changes in foreign exchange rates on the operations of Agria Group Holding AD is insignificant. The company operates entirely in Bulgaria and its transactions are executed predominantly in BGN and EUR. The contracts with customers of the issuer are in BGN and EUR. The Bulgarian lev is pegged to the euro and the company has no transactions in a different currency, so any changes in the foreign exchange rates are insignificant to the operations of the company.

The risk of an increase in inflation is related to the decrease in the real purchasing power of the economic subjects and the potential devaluation of assets denominated in the local currency. The currency board system controls money supply, but outside factors may exercise pressure towards an increase of price levels (such as an increase in oil prices). Until the introduction of the currency board regime, inflation used to have a substantial impact on the result of the economic subjects. Following the introduction of the stabilization program, the currency board and the pegging of the exchange rate of the Bulgarian lev to the Deutsche mark as a reserve currency, the inflation in Bulgaria saw a significant decrease, which led to a stabilization of the macroeconomic environment as a whole. Consequently the relatively low inflation rate in the country after 1998 allowed businesses to generate non-inflationary income from their operations, and significantly facilitated the forecasting of short-term and long-term future results. Despite the positive picture with regard to the inflation index in the country, it needs to be taken into consideration that the openness of the Bulgarian economy and the fixed BGN/EUR exchange rate can bring forth the risk of an import of inflation. The impact inflation may have on the operations of the Issuer is associated with a change in the real return on its investments, which may decrease its real income.

There is practically no foreign exchange risk against the euro for the Company as due to the existence of the currency board in Bulgaria as the exchange rate of the BGN is fixed against the EUR. Thus the Company is only exposed to foreign exchange risk if and when entering into contracts denominated in a currency different from the BGN or EUR.

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4.1.4. Information on government, economic, tax, monetary or political factors that have had direct or indirect material influence or could have material influence on the operations of the issuer.

The influence of government, economic, tax, monetary or political factors that could have material influence on the operations of the issuer are described in the *Risk Factors* item on page 8 and following of the present document.

4.2. Liquidity and capital resources

4.2.1. Description of the internal and external sources of liquidity for the last 3 financial years and a brief explanation regarding the significant unused sources of liquidity

The sources of liquidity for the last three financial years are shareholders’ equity (internal sources). The Issuer does not have external sources of liquidity. External sources of liquidity are available to the subsidiaries from the economic group that the Issuer is a part of.

4.2.2. Valuation of the sources and quantities of cash flows

As of 30 June 2007 the Company’s equity on an unconsolidated basis stands at BGN 5,572,000, which is its main source of internal liquidity. Of these, BGN 5,100,000 are subscribed and fully paid-up capital. The table below shows the internal sources of liquidity of the company in accordance with the unconsolidated financial statements.

BGN in thousands – on an unconsolidated basis	30 June 2007	2006	2005	2004
Equity	5,100	4,986	3,667	1,300
Share Capital	5,000	5,100	4,005	2,005
Unpaid Capital		114	-338	-705
Reserves				
Retained Earnings	472	469	58	18
Total Shareholders’ equity	5,572	5,455	3,725	1,318

Share capital

The registered share capital of AGRIA GROUP HOLDING AD is BGN 5,100,000, distributed in 5,100,000 registered voting shares with a par value of BGN 1 each. The document certifying the entry into the company register of the par value of the shares of the issuer at the amount of BGN 1 /one/ each is a court decision of Varna District Court of 11 October 2007, and the change in the type of the shares of Agria Group Holding AD from materialized, registered, voting into dematerialized, registered, voting shares was also entered under the aforementioned court decision. As a result of the entries made into the company register of Varna District Court under the batch file of the issuer, the Company was registered with Central Depository AD as issuer of dematerialized securities, and identification number BG1100085072 was given to the issue of registered shares, and an Issue Registration Act and depository receipts for the shares held by the shareholders were issued by Central Depository AD, Sofia.

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From a legal standpoint the capital increase of AGRIA GROUP HOLDING OOD becomes effective with entry into the company register. The increases from the capital raised during the respective period are shown in the balance sheets of the company for 2004, 2005 and 2006.

Reserves

Currently there is no reserve as stipulated under the terms and procedures of the Company Act generated by allocating 10 percent of the profit, since until its transformation by means of a change of the legal form into a joint stock company, the company used to function as a limited liability company and had not set up a Reserves Fund.

Revaluation reserve

In 2006 part of the Long-term assets of the subsidiaries form the economic group that the Issuer is a part of were revaluated on a consolidated basis, to the total amount of BGN 11,541,000, with a view to putting the assets in conformity with the current market prices and true and fair presentation of the financial position of the Holding Structure.

Accumulated profit

The financial result of the Company as of 30 June 2007 under the unconsolidated financial statement is BGN 472,000.

External sources

Currently there is no external source of liquidity for the Company Such sources of liquidity /in the form of bank loans/ are available to the subsidiary companies that are part of the holding structure.

The Company has no significant unutilized sources of liquidity.

The liquidity ratios of Agria Group Holding AD, calculated on the basis of the unconsolidated financial statements, are listed in the following table:

Liquidity ratios		31 December 2006	31 December 2005	31 December 2004
Current ratio	Current Assets / Current Liabilities	16.40	1.67	0.13
Quick ratio	(Cash + Cash Equivalents + Receivables) / Current Liabilities	14.45	1.41	0.13
Acid test ratio	(Cash + Cash Equivalents) / Current Liabilities	0.01	0.00	0.00

As of 30 June 2007 the Company’s equity on a consolidated basis stands at BGN 20,292,000. The table below shows the internal sources of liquidity of the company in accordance with the consolidated financial statements.

BGN in thousands – on an consolidated basis	30 June 2007	2006	2005	2004
Equity	5 100	4 986	3 667	1 300
Share Capital	5 100	5 100	4 005	2 005
Unpaid Capital		114	-338	-705
Reserves	13061	11882	1018	990
Retained Earnings	2131	1257	513	440
Total Shareholders’ equity	20292	18125	5198	2730

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Share capital

The registered share capital of AGRIA GROUP HOLDING AD is BGN 5,100,000, distributed in 5,100,000 registered voting shares with a par value of BGN 1 each. The document certifying the entry into the company register of the par value of the shares of the issuer at the amount of BGN 1 /one/ each is a court decision of Varna District Court of 11 October 2007, and the change in the type of the shares of Agria Group Holding AD from materialized, registered, voting into dematerialized, registered, voting shares was also entered under the aforementioned court decision. As a result of the entries made into the company register of Varna District Court under the batch file of the issuer, the Company was registered with Central Depository AD as issuer of dematerialized securities, and identification number BG1100085072 was given to the issue of registered shares, and an Issue Registration Act and depository receipts for the shares held by the shareholders were issued by Central Depository AD, Sofia.

From a legal standpoint the capital increase of AGRIA GROUP HOLDING OOD becomes effective with entry into the company register. The increases from the capital raised during the respective period are shown in the balance sheets of the company for 2004, 2005 and 2006

Reserves

As of 30 June 2007 the Company reserves on a consolidated basis stand at BGN 13,061 and they are formed entirely by the reserves of the subsidiaries.

Accumulated profit

The financial result of the Company as of 30 June 2007 under the consolidated financial statement is BGN 2,131,000.

External sources

Information on the external sources of financing of the company on a unconsolidated and consolidated basis is presented in the following item in the present Document – 4.3.2. *Sum of loans as of the end of the period reviewed and information on their maturity*. External sources of liquidity /primarily in the form of bank loans/ are available to the subsidiary companies that are part of the holding structure.

The Company has no significant unutilized sources of liquidity

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4.2.3. Sum of loans as of the end of the period reviewed and information on their maturity;

The Company has used no loans as of the date of the present document.

В таблицата по-долу е представена информация за привлечените средства на Дружеството (дългосрочни и краткосрочни) на консолидирана основа за 2004 г., 2005 г. и 2006 г.

Long-term liabilities	2006	2005	2004
I. Long-term liabilities			
Liabilities to related parties			
Liabilities to financial companies	3 809	7 486	4 882
including to banks	3 809	7 486	4 882
Trade loan liabilities		185	548
Liabilities under loan stock			
Deferred tax			
Other Long-term liabilities	1 314	1 243	189
Group I total:	5 123	8 914	5 619
II. Deferred income and financing	132	143	225
Total Long-term assets:	5 255	9 057	5 844
Current liabilities			
I. Current liabilities			
Liabilities to related parties			
Liabilities to financial companies	8 778	1 177	500
including to banks	8 778	1 177	500
Liabilities to suppliers and customers	7 065	3 735	3 393
Trade loan liabilities	808	130	
Liabilities to employees	299	218	144
Liabilities to social insurance companies	269	392	440
Taxation	274	331	250
Other current liabilities	3 792	3 228	1 764
Provisions		107	
Group I total:	21 285	9 318	6 491
II. Deferred income and financing	29	23	
Total for current assets heading:	21 314	9 341	6 491

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4.2.4. Information on financial instruments used, maturity of each receivable, structure of available currency and interest rates, if significant for measurement of the liquidity of the issuer;

The Issuer has so far never used the capital markets for procurement of fresh resources.

Kristera AD, as member of the economic group, has issued loan stock by means of an issue of secured corporate bonds under the following terms and conditions: amount of the issued loan - EUR 4,500,000; number of bonds and par value per bond - 4,500 bonds with par value of EUR 1,000 each; type of bonds - ordinary, corporate, interest-bearing, dematerialized /registered at Central Depository AD/, registered, freely-transferable, non-convertible, secured; date on which the term to maturity commences 23 April 2007; term to maturity of the bonds - 60 /sixty/ months; date of maturity of the principal - the principal is repaid in three equal six-monthly installments of EUR 1,500,000 each, due respectively on 23 April 2011, 23 October 2011, 23 April 2012; interest payment period – six-monthly; dates of maturity of interest payments – 23 October 2007, 23 April 2008, 23 October 2008, 23 April 2009, 23 October 2009, 23 April 2010, 23 October 2010, 23 April 2011, 23 October 2011, 23 April 2012; should any of these dates be a holiday or a non-working day, the payments of the principal or interest will take place on the first following business day; floating coupon to the amount of 6-month EURIBOR plus 4.25% per annum.

4.2.5. Information on material commitments of the issuer for incurring capital expenditure.

Information on material commitments for incurring capital expenditure

Kristera AD, as member of the economic group that the issuer is part of, is developing a project to build a plant for the production of vegetable oils from rapeseed, sunflower and soybean. The refined oils extracted are a raw material for the production of biodiesel fuel. The investment will be implemented in the town of Devnya on land (22 decares) owned by the company and a production site. The locations has been strategically selected in view of its proximity to a port and regions in which rape is cultivated and sold. A more detailed description of the project is provided on page 23 of the present Registration Document in the section regarding the investment program of Kristera AD.

The advantages of Kristera in the implementation of the biodiesel project are:

- ❖ an agricultural producer with 50,000 decares of rented land and 3,000 decares of own land;
- ❖ traditional contacts with producers in North-East Bulgaria;
- ❖ existence of warehouses allowing purchase and storage of large quantities of seed during the season;
- ❖ part of the rapeseed needed is guaranteed from its own produce;
- ❖ experience in trading in and purchasing of agricultural produce;
- ❖ the project is implemented in two stages, so that that production of biodiesel will start after the necessary raw materials with the required quality are available;
- ❖ the finished product will be sold on the German market – leader in Europe in terms of biodiesel production and consumption.

Energy Policy of the EU Regarding Biofuels

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With a view to the realization of one of the foremost goals in the area of energy policy of the community the European Parliament adopted Directive 2003/30/EC aiming at promoting the use of biofuels and various renewable fuels that attempt to replace diesel and petrol for the transport needs of the EU. As required by the directive member countries must take the necessary measures to implement the requirements of the directive by 2005, and have biofuels obtain a minimum share in the internal fuel markets. The minimum share of biofuels sold on the markets of a community country must be no less than 2% by 31 December 2005 and 5.75% by December 2010.

In general, biofuels are fuels used in transport and produced from biomass. Biomass is defined as biodegradable fraction of products, waste and residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste. Biofuels may exist as pure biofuels, liquid derived from biofuels or blends.

The Directive introduces a list of products that are considered biofuels, such as:

1. **Bioethanol** – ethanol produced from biomass and/or the biodegradable fraction of waste, to be used as biofuel;
2. **Biodiesel** – a methyl-ester produced from vegetable or animal oil, of diesel quality, to be used as biofuel;
3. **Biogas** – a fuel gas produced from biomass and/or from the biodegradable fraction of waste, that can be purified to natural gas quality, to be used as biofuel, or woodgas;
4. **Biomethanol** – methanol produced from biomass, to be used as biofuel;
5. **ETBE** – etherized bioethanol;

The other listed types are: synthetic biofuels, pure vegetable oils. On the markets biofuels may be offered in the following forms:

- As pure biofuels or as a high concentration in petrol derivatives, in accordance with the specific quality standards applicable to the transport industry;
- As biofuels blended with petrol derivatives, in accordance with European regulations regarding the technical specifications of transport fuels;
- As a liquid derived from biofuels, of the ETBE type;

The strategy of the EU regarding biofuels includes market, legislative and research measures to increase the production of fuels from agricultural products. According to it the EU must aim at promoting biofuels not only among member countries, but also outside the Union. Specifically, the developing countries are targeted, for which the production of biofuels is seen as an opportunity for sustainable development. Many of them have naturally favorable conditions for the production of biofuels, especially the ones with traditions in sugar production. The expanding EU biofuels market will provide them with new export opportunities. Among the measures planned in the adopted document is the inclusion of the production of sugar for bioethanol in the financing schemes of the Common Agricultural Policy. The strategy also includes preparation for the broad use of biofuels by improving their competitiveness in terms of their price, and an offer for a specific treatment for customs purposes. Plans also include supporting research and development in this area, and the funding for this is laid out as a priority in the Seventh Research Framework Program of the EC and the Intelligent Energy for Europe framework program, which will support market applications and distribution of proven technologies.

By 2010 the member countries must replace 5.75% of the total volume of fossil fuels used in transport with biofuels. This goal is set in the EC’s 2003/30 Directive on biofuels. Some European countries are already actively working in this direction. According to the Frost & Sullivan consulting firm, annual sales of biodiesel in Europe are expected to reach 4.5 billion ton by 2007. The leader in this

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respect is Germany. Ecofuel sales there are stimulated by decreased taxes and duties, and biodiesel is sold at a lower price than petrol diesel in more than 2,000 gas stations.

Tax relieves are the most common stimulus for the development of biofuel trade in Europe. Under Art. 16 of Directive 2003/96/EC on the taxation of energy products and electricity, member countries may continue or commence the adoption of decreasing taxes on liquid biofuels. Currently nine EU-member countries have a partial or full tax exemption for biofuels: Austria, the Czech Republic, Germany, Italy, Lithuania, Spain, Sweden, the United Kingdom. In the UK there is a special bioenergy fund, which offers funding to aid in harvesting, warehousing, processing and delivery of biomass for energy production. The construction of a plant for processing of biomass and production of electricity derived from this biomass was recently launched there. The project is valued at GBP 90,000,000 (EUR 130,000,000) and will be developed by the UK division of the energy company E.ON near the Scottish village of Lockerby. Plans are for the plant to process forestry waste and produce electricity sufficient for 70,000 households. In Denmark government subsidies for the development of decentralized co-generational installations using biomass fuels was provided for in legislation after 1992, and a Biomass Usage Committee was established as a consultative body with the Minister for Energy.

4.3. Main tendencies

4.3.1. Information regarding the main tendencies in the provision of services and in demand, commitments undertaken and events for the current year, that may have material effect on operating income, the rate of return, liquidity and capital resources, or could render the financial information inaccurate regarding the future operating results of the financial condition of the issuer.

The main tendencies for the Holding Structure from the end of the last financial year to the date of preparation of the present prospectus are in the direction of sustained development. The production operations of the issuer and its subsidiaries for the specified period progress at a moderate and stable pace, as laid out in the program of the management team of the group of companies, in the following directions: increase of the arable agricultural land, increase of the production capacities and of the end selling prices of the finished products of the subsidiaries against preceding years. The continued tendency of growth of the prices on the commodity exchange of crops and their derivatives on a global scale influences the transitional residual amount of inventory in terms of quality and value within the group. The aforementioned tendencies affect the growth of the net amount of sales. By the end of 2007 and for the next few years the expected tendencies of selling prices of finished products are also in the direction of sustained development.

Currently there is no information that would necessitate forecasting negative future results. On the contrary, due to market changes over the last 2 years it is possible to forecast sustained growth of the main operations of the issuer and the operations of the subsidiaries that are part of the economic group.

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4.3.2. The plans of material significance with regard to building, expanding or improving equipment, including description of the nature and reasons for the planned activities, an assessment of expenditure, including those already incurred, the means of financing, the expected start and completion date of the operations and the expected increase in production capacities after the completions have been described in detail in the investment programs of the subsidiaries.

In view of the scope of activities and objects of the issuer, as well as in view of the fact that it does not engage directly on its own in manufacturing and/or commercial activities similar to the activities of its subsidiaries, the plans of Agria Group Holding AD are associated with and boil down to its direct participation in the subsidiaries it controls for the holding structure, and their investment plans and intentions, as laid out and described in detail in their investment programs.

The plans of material significance for the operations of the subsidiaries and their investment programs have been described in item 3.4.2. *Subsidiaries* of the present prospectus.

5. Members of the Management and Supervisory Bodies, Senior Management and Employees

5.1. Information about the members of the management and supervisory bodies, procurators, senior management and employees on whose work the Issuer depends

Agria Group Holding AD, Varna has a single-tier management structure and is managed and represented by a Board of Directors, which performs its functions under the supervision of a General Shareholders' Meeting.

Members of the Board of Directors:

Emil Veselinov Raykov – EGN 7207288244	Chairman of the Board of Directors and Executive Director
Kristina Zheleva Bozhkova – EGN 7103265571	Member of the Board of Directors
Krasen Marinov Yorkishev– EGN 7404021668	Member of the Board of Directors
Daniela Dimitrova Taneva – EGN 6311131072	Member of the Board of Directors
Anna Dimitrova Belchinska – EGN 7407011072	Member of the Board of Directors

The Company is represented by the Executive Director – Emil Veselinov Raykov.

The Company has no procurators appointed and entered in the company register.

Emil Raykov graduated from University of Economics – Varna in 1995 with a Bachelor degree in Accountancy and Control, and a second major in Law at the same university.

Emil Raykov started his entrepreneur career in 1996 by registering his own consultancy company – EMRA, Varna, of which he was sole proprietor. The company offers consultancy services in the area of accountancy, analysis, administrative and tax consultations, development of business projects etc. In 1997 he expanded his business by setting up Emra Komers OOD, a limited liability company which works successfully in the sphere of trade in fuels and lubricants.

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The establishment of the present group of companies began in 1998. At that time Emil Raykov was manager and shareholder in Kristera OOD, Varna, a limited liability company in which he took on the positions of executive director, member of the management board and member of the supervisory board. Since 2002 Emil Raykov has been chairman of the supervisory board and shareholder in the following companies from the group:

Kristera AD, Popovo, a joint stock company;
Hlebozavod Korn AD, Varna, a joint stock company;
Hlebozavod Korn AD, Shumen, a joint stock company;
Korn – K AD, Varna, a joint stock company.

Since 1999 in his capacity of a representative of Kristera AD, Emil Raykov has participated in the establishment and subsequently, as a member, in the activity of the Grain Compensation Fund at the Ministry of Agriculture and Forestry (now Ministry of Agriculture and Food Supply).

On the initiative of Kristera AD the Association of Public Grain Warehouses was established. Its representative and chairman of the management board is Emil Raykov.

Since 2007 Emil Raykov has been Executive Director and Chairman of the Board of Directors of Agria Group Holding AD, Varna.

Emil Veselinov Raykov also has a stake in the following other companies: manager of Bora Invest OOD, a limited liability company with a registered office and business address at 29 Atanas Moskov Str., Zapadna Promishlena Zona, Varna, registered under company case №3048/2002 under the inventory list of Varna District Court, BULSTAT 103794531; sole proprietor and manager of Emra EOOD, a single shareholder limited liability company, with a registered office and business address at 29 Atanas Moskov Str., Zapadna Promishlena Zona, Varna, registered under company case №880/2006 under the inventory list of Varna District Court, BULSTAT 125048121.

Kristina Bozhkova graduated from University of Economics – Varna in 1995, with a major in Economics and Industrial Management, and a thesis on “The Establishment and Management of a Distribution Trade System.”

From 1993 to 1996 Kristina Bozhkova worked at the sales department of Kanal Kom, Varna. Her successful collaboration with Emil Raykov began in 1996, when she was appointed sales director in Emra Oil EOOD, Varna, a single shareholder limited liability company, where she worked successfully in the trade in petrol products until 1999.

In 1999 Kristina Bozhkova became partner and manager of Korn – K OOD, Targovishte. It was under her successful management that the first production capacity of the group of companies for production and trade in bread and bread products in Varna was established.

In 2001 Korn – K AD, Varna was established, in which she was executive director and shareholder. From 2003 to 2006 she was executive director of Hlebozavod Korn AD, Varna and of Hlebozavod Korn AD, Shumen.

Since 2007 she has been a member of the Board of Directors of Agria Group Holding AD, Varna.

Krasen Yorkishev engaged actively in the management of part of the business in 2002 in relation to the establishment and management of the Hlebozavod Korn AD, Targovishte Project as shareholder and executive director.

He graduated from St. Cyril and St. Methodius University of Veliko Tarnovo in the year 2000, with a major in Finance.

Krasen Yorkishev started his career in 1997 as sole proprietor and manager of Agraplani EOOD, a single shareholder limited liability company, and from 2001 in his capacity of partner and manager of Euromel EOOD, a single shareholder limited liability company, he started business relations with the holding structure of the group of companies working in the agricultural business.

Since the end of 2006 he has been chairman of the management boards and executive director of Hlebozavod Korn AD, Varna Korn Factory AD, Shumen and Korn Factory AD, Targovishte.

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Since 2007 he has been a member of the Board of Directors of Agria Group Holding AD, Varna.

Krasen Yorkishev also has a stake in the following company: manager of Bora Invest OOD with a registered office and business address at 29 Atanas Moskov Str., Zapadna Promishlena Zona, Varna, registered under company case №3048/2002 under the inventory list of Varna District Court, BULSTAT 103794531. Krasen Yorkishev has no stake whatsoever in Ekosistemi OOD.

Daniela Taneva graduated from University of Economics – Varna in 1985, with a major in Economics and Organization of Technical and Material Supplies.

Between 1986 and 1997 she was chief accountant in the following companies: APK Provadia, Central Institute of Engine Building and Delvi-P AD.

From the end of 1997 until 2004 Daniela Taneva was chief accountant in Kristera AD, and since 2004 – a financial director of Kristera AD, Popovo.

Since 2007 Daniela Taneva has been a member of the Board of Directors of Agria Group Holding AD, Varna.

Anna Belchinska graduated from University of Economics – Varna in 1997 with a major in Accountancy and Control.

In April of the same year she started her career in the holding structure of the group of companies working in the field of agricultural business, subsequently passing through the technical, operational, accountancy and sales departments of the holding.

From the end of 1997 until 2002 Anna Belchinska was an accountant in the following companies:

Emra Oil EOOD, Emra Komers OOD, Hlebozavod Korn AD and Korn K AD.

From 2003 to 2006 she was directly involved in the trade in fuels and lubricants in Korn K AD.

From the end of 2004 to 2006 Anna Belchinska was sales manager in Hlebozavod Korn AD, Varna.

Since 2007 she has been a member of the Board of Directors of Agria Group Holding AD, Varna.

The persons belonging to the senior management who have to do with the activity performed by the Issuer and on whom the Issuer’s work depends are the above-mentioned members of the Board of Directors.

The persons belonging to the senior management (members of the Board of Directors) do not perform activities outside the Issuer which are of significance to the Issuer.

As of the date of preparation of the present Prospectus there are no kinship or family ties among the above-mentioned persons (members of the Board of Directors).

As of the date of preparation of the present Prospectus there is no information about the persons belonging to the senior management of the Issuer regarding: an effective sentence for fraud for the past five years; participation in the management and supervisory bodies of a company against which insolvency proceedings have been initiated, of a company which has been wound up for insolvency, or a company in liquidation for the past five years; divestment of the right to take on certain state or public post and/or divestment of the right to exercise a certain profession or activity for the past five years; imposition of compulsory administrative measures or sanctions for the past five years in relation to their activities.

As of the date of preparation of the present Registration Document there are no data about the existence of a conflict of interests or a potential conflict of interests between: the interests of the Issuer, the

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activities of the members of the Board of Directors within the Issuer as persons belonging to the senior management and their personal or other interests.

As of the date of preparation of the present Registration Document no available information has been found regarding: an agreement and/or any other form of arrangement among the main shareholders, investors and other persons on the basis of which any of the members of the Board of Directors has been elected member of the management body; restrictions accepted by the main shareholders, investors and other persons regarding the disposition of Issuer’s securities owned by them.

6. Shareholders with a significant stake in the capital. Transactions with related (interested) parties

6.1. Data about shareholders owning more than five per cent of voting shares:

The main shareholders of Agria Group Holding AD before the increase of capital are: Emra EOOD, Varna; Kristina 92 EOOD, Varna and Geri Trans OOD, Targovishte. The distribution of shares of the capital of Agria Group Holding AD as of the date of the present document is as follows:

name of owner/shareholder (name of company or full name of physical person)	Stake percenta ge	BULSTAT/ EGN	Number of shares
Emra EOOD, Varna	62	125048121	3,162,000
Kristina 92 EOOD, Varna	26	103663076	1,326,000
Geri Trans EOOD, Targovishte	12	125516666	612,000
Total number of shares			5,100,000

Shareholders’ details:

1. Emra EOOD has a registered office and business address 29 Atanas Moskov Str., Zapadna Promishlena Zona, Varna, court registration under company case №880/2006 under the inventory list of Varna District Court, represented by its manager Emil Veselinov Raykov with personal identification number (EGN) 7207288244, who is also sole holder of the capital. The company holds 3,162,000 ordinary registered voting shares of par value of BGN 1 each, representing 62% of the capital of Agria Group Holding AD;

2. Kristina 92 EOOD has a registered office and business address 29 Atanas Moskov Str., Zapadna Promishlena Zona, Varna, court registration under company case №3145/2001 under the inventory list of Varna District Court, represented by its manager Kristina Zheleva Bozhkova-Natova with personal identification number (EGN) 7103265571, who is also sole holder of the capital of the company. The company holds 1,326,000 ordinary registered voting shares of par value of BGN 1 each, representing 26% of the capital of Agria Group Holding AD;

3. Geri – Trans OOD has a registered office and business address 30 Tsar Osvoboditel Str., apt. 45, Targovishte, court registration under company case №315/2001 under the inventory list of Targovishte District Court, represented by its manager Krasen Marinov Yorkshiev with personal identification number (EGN) 7404021668 who holds 98% of the of the company. The company holds 612,000 ordinary registered voting shares of par value of BGN 1 each, representing 12% of the capital of Agria Group Holding AD.

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7. Financial Information

7.1. The annual financial statements for the last three years, including the consolidated financial statements and other financial information

The annual unconsolidated financial reports for the past three years of AGRIA GROUP HOLDING OOD, in its capacity of a company wound up by means of transformation into AGRIA GROUP HOLDING AD, including balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement and the appendices thereof are presented as an appendix to the present Prospectus.

The annual consolidated financial reports of AGRIA GROUP HOLDING OOD, in its capacity of a company wound up by means of transformation into AGRIA GROUP HOLDING AD, for the years 2005 and 2006, audited by a certified auditor and including balance sheet; income statement, statement of changes in shareholders' equity, cash flow statement and the appendices thereof are presented as an appendix to the present Prospectus.

7.2. Description of significant changes in the financial and commercial circumstances of the Issuer (or of the companies from the group, if the Issuer prepares consolidated financial reports), after the publishing date of the annual or the latest interim financial report.

After the publishing date of the annual financial report a change has occurred in the legal and organizational form of AGRIA GROUP HOLDING OOD, which with Decision dated 28 August 2007 under company case №3875/2007 under the inventory list of Varna District Court is wound up by means of transformation into AGRIA GROUP HOLDING AD.

8. Information about the Securities under the Public Offering

8.1. Submitting and satisfying Purchase Orders for the Offered Shares

The Offering is carried out in the Republic of Bulgaria. Addressees of the Offered Shares can be all local and foreign persons, except in the cases when this will constitute a breach of the applicable legislation. Foreign investors who are not local persons and intend to acquire Offered Shares must acquaint themselves with the applicable legislation in their jurisdictions.

GENERAL INFORMATION

Subscription Orders for New Shares (hereinafter referred to generally as Purchase Orders or just Orders) will be accepted by the Investment Intermediary from 9:00a.m to 16:00p.m. within the term for subscription at the following offices:

- United Bulgarian Bank AD, Investment Banking Department, 9 Todor Alexantrov Blvd. tel.: +359 2 811 3753, +359 2 811 3751, telefax: 0359 2 811 3759, e-mail: dimitrova_k@ubb.bg; matev_v@ubb.bg; and at the UBB AD offices.

Investors may submit Orders in person or through a proxy, as well as through other investment intermediaries.

The opening date of the Offering is the date of the promulgation of the Public Offering notice in *The State Gazette* and its publication in one national daily newspaper. The term of the Offering includes:

- The period in which Purchase Orders can be submitted,
- The day in which the Offering Price is announced, the allocation list for the Offered Shares is prepared, and the investors on that list are notified, and

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- The deadline for paying the price of the Shares subscribed for and purchased.

Share Purchase Orders will be accepted during three business days, every day from 09:00 a.m to 16:00 p.m., the first day on which this period starts or Purchase Orders are accepted being the first business day after the end of the seven-day period from the date of the promulgation of the Public Offering notice in *The State Gazette* or its publication in one central daily newspaper, whichever comes first.

Therefore, if the promulgation and the publication have been made on different dates, the seven-day period under the previous sentence starts on whichever date is later. The final Offering Price (issuing value) of one Share in the execution of the capital increase and the subscription will be determined by the Investment Intermediary after coordination with the Issuer on the basis of the Orders submitted on the Offering Day by means of the Book Building method and the major factor in determining the classification of orders will be the offered price. The Offering Price will be determined by the Investment Intermediary after coordination with the Issuer by the end of the first business day following the last business day for accepting Purchase Orders. Within the same period the Investment Intermediary will prepare an allocation list for the Offered Shares and will notify the investors on that list. The deadline for paying the Offering Price of the Shares subscribed for and purchased will be by the end of the third business day after the announcement of the Offering Price and the allocation list for the Offered Shares.

Two kinds of Purchase Orders can be submitted:

- (a) A Limited Order is an Order for the subscription (purchase) of Shares at the price per Share given in it. Limited Orders can be fulfilled in whole or in part; and
- (b) A Market Order is an Order for subscription for Shares that contains only a total value in BGN or a total number of Shares wanted for subscription, and can be fulfilled in whole or in part.

The submission of a Purchase Order will be considered a confirmation that the investor:

- Has read the Prospectus and has accepted the terms and conditions of the Offering;
- Agrees to have less Offered Shares allocated to him/her than the number indicated in the submitted Purchase Order, or to have no Offered Shares allocated to him/her, in compliance with the terms and conditions set forth in this document;
- Agrees to pay the amount equal to the number of allocated Offered Shares multiplied by the Offering Price, together with all fees and commissions related to the Offering, in compliance with the instructions of the Investment Intermediary
- Agrees that if by the end of Last Day for Payment the amount owed for the Offered Shares allocated to him/her has not been paid into the fundraising account, the Shares will not be acquired by the investor and he/she cannot make claims to the Investment Intermediary or the Issuer in relation to this.

The investor cannot withdraw a submitted Order but has the right to refuse the requested Shares in the cases under the terms and procedure of the Public Offering of Securities Act.

8.1.1. Data and documents necessary for the submission of an Order

Purchase Orders are submitted at the above mentioned offices of the authorized Investment Intermediary in person by the investor or through a proxy. Purchase Orders (filled in and signed by the investor) can be submitted also through another licensed investment intermediary who has to present them to the Investment Intermediary within the term for Order submission indicated in this Prospectus.

Content of the Orders

The Orders will contain the following minimum information:

- Full name, EGN, permanent address, respectively company name, company identification number (BULSTAT), registered office and address of the investor and his/her representative, and if the

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- investor is a foreigner – the analogous identification data, including personal/insurance number for individuals, and a registration number or another analogous number for legal entities;
- Issuer (AGRIA GROUP HOLDING AD) and ISIN code of the issue;
 - In case of a Limited Order - Offered Price per Share and total value of the Order; in case of a Market Order – total value of the Order or total number of Shares;
 - Date, time, and place of submission of the Order;
 - Signature of the person submitting the Order, or his/her legal representative or proxy. The Investment Intermediary has the right to prepare Order forms with the indicated contents and demand that they be filled in.

Annexed Documents

The Order has to have attached to it, as a minimum, the documents indicated below, in compliance with the instructions of the Investment Intermediary and the other licensed investment intermediaries by which the Orders are submitted:

- for Bulgarian legal entities – a copy of their Certificate of Good Standing signed off by their lawful representative, issued no earlier than three months before the date of submission of the Order, and copies of the company's BULSTAT registration document;
- for foreign legal entities – a copy of their registration (or another identical certifying document proving the existence/ incorporation of the entity) in the respective language containing the full name of the legal entity, date of issue, and address of the legal entity; names of the persons authorized to represent it, accompanied by a translation of these documents into Bulgarian or English;
- for Bulgarian individuals – a copy of their personal identification document certified by them;
- for foreign individuals – a copy of the pages of their passport containing information about their full name; number of the passport; date of issue (if there is such in the passport); date of expiry (if there is such); nationality, address (if there is such in the passport), and a copy of the pages of the passport containing other information and a picture of the person, as well as a translation of these documents into Bulgarian or English;
- information about the investor's bank account into which sums are to be paid back in case the Order is partially satisfied or the Offering is cancelled.

Investors submit the Orders in person or through their lawful representatives. The Order can also be submitted through a proxy who is to prove his/her identity by a personal identification document and an express power of attorney certified by a notary public, respectively attaching also the documents regarding the authorizing investor enumerated above.

The Order can also be submitted through a licensed investment intermediary whose client is the investor wishing to acquire Offered Shares. In this case the respective investment intermediary presents to the authorized Investment Intermediary the Order signed by the client or respectively by his/her proxy, together with the appendices indicated above, and/or a duly certified Summary Order prepared on the basis of a form determined by the Investment Intermediary in advance and following the Intermediary's instructions. In these cases it is not necessary to present to the Investment Intermediary a power of attorney pertaining to the authorization of the other investment intermediary by the client.

The authorized Investment Intermediary, as well as the other licensed investment intermediaries through which Orders are submitted in compliance with the legal regulations, general terms and conditions, and practices pertaining to their activity, have the right to reject Orders if they are not satisfied with the type, form, validity, appendices, and other circumstances related to the documents presented to them. The Investment Intermediary and the other licensed investment intermediaries have the right, in certain cases, to accept Orders even without all the required appendices when the information that would have been verified by the unsubmitted documents is known to them from another source and they have no reasons to doubt the current validity of the information thus known to them.

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8.1.2. Book building and allocation

Determining and announcing the Offering Price

The final Offering Price (issuing value) of one Share in the execution of the capital increase and the subscription will be determined by the Investment Intermediary after coordination with the Issuer on the basis of the Orders submitted on the Offering Day by means of the Book Building method and the major factor in determining the classification of orders will be the offered price. The Offering Price will be determined by the Investment Intermediary with the consent of the Issuer and taking into account the factors under 5.5. *Price*. During the process of book building the Investment Intermediary will receive the Purchase Orders from potential investors – see *Submission of Purchase Orders*. When determining the Offering Price, the Investment Intermediary will take into account a number of factors, including the level and character of the demand for Shares, the market prices of securities of companies that have a scope of activity similar to the activity of the Issuer, the predominant market conditions, and the intention of the Issuer to guarantee the desired degree of oversubscription and the achievement of a liquid stock exchange trading in the Shares.

The Issuer will issue up to 1,700,000 New Shares.

The Offering Price and the number of the Offered Shares subscribed for and submitted during the Offering are expected to be announced and published, including via the Internet, as indicated below, by the end of the first business day after the day in which Purchase Orders are accepted.

This information will be available from the date of the announcement also at the office of United Bulgarian Bank AD, Investment Banking Department, 9 Todor Alexandrov Blvd., tel.: +359 2 811 3753, +359 2 811 3751.

Allocation of the Offered Shares

Based on the received Purchase Orders and on consultations with the Issuer, and taking into account the factors for determining the Offering Price, the Investment Intermediary will prepare an allocation list containing the names of the investors, and respectively investor intermediaries through whom the Orders have been submitted and the number of Offered Shares allocated to each of them. The number of these Offered Shares will be determined individually, as well as depending on the type of the Order. Investors who, in a Limited Order, have determined a price per Share lower than the Offering Price will not be able to purchase Offered Shares. Investors who, in a Limited Order, have stated a price equal or higher than the Offering Price, and respectively investors who have submitted a Market Order for a given sum, will be able to receive the largest amount of Shares equal to the total stated sum divided by the Offering Price. Investors who have submitted a Market Order for a certain number of Shares will be able to receive such a number of Shares which conforms to a range of factors, including, but not exclusively, the proportion of the total number of requested Shares for subscription and the total number of the offered New Shares. The Investment Intermediary does not guarantee that investors who have submitted a Market Order for a particular number of Shares will receive the same total number of Shares during the allocation as requested. No partial Shares will be allocated.

The Investment Intermediary retains the right to allocate less Offered Shares than the number determined in the Purchase Order by the investor, or not to allocate Offered Shares at all, without giving a reason for that.

When ranking the submitted Orders and the number of Shares allocated to them, the Investment Intermediary and the Issuer have an unlimited discretion and are in no way required to provide reasons and/or grounds for their actions and decisions.

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The Investment Intermediary will notify the investors on the allocation list by sending messages in case of an agreement with the respective investors or, as the case may be, with the other licensed investment intermediary acting on the account of the investor. The messages will be sent to the addresses given in the Order, as well as to other addresses of the investors on the allocation list known to the Investment Intermediary, by the end of the first business day after the day for submitting the Orders at the latest. The messages can also be received by the investors at the places indicated above, where they submitted the Order. Detailed results from the Book Building will not be disclosed. The Allocation List will not be announced publicly nor will it be disclosed in any way, except under the terms and conditions and to the persons and institutions indicated by law.

8.1.3. Payment of the Offered Shares

According to the requirements of the Measures against Money Laundering Act, the Investment Intermediary, as well as the banks and the other financial institutions that accept and/or execute payment transfers, are obliged or, in certain cases, have the right to identify the investors and to collect, record, and disclose to the respective state authorities information regarding the executed transfers and the origin of the money, in compliance with the requirements of the law and their internal applicable rules. In case a Purchase Order has been submitted by an investment intermediary, the money transfer may also be executed by the respective investment intermediary for the account of the investor who is their client.

Forms of Payment

Payment for the Offered Shares will be executed by a bank transfer or in cash according to the agreement between the investor and the Investment Intermediary or the respective other investment intermediary via which the Order was made. The payment document has to contain data with at least the name of the investor, and respectively the investment intermediary acting for the account of the investor, and about the total number of allocated Shares that are being paid for, as well as other data in compliance with the instructions of the Investment Intermediary.

Payment Deadline. Fundraising Account

The deadline for receiving payments for the allocated Shares into the fundraising account is no later than the end of the third business day after the day of the announcing of the Offering Price. The payment will be deemed executed from the day on which the fundraising account was credited with the respective sum. The fundraising account has been opened in the name of AGRIA GROUP HOLDING AD at United Bulgarian Bank AD, Central Branch, IBAN BG08UBBS80025031031020, bank code (BIC) UBBSBGSF. The number of the fundraising account can be obtained at any time from the Investment Intermediary. If a payment into the fundraising account has not been received or has only been partially received by the end of the payment period, the selected Order may be fulfilled partially within the executed partial payment, or respectively it may be rejected if no payment has been received or the Investment Intermediary decides not to fulfill the selected Order for which a partial payment has been received.

According to the law, the cash paid into the fundraising account is blocked and can not be used by the Issuer before the capital increase has been entered into the company register, and if the Offering is unsuccessful, it is to be returned to the investors under the terms and procedure set forth further down in this Prospectus.

After the capital increase of AGRIA GROUP HOLDING AD has been entered into the company register, the funds in the fundraising account of the Company will be unblocked and will be placed at the disposal of the Company. The trading in New Shares at the stock exchange will start simultaneously with the trading in the existing shares, namely from the first date of trading determined by the Board of Directors of the Bulgarian Stock Exchange – Sofia AD.

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8.1.4. Delivery of the Offered Shares and admission to trading

Immediately after entering the capital increase in the company register and if the legal procedures have been complied with, the Issuer will apply before the Central Depository for registration of the New Shares into the investors' accounts, as well as before the Financial Supervision Commission for entering the Company and its Shares into the register of public companies it keeps. Immediately after the last registration the Issuer and/or the Investment Intermediary will apply before the BSE – Sofia AD for the Shares to be admitted to trading and will offer to the Board of Directors of the stock exchange that the starting share price of trading be the Offering Price. Trading in Shares may start on the date determined by the Board of Directors of the BSE – Sofia AD.

The certifying documents for the New Shares are to be obtained immediately after the registration of the New Shares with the Central Depository by the investors in person or by the persons authorized by them by an express power of attorney certified by a public notary, at the address of the Investment Intermediary in Sofia, United Bulgarian Bank AD, Investment Banking Department, 9 Todor Alexandrov Blvd., tel.: +359 2 811 3753, +359 2 811 3751 and/or from the investment intermediaries via which the Purchase Orders were submitted.

8.1.5. Publishing the results of the Offering

Seven days after the Allocation Date, the Issuers will inform the FSC and the BSE about the results from the Offering, together with the total number of Offered Shares subscribed and paid for. This information will be published in the *Pari Daily* as well as on the Internet page of the Issuer. The FSC and the BSE will be notified and publications will be made immediately in the manner described above regarding the entering of the capital increase in the company register, the opening of accounts for the New Shares at the Central Depository, and the admission to trading on the BSE – Sofia AD.

8.1.6. Cancellation and postponement of the Offering

The Issuer retains the right, after consulting the Investment Intermediary, to cancel or to postpone the Offering under the terms and conditions below without giving a reason for that. The Board of Directors of the Issuer takes a decision to cancel or postpone the Offering and the Issuer is obliged to notify the FSC, BSE, and the investors about this immediately but not later than the next business day after taking the decision, making the respective publications in the way described above in *Publishing the results of the Offering*.

In accordance with the decision by the General Meeting of Shareholders of the Issuer on its capital increase by means of offering New Shares, if there are less than at least 1,400,000 New Shares subscribed (allocated) and paid for, the Offering will be cancelled. The Issuer announces this circumstance in the public announcement of the results of the Offering indicated above (see *Publishing the results of the Offering*). Up to and including the Allocation Date at the latest, the Offering may be cancelled or temporarily suspended for a term up to March 2008, and in case of certain adverse events, including force majeure events, that are important for the success of the Offering (for example, a financial market crash, terrorist acts, natural disasters, etc.)

In case the Public Offering is unsuccessful or the capital increase is not entered in the company register under the batch file of the Company, the funds raised in the fundraising account of the Issuer will be returned to the investors' bank accounts, indicated in the submitted Order for this purpose, within 5 (five) business days from the suspension of the Public Offering, or from the refusal of the respective competent authorities to enter the capital increase in the company register.

As of the date of this document the Issuer has not arranged for investment intermediaries to take upon themselves the obligation to provide liquidity to the issue by means of buy and sell quotations.

As of the date of this document there are no holders of securities that are sellers at the Public Offering.

8.2. *Settlement of share transactions*

Clearing and Settlement Procedure in Connection to the Offering

After entering the capital increase and the New Shares into the company register, the issue of New Shares will be registered with the Central Depository and the investors' accounts will be credited with the New Shares allocated to and paid by them respectively. Subsequent trading in Shares will be carried out in accordance with the rules of the BSE and the Central Depository described in the section called *Secondary trading of Shares*.

Cancellation of the Pre-emptive Rights to Subscription for Shares of the Existing Shareholders
According to the decision by the General Meeting of Shareholders, the capital increase is executed via a Public Offering of New Shares (subscription). Owing to this, the General Meeting of Shareholders has taken a decision to cancel the pre-emptive right of the existing shareholders to acquire part of the New Shares proportionate to their interest in the capital before the increase. In this capital increase via issuing New Shares no rights will be issued within the meaning of §1, item 3 of the Additional Provisions of POSA since AGRIA GROUP HOLDING AD will acquire a status of a public company after a successful capital increase and its entry in the company register.

8.3. *Plan for the Allocation of Securities*

After the potential FSC approval of this Securities Note, as well as of the other parts of the Prospectus, all groups of investors classified for the purposes of POSA in §1 of the Additional Provisions of POSA can participate on an equal basis in the Public Offering of Shares. These groups of investors are:

- ***Non-professional investors*** – persons who, for their own account, risk cash or other property rights by acquiring, holding, or transferring securities without having the necessary qualification or experience for this;
- ***Institutional investors*** – banks that do not act as investment intermediaries, investment companies, insurance companies, pension funds, or other companies whose scope of activity requires acquiring, holding, and transferring securities.

The Offering is only executed on the territory of the Republic of Bulgaria.

Indication Whether Shareholders with a Significant Stake or Members of the Management and Supervisory Bodies of the Issuer Intend to Acquire Offered Securities and Whether Any Person Intends to Acquire More than 5 Percent of the Offered Securities, as far as the Issuer is Aware of This.
As far as the Issuer is aware, the major shareholders, as well as the members of the Board of Directors, do not intend to acquire offered securities. The Issuer does not have information on whether any of the potential investors intend to acquire more than 5 percent of the Offered Shares.

8.4. *Organization of the Public Offering of Securities:*

The Offering will be executed only on the territory of the Republic of Bulgaria.

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The following institutions are coordinators participating in the process of the Offering:

- Central Depository AD, with a registered office and business address: 10 Tri Ushi Str., floor 4, 1000 Sofia;
- United Bulgarian Bank AD, with a registered office and business address: 5 Sveta Sofia Str., Sofia, in which the fundraising account for the payment for the Offered Shares has been opened.

There are no persons that would underwrite or guarantee the Offered Shares.

United Bulgarian Bank AD, Sofia, is the Investment Intermediary authorized by the Issuer who services the capital increase of the Issuer and acts as a sales agent with the commitment to use its best efforts for the sale of the offered 1,700,000 New Shares. United Bulgarian Bank AD has no obligation to act as an underwriter of the Offered Shares.

8.5. Price

Offering Price, Method and Criteria for Determining It

The minimum selling price of Shares from the capital increase subject to Public Offering is BGN 9 (nine) determined following a decision by the General Meeting of Shareholders held on 29 September 2007. In addition after the General meeting of Shareholders and according to the authority it has, the Board of Directors determined a price range of 9-13 BGN per share. The final Offering Price (issuing value) of one Share in the execution of the capital increase and the subscription will be determined by the Investment Intermediary after coordination with the Issuer on the basis of the Orders submitted on the Offering Day by means of the Book Building method and the major factor in determining the classification of orders will be the offered price. The offering price thus determined will be confirmed and adopted by a decision of the Board of Directors of AGRIA GROUP HOLDING AD and announced following the procedure indicated in 5.1. b) above.

When determining the Offering Price, the Investment Intermediary will be guided by the following criteria and will comply with the following conditions: level and nature of the demand for Shares, market prices of the securities of companies performing activities similar to the activity of the Issuer; predominant market conditions; achieving liquid stock exchange trading in the Shares. All Shares subject to Public Offering will be sold at the Offering Price.

Costs Covered by Investors

Fees and commissions, if any, payable to investment intermediaries via which Purchase Orders are submitted, as well as to settlement institutions via which the price for the acquisition of Shares is paid, are covered by investors.

Fluctuation of the Price of the Offered Securities

As of the date of this document no information can be provided about the fluctuation of the Offered Shares since the Company has not been public from the moment of its incorporation to the date of this document. After the Shares of the Company are admitted to trading on the BSE, the investors will be able to receive information about the prices and the volume of the completed stock exchange transactions of Shares issued by the Company, about the prices and the volume of the demand and supply of Shares, and other investment information from the licensed investment intermediaries. Such kind of information can also be obtained from the BSE bulletin on the internet site of the BSE: www.bse-sofia.bg, from the financial press, and from other similar sources.

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8.6. Public Offering costs

The following table lists the major costs directly related to the Public Offering of Securities (excluding the remuneration of the Investment Intermediary, which has been described separately). The table does not include the costs pertaining to the overall operations of the Company or to more than one issue of securities, for example fees for an ISIN code for the ordinary shares of the Company, servicing the shareholders’ book of the Company by the Central Depository, annual fee for supervision by FSC, fee for maintaining the registration of the Share issue with BSE.

All costs shown below are covered by the Company.

Type of fee	Amount in BGN
Fee for issuing a FSE confirmation of a Prospectus for a Public Offering of Securities (projected value)	BGN 5 000
Publication of an announcement about a Public Offering in one national daily newspaper (projected value)	BGN 300
Promulgation of an announcement about a Public Offering in <i>The State Gazette</i> (projected value)	BGN 300
Fee for depositing the shares from the capital increase of the Company at Central Depository AD	BGN 2 035
Fee for issuing a certificate for an ISIN code by Central Depository AD	BGN 56
Fee for issuing a certificate for a registration with BSE – Sofia AD by Central Depository AD	BGN 50
Entering the capital increase in the company register	BGN 80
Total costs	BGN 7 821

Since as of the date of this document the Offering Price is not clear – it will be determined subsequently by means of the Book Building method, the FSC fee for the confirmation of the Prospectus has been estimated based on the total value of the Offered Shares obtained by multiplying the minimum number of Shares at which the Public Offering will be considered successful, by the minimum acceptable price for Subscription Orders by potential investors at submission.

Apart from the costs indicated above, the remuneration of the Investment Intermediary is also covered by of the Issuer. The remuneration of the Investment Intermediary is formed in the following manner:

- Remuneration to the amount of BGN 5,000 (five thousand) for the preparation of the Prospectus for Public Offering of Securities and the registration for trading of the Issuer’s Shares with the Bulgarian Stock Exchange - Sofia AD;
- Remuneration to the amount of 1 % (one percent) of the selling price of all the Shares sold for marketing, advertising, and selling the shares from the capital increase of the Issuer;
- Remuneration for success amounting to 2 % (two percent) estimated on the basis of the difference between the achieved real selling price per share and the initial minimum issuing value per share.

Due to the above mentioned reason (the specific method for determining the Offering Price), the remuneration of the Investment Intermediary cannot be shown in absolute terms (in BGN) and per share.

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8.7. *Dilution of the share value*

When there is or there could be a significant difference between the price of securities in the Public Offering and the price that the members of the management and supervisory bodies, or the senior management, or persons related to them have paid for shares of the Issuer during the last 5 years, or for shares they have the right to acquire, then comparative information is shown of price at which investors will acquire securities in the Public Offering and the price at which securities were acquired or will be acquired by the indicated persons;

Members of the Board of Directors, the senior management, and persons related to them have no right to acquire Offered Shares under conditions and/or at a price different from those offered to the other investors.

The members of the Board of Directors, as persons from the senior management of the Issuer, have not acquired shares from the capital increase of the Issuer over the past 5 (five) years.

8.8. *Description of the value and the percentage of the immediate dilution of the share value as a result of the Public Offering estimated as the difference between the price of securities at the Public Offering and the carrying value of the securities or of an equivalent class of securities as of the last prepared balance sheet; indication that this is the immediate dilution of the value of the shares of the existing shareholders if they do not subscribe for shares from the new issue.*

The Offering Price will be determined during the Offering by the Investment Intermediary by means of the Book Building method after coordination with the Issuer. Owing to this, no exact percentage of immediate dilution of share value as a result of the Public Offering can be given. According to the requirements of the Company Act, the issuing value can not be lower than the nominal value, which is BGN 1 per share. According to the decision by the General Meeting of Shareholders of AGRIA GROUP HOLDING AD taken on 29 September 2007 on a capital increase by 1,700,000 New Shares, the minimum selling price of the shares from the capital increase amounts to BGN 9.00.

This would mean that if the issue is sold at the minimum acceptable issuing value, for the existing shareholders there would be an immediate increase in the net asset value distributed per share. On the contrary, as a result of the Public Offering, for the new shareholders will be a decrease in the net asset value per share. The table below shows financial information according to an unaudited unconsolidated financial statement of AGRIA GROUP HOLDING OOD as of 30 June 2007. Given the fact that AGRIA GROUP HOLDING AD was established via a transformation by means of changing its legal form from limited liability company AGRIA GROUP HOLDING to a joint-stock company, the financial information in the table is viewed as information about the joint-stock company. The net asset value per share is determined as the difference between total assets and total liabilities divided by the total number of issued shares.

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Indicator (Unconsolidated basis)	As of 30.06.2007
Total assets /BGN in thousands/	5 678
Total liabilities /BGN in thousands/	106
Net asset value /BGN in thousands/	5 572
Number of outstanding shares	5 100
Book value per share – BGN	1.0925
Minimum selling price – BGN	9.00
Indicator (Consolidated basis)	As of 30.06.2007
Total assets /BGN in thousands/	51 675
Total liabilities /BGN in thousands/	31 383
Net asset value /BGN in thousands/	20 292
Number of outstanding shares	5 100
Book value per share – BGN	3.9788
Minimum selling price – BGN	9.00

The book value per Share has been determined by dividing the net asset value into 5,100,000 shares in circulation. As it is evident from the presented Certificate of Good Standing of 10 October 2007, the Shares of the Company are 5,100,000, with a nominal value of BGN 1 (one) each. In view of this, the book value per share on an unconsolidated basis is BGN 1.0925, and on a consolidated basis it is BGN 3.9788. The determined minimum issuance value per Share amounting to BGN 9 (nine) according to a decision of the General Meeting of Shareholders of the Company of 29 September 2007 is not higher than the book value on consolidated and unconsolidated basis. . After the General meeting of Shareholders and according to the authority it has, the Board of Directors determined a price range of 9-13 BGN per share. The final Offering Price (issuing value) of one Share in the execution of the capital increase and the subscription will be determined by the Investment Intermediary after coordination with the Issuer on the basis of the Orders submitted on the Offering Day by means of the Book Building method and the major factor in determining the classification of orders will be the offered price.

9. Additional Information

9.1. Information on the shareholders' equity as of the date of the latest balance sheet included in the financial report, and as of the latest practically applicable date

- | | |
|---|----------------|
| a) amount of equity | BGN 5,100,000; |
| b) number of shares | 5,100,000; |
| c) number of issued and fully paid shares | 5,100,000; |
| d) par value of shares | BGN 1.00; |

The document certifying the entry into the company register of the par value of the shares of the issuer at the amount of BGN 1 /one/ each is a court decision of Varna District Court of 11 October 2007, and the change in the type of the shares of Agria Group Holding AD from materialized, registered, voting into dematerialized, registered, voting shares was also entered under the aforementioned court decision. As a result of the entries made into the company register of Varna District Court under the batch file of the

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issuer, the Company was registered with Central Depository AD as issuer of dematerialized securities, and identification number BG1100085072 was given to the issue of registered dematerialized shares, and an Issue Registration Act and depository receipts for the shares held by the shareholders were issued by Central Depository AD, Sofia;

e) number of outstanding shares at the beginning and at the end of the year: At the beginning of 2007 the Issuer functioned as a limited liability company. Its capital at the beginning of the year was BGN 5,100,000 and has not undergone changes after the winding up of the limited liability company by means of transformation into a joint stock company. As of the date of preparation of the present Prospectus the number of outstanding shares is 5,100,000;

f) information on whether more than ten per cent of the capital has been paid up in assets other than cash for the period of the last five years – all increases in the Company’s capital have been carried out by monetary means;

g) number, carrying value and par value of the Issuer’s shares owned by the Issuer or any of its Subsidiaries – the Issuer and its Subsidiaries do not own Issuer’s shares;

The Company has no outstanding convertible bonds. There are no persons who have pre-emptive rights to a stake in the capital increase. There are no persons who have options on the Issuer’s capital or on the capital of a company belonging to the economic group. No commitment has been made to any persons to conditionally or unconditionally issue options in their favour.

h) history of shareholder’s equity for the last three years, presenting information on the events during the period that have led to changes in the issued capital and/or in the number of shares or class of shares comprising it, together with a description of the differences in voting rights related to the different classes of shares for that period; detailed information on the price and terms of each issue should be presented here, including information if the payment has been made by non-monetary means (information on concessions, discounts, special terms or payment in installments); if there are no such issues, this fact should be indicated; the causes for any reduction of capital should be pointed out, and the ratio of the reduction, if there has been one.

With a Decision by Varna District Court dated 31 August 2006 under company case № 1270 under the batch of Agria OOD partners Emil Veselinov Raykov and Kristina Zheleva Bozhkova – Natova are deleted and new partners are entered: EMRA EOOD and Kristina 92 EOOD. Emil Raykov transfers his 36 company shares with a value of BGN 100 each to the new partner EMRA EOOD. Kristina Bozhkova – Natova transfers her 14 company shares with a value of BGN 100 each to the new partner Kristina 92 EOOD.

With the same Decision an increase of the Company’s capital from BGN 5,000 to BGN 600,000 is also registered, by registration of 5,950 new shares with a value of BGN 100 each, and each of the new shares in the capital are registered as follows: EMRA EOOD – 4,284 of the new shares, Kristina 92 EOOD – 1,666 of the new shares. After the capital increase, EMRA EOOD holds 4,320 shares with a total value of BGN 432,000, and Kristina 92 EOOD – 1,680 shares with a total value of BGN 168,000.

With a Decision by Varna District Court dated 03 November 2006 under company case № 1270 under the batch of Agria OOD a new partner is entered – Westbridge Enterprises LLC, a limited liability company. A second increase of the capital from BGN 600,000 to BGN 5,100,000 is also registered, by registration of 45,000 new shares with a value of BGN 100 each, the new shares of the capital being acquired and registered by the newly admitted partner. Thus, after the increase the partners hold shares as follows: EMRA EOOD holds 4,320 shares with a total value of BGN 432,000, Kristina 92 EOOD – 1,680 shares with a total value of BGN 168,000, and Westbridge Enterprises LLC – 45,000 shares with a total value of BGN 4,500,000.

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With a Decision by Varna District Court dated 18 January 2007 under company case № 1270 under the batch of Agria OOD partner Westbridge Enterprises LLC is deleted. The deleted partner transfers its company shares as follows: 32,400 shares with a value of BGN 100 each to EMRA EOOD, and 12,600 shares with a value of BGN 100 each to Kristina 92 EOOD. After the transfer the partners hold the following shares from the capital of Agria OOD: EMRA EOOD holds 36,720 shares with a total value of BGN 3,672,000 and Kristina 92 EOOD holds 14,280 shares with a total value of BGN 1,428,000.

9.2. Information on the Issuer’s Articles of Association

a) description of the rights, pre-emption and limitations related to each class of shares, including:

Pursuant to Art. 9 of the Articles of Association the Company’s shares are ordinary, dematerialised and freely transferable. Each share entitles shareholders to equal rights, each share granting the right to one vote in the General Meeting, as well as the right to a dividend and to a liquidation share. Art. 9, para. 3 also grants shareholders the following additional rights: the right of every shareholder upon an increase of capital to acquire shares corresponding to the shareholder’s stake in the capital prior to the increase; the right of every shareholder to participate in the management, to elect and be elected in the management bodies; the right to information; the right to lodge an appeal before a court against any decisions of the General Meeting which contradict the law or the Company’s Articles of Association.

Application of the POSA

Upon entry of the Company’s capital increase with the offered shares from the current issue in the company register, AGRIA GROUP HOLDING AD will acquire the status of a public company. As a result, from that moment onwards the respective provisions of the POSA will be applied concerning the procedure for exercising rights on the shares.

aa) the right to a dividend; the term within which the right to a dividend can be exercised, as well as the persons who can use this right after the determined term has expired;

Every share grants the right to a dividend proportionate to its par value.

The Company can distribute dividends with a decision by the General Meeting (Art. 43 of the Articles of Association) after approving the annual financial report, in compliance with the requirements of Art. 247 and under other terms and procedure envisaged by the Company Act. Advance dividend distribution is not permitted.

After the Company acquires a public status, the distribution of dividends will be carried out in compliance with the POSA. Entitled to receive dividend will be those persons who have been entered as shareholders in the registers of the Central Depository on the 14th day after the date of the General Meeting at which the annual financial report has been approved and a Decision for distribution of yield has been passed.

The Company is obliged to ensure the payment of the dividend voted by the General Meeting within three months after the General Meeting has been held. Shareholders who are entitled to a dividend can exercise this right before the expiry of its total five-year term, after which the right is relinquished and any dividends that have not been obtained are retained by the Company.

bb) the right to vote;

Pursuant to Art. 9, para. 3 of the Company’s Articles of Association, each share grants the right to one vote at the General Shareholders’ Meeting.

After the Company acquires a public status and in accordance with the provisions of the POSA, the right to vote will be exercised by those persons who have been entered as shareholders in the registers of the Central Depository 14 days before the date of the General Meeting.

cc) the right to a liquidation share;

Each ordinary share grants the right to a liquidation share proportionate to the nominal value of the ordinary share.

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b) description of the terms under which the Annual Shareholders’ Meeting and the Extraordinary Shareholders’ Meeting are convened, including the terms of participation in the Meeting;

The General Shareholders’ Meeting is convened by the Board of Directors (Art. 223, para. 1 of the Company Act). The General Meeting can also be convened at the request of shareholders who own at least five per cent of the Company’s capital under the terms and procedure of Art. 223, para. 2 of the Company Act, and after AGRIA GROUP HOLDING AD acquires a public status, under the terms and procedure determined by Art. 118, para. 2, item 3 of the POSA. The regular (annual) General Shareholders’ Meeting is to be held at least once a year at the end of the first half-year after the closure of the accounts for the fiscal year.

The General Meeting is convened by means of an invitation with a minimum content under Art. 223, para. 4 of the Company Act. Shareholders who have owned shares amounting to at least five per cent of the Company’s capital for at least three months can request additions to the agenda announced in the invitation under the terms and procedure determined by Art. 223 of the Company Act.

According to Art. 23, para. 3 of the Articles of Association, the General Meeting is convened by means of written invitations, which are to be sent to the shareholders to an address provided by them at least 30 days before holding the General Meeting, or by promulgating the invitation in the State Gazette and/or announcing it in the Company Register at least 30 days before the meeting is held.

An Extraordinary General Meeting can be convened at any time. Except for the law-regulated term for holding a regular General Meeting, the terms and procedure for convening an Extraordinary Shareholders’ Meeting and for shareholders’ participation in it are the same as those applying to the regular General Shareholders’ Meeting,.

The General Meeting includes shareholders who have the right to vote. According to the provisions of the POSA, a right to vote is exercised by those persons who have been entered as shareholders in the registers of the Central Depository 14 days before the date of the General Meeting. Shareholders participate in the General Meeting in person or via a representative. After the Company acquires a public status within the meaning of the POSA, the representative has to be expressly authorized pursuant to Art. 116, para. 1 of the POSA.

The Members of the Board of Directors may not represent shareholders. When the members of the Board of Directors are not shareholders, they participate in the work of the General Meeting without having the right to vote.

c) brief description of each provision in the Issuer’s Articles of Association or in the rules regulating the work of the management body which would lead to delaying, changing or preventing a replacement of the persons exercising control over the Issuer in the case of a merger, acquisition or restructuring involving the Issuer (or any of its Subsidiaries);

The Articles of Association of AGRIA GROUP HOLDING AD contain no provisions which would lead to delaying, changing or preventing a replacement of the persons exercising control over the Issuer in the case of a merger, acquisition or restructuring involving the Issuer (or any of its Subsidiaries).

d) description of the terms of the Articles of Association regarding changes in the capital which are more restrictive than the terms envisaged by the law.

Art. 28 of the Articles of Association of AGRIA GROUP HOLDING AD envisages a qualified majority for passing decisions under Art. 21, items a, b, and c, namely passing, amending and complementing the Articles of Association by the General Meeting; *increasing and decreasing the Company’s capital* and transforming or winding up the Company.

According to Art. 27 these decisions are passed only if at least half of the capital is represented at the General Meeting. Upon lack of quorum a new meeting is set to take place within one month and it is legal regardless of the ratio of representation of the capital. In the cases when according to the preceding paragraph of the article a new meeting can be set to take place after no earlier than fourteen days, the new meeting will also be legal regardless of the ratio of representation of the capital.

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Art. 28 of the Articles of Association requires a majority of two thirds of the voting shares represented at the General Meeting.

e) description of the powers of the Issuer’s management body according to the terms of the Company’s Articles of Association.

The Articles of Association of AGRIA GROUP HOLDING AD envisage the following powers of the management body of the Company (the Board of Directors):

According to Art. 33, Art. 34 and Art. 35 of the Articles of Association the members of the Board of Directors represent the Company collectively or assign to one or more of its members the management and representation of the Company (Executive Director). The members of the Board of Directors have equal rights and obligations regardless of the internal distribution of functions among them. The Board of Directors solves all issues which are not of the exclusive competency of the General Meeting. The Board of Directors may pass decisions if at least half of its members are present in person, or represented by another member of the Board. Decisions are passed with a majority of more than half of those present, respectively those represented, at the sitting of the Board of Directors.

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DECLARATION BY THE ISSUER OF SECURITIES FROM THE CURRENT ISSUE

The undersigned Emil Veselinov Raykov, EGN 7207288244, Executive Director, in his capacity of representative of AGRIA GROUP HOLDING AD

DECLARES

1. That the Summary Note – Part III of the Prospectus for Public Offering of Shares of AGRIA GROUP HOLDING AD complies with legal requirements;
2. That to the best of his knowledge the information in the Summary Note – Part III of the Prospectus for Public Offering of Shares of AGRIA GROUP HOLDING AD is not false, misleading or incomplete, and truly presents the circumstances regarding the Issuer Company that are material to the investors.

Emil Raykov
Executive Director
AGRIA GROUP HOLDING AD

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**PERSONS WHO HAVE PREPARED THE SUMMARY NOTE – PART III OF THE
PROSPECTUS FOR PUBLIC OFFERING OF SHARES OF AGRIA GROUP HOLDING AD**

By signing, the persons enumerated below declare that:

- (1) when preparing the Summary Note they have taken due care to ensure its compliance with the legal requirements;

- (2) to the best of their knowledge the information in the Summary Note is not false, misleading or incomplete and truly presents the circumstances about the Issuer Company that are material to the investors.

Vladislav Matev

Prepared the document, analyst with UBB AD