

**KSG Agro S.A.**

**Current report No. 3/2013**

**Dated 06 March, 2013**

**Start of Share Buyback Program**

The Board of Directors of KSG Agro S.A. (the "Company") is pleased to inform that on 06th of March, 2013, the Company starts Share Buyback program as was approved on the Ordinary General Meeting of the Company’s Shareholders, which was held on 28th of December, 2012.

1. The main terms and conditions of the Buyback, approved in accordance with article 49-2 of the Company Law, are as follows:
2. the maximum number of shares to be acquired is set at five hundred thousand (500,000) shares in the issued share capital of the Company (the **Purchased Shares**);
3. the period within which the Company is authorized to implement the Buyback in one or more operations is set at eighteen (18) months from 28th of December, 2012;
4. the purchase price per Purchased Share in relation to the Buyback is set at a minimum of one Polish Zloty (PLN 1.-) and at a maximum of twenty-five Polish Zloty (PLN 25.-); and
5. the Buyback may not have the effect of reducing the net assets of the Company below the amount specified in article 72-1, indents (1) and (2) of the Company Law which provides that: “

*(1) except for cases of reductions of subscribed capital, no distribution to shareholders may be made when on the closing date of the last financial year the net assets as set out in the annual accounts are, or following such a distribution would become, lower than the amount of the subscribed capital plus the reserves which may not be distributed under law or by virtue of the articles.*

*(2) the amount of the subscribed capital referred to under (1) shall be reduced by the amount of subscribed capital remaining uncalled if the latter amount is not included as an asset in the balance sheet*.”

1. It is decided to create a non-distributable reserve of an amount equal to the aggregate purchase price paid by the Company for the acquisition of the Purchased Shares pursuant to the Buyback, to be accounted for as a liability on the balance sheet of the Company;
2. It is decided to acknowledge that, in accordance with article 49-5 of the Company Law, the voting rights attached to the Purchased Shares acquired by the Company pursuant to the Buyback shall be suspended for the entire period the Company holds such Purchased Shares;
3. It is decided to acknowledge that the Buyback will be realized on the Warsaw Stock Exchange and in accordance with the conditions set forth in article 5 of the Commission Regulation;
4. The Board of Director approved **IPOPEMA Securities S.A.** with its registered office at ul. Próżna 9, Warsaw, entered in the commercial register maintained by the District Court for the City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, under No. 0000230737, as a Broker to carry out the Buyback on the Warsaw Stock Exchange.

**Legal grounds:** Article 56.1 of Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, and Article 14 of the Luxembourg law of 11 January 2008 relating to the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

Signature of individuals authorized to represent the Company:

Alexandr Perov