

Dominas Derling and Leadell Advise on Litagra Group Transfer of Trading Business to Achema Group

RADU COTARCEA / 01 MARCH 2017



Dominas Derling has advised the selling shareholders of Litagra on the transfer of its trading business and grain elevator network in Lithuania and Latvia to the Achema Group. Leadell Balciunas & Grajauskas represented the buying side.

As a result of the deal, Achema Group acquired Litagra group's trading business and grain elevators network, i.e. Litagros Prekyba AB, along with its Latvian subsidiary Litagra SIA. The previous owners will retain the name "Litagra," though the acquired companies will be able to use it until 2019.

The deal was announced by Invalda INVL – an asset management company that invested in Litagra in 2011, acquiring a 36.9% equity stake – on February 27. Other major shareholders in Litagra are Gintaras Kateiva and the Amber Trust II investment fund. According to the Invalda press release, the Litagra group has "decided to focus on production activities" and will continue to run its primary farming production business.

"We think the funds we invested and our intellectual contribution have strengthened the company and had a positive impact on the growth of Litagra's value," said Darius Sulnis, the President of Invalda INVL and a Member of the Board of Litagra. "We've participated actively in preparing for the reorganization of the Litagra group and the mutually beneficial transaction with Achema Group. Litagra will continue to focus on production business where it can benefit from competitive advantages as a participant in the global food supply chain."

"In line with the long-term strategy of the concern, we're expanding operations in one of our core areas – agricultural services business," added Audrius Bendaravicius, the CEO of Achema Group and Chairman of the Board of Agrochemia. "Integration, after the transaction, of Litagra's trading operations into the group of companies that the concern owns will strengthen the group company Agrochemia which has analogous activities, broaden its activities, and complete the supply chain from the grain elevators to the Klaipeda port."

Completion of the transaction is planned after obtaining the approval of the Competition Council and carrying out other actions foreseen in the agreement, including the reorganization of Litagra. The final amount of the transaction depends on Litagra's financial indicators on the accounting date of the transaction and will only be clear after the transaction is completed.

Advising on the sale side, the Dominas Derling team consisted of Lead Partner Gediminas Dominas and Associate Domas Sileika.

The Leadell Balciunas & Grajauskas team representing the buyer consisted of Partner Gintaras Balciunas, Senior Associates Vaidas Radvila, Ruta Syminaite, and Vilma Plateliene, and Legal Assistant Tautvydas Vedrickas.

Editor's Note: After this article was published Leadell Partners Gintaras Balciunas and Karlis Vitols informed CEE Legal Matters that the deal had closed. In addition, they emphasized that lawyers from Leadell Fogels, Vitols & Paipa in Latvia had worked alongside their Leadell Balciunas & Grajauskas colleagues in Lithuania on the deal. Karlis Vitols co-led the joint team alongside Gintaras Balciunas, and the team also included, in addition to the lawyers identified in the original story, Lithuanian Senior Associate Jurgita Najulyte and Associate Tomas Mickus, and Latvian Senior Associate Ilze Jankevica and Associates Arturs Rubins.



