

LIFOSA AB

**INTERIM FINANCIAL STATEMENT
FOR THE PERIOD JANUARY-MARCH 2009(UNAUDITED)**

Translation note

This version of the financial statements is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

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LIFOSA AB
 FINANCIAL STATEMENTS (UNAUDITED)
 31 march 2009

INCOME STATEMENT
 in thousand LTL

		january - march	
	Note	2009	2008
	s		
Sales	1	276 390	331 060
Cost of sales	4	(260 933)	(212 258)
Gross profit		15 457	118 802
Selling and distribution costs	2,4	(7 769)	(9 135)
Administrative expenses	3,4	(7 278)	(6 306)
Net foreign exchange gain/(loss)	5	25 567	(22 392)
Other income	6	4 944	443
Operating profit		30 921	81 412
Interest income on short-term cash deposits		228	1 164
Profit before tax		31 149	82 576
Income tax	7	(38 862)	(12 291)
Net profit		(7 713)	70 285
Basic and diluted earnings per share (LTL per share)		-0,367	3,343

These preliminary unaudited financial statements on pages 3 – 17 were approved by the Company's Director General and Chief Accountant on 25 may 2009.

Jonas Dastikas
 Director General

Nijolė Kalinauskienė
 Chief Accountant

LIFOSA AB
FINANCIAL STATEMENTS (UNAUDITED)
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BALANCE SHEET
in thousand LTL

		31 march	31 december
	Notes	2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment	9	259 128	264 551
Intangible assets	10	420	459
Deferred tax asset	7	2 398	41 261
Other receivables		16 855	2 709
		278 801	308 980
Current assets			
Inventories	11	80 269	154 548
Trade and other receivables	12	212 983	165 858
Loans granted	12	387 781	359 764
Cash and cash equivalents	13	57 258	63 469
		738 291	743 639
Total assets		1 017 092	1 052 619
EQUITY			
Share capital	14	210 206	210 206
Share premium		80	80
Legal reserve		21 021	21 021
Retained earnings		611 095	618 808
Total equity		842 402	850 115
LIABILITIES			
Non-current liabilities			
Grants	15	5 031	5 212
Current liabilities			
Income tax liabilities		51 433	53 183
Trade and other payables	15	118 226	144 109
Total liabilities		174 690	202 504
Total equity and liabilities		1 017 092	1 052 619

The accounting policies and the notes on pages 7 to 17 form an integral part of these preliminary unaudited financial statements.

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in thousand LTL

	Notes	Share capital	Share premium	Legal reserve	Retained earnings	Total
Balance as at 1 January 2008		210,206	80	12 734	389 864	612 884
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	70 285	70 285
Balance at 31 march 2008		210 206	80	12 734	460 149	683 169
Transfer to legal reserve		-	-	8 287	(8 287)	
Net profit for the period		-	-	-	166 946	166 946
Balance at 31 December 2008		210,206	80	21 021	618 808	850 115
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	(7 713)	(7 713)
Balance at 31 march 2009	15	210,206	80	21,021	611 095	842 402

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CASH FLOW STATEMENT
in thousand LTL

For the three month period ended on 31 march

	2009	2008
Cash flows from operating activities		
Profit before tax	31 149	82 576
Adjustments for:		
Depreciation and amortisation	7 770	7 598
Unrealised foreign Exchange loss/(gain)	(25 567)	22 413
Loss (profit) on disposal of property, plant and equipment, net	(26)	(4)
Change in working capital	(10 912)	38 034
Change in other receivables	(4 691)	-
Income tax paid	(1 750)	1 795
Net cash from operating activities	(4 027)	152 412
Cash flow from investing activities		
Purchase of property, plant and equipment	(2 438)	(7 441)
Proceeds from the sales of property, plant and equipment	26	4
Net cash used investing activities	(2 412)	(7 437)
Cash flows from financing activities		
Interest income	228	1 186
Net cash from financing activities	228	1 186
Net increase in cash and cash equivalents	(6 211)	(146 161)
Movement in cash and cash equivalents		
At beginning of year	63 469	173 272
Net increase	(6 211)	(146 161)
Cash and cash equivalents at end of the period	57 258	27 111

The accounting policies and the notes on pages 7 to 17 form an integral part of these preliminary unaudited financial statements.

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
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(All tabular amounts in LTL thousand unless otherwise stated)

A. GENERAL INFORMATION

Lifosa AB (further "the Company"), formerly Fostra AB, was originally established as Kėdainiai State Chemical Plant in 1963. In 1995, Kėdainiai State Chemical Plant was reorganised into a state-owned joint stock company and registered as Fostra AB, following the partial privatisation of the Company during 1991-1994. The Company is domiciled in Kėdainiai. The address of its registered office is as follows:

Juodkiškio 50
LT-57502 Kėdainiai
Lithuania

The Company's shares are listed on the Secondary Trading List of the National Stock Exchange of Lithuania. The Company's principal activity is the production of phosphate fertilisers, mainly diammonium phosphate (DAP). As at 31 December 2008 and 31 march 2009, the main shareholders of the Company were as follows:

<i>Shareholder</i>	<i>Number of shares</i>	<i>Percentage of share capital</i>
JSC Mineral Chemical Company "Eurochem"	19,160,229	91.15%
Eurochem A.M. Limited	767,250	3.65%
Sagitaris International Limited	226,909	1.08%
Other shareholders	866,176	4.12%
	<u>21,020,564</u>	<u>100%</u>

The number of staff employed by the Company on 31 march 2009 totalled 999 (2008: 1006).

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of preparation

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), includes IAS 34. The financial statements have been prepared under the historical cost convention, as modified for the indexation of certain property, plant and equipment.

B.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Litas (LTL), which is the Company's functional and presentation currency. Since 2 February 2002 the Litas has been pegged to the euro at exchange rate of LTL 3.4528 = EUR 1.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
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(All tabular amounts in LTL thousand unless otherwise stated)

B.3 Property, plant and equipment

Property, plant and equipment acquired on or after 1 January 1996 is stated at historical cost less accumulated depreciation. Property, plant and equipment acquired before 1 January 1996 is stated at historical cost less accumulated depreciation as adjusted for indexation, using indexation rates set by the Lithuanian Government for the different asset categories. Four revaluations of property, plant and equipment were performed during the period between 1 January 1992 and 31 December 1995.

Subsequent costs are added to the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	40 years
Plant & machinery	10-25 years
Motor vehicles	4-10 years
Equipment and other property, plant and equipment	5-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note B.5).

Construction in progress is transferred to appropriate groups of property, plant and equipment when it is completed and ready for its intended use.

When property is retired or otherwise disposed, the cost and related depreciation are removed from the financial statements and any related gains or losses are determined by comparing proceeds with carrying amount and are included in operating profit.

B.4 Intangible assets

Computer software expected to provide economic benefit to the Company in future periods is carried at acquisition cost less subsequent amortisation. Software is amortised on the straight-line basis over the useful life of 3 years.

B.5 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'loans granted' and 'trade and other receivables' in the balance sheet.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment loss. An impairment loss of amounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the income statement within 'administrative expenses'. Bad debts are written off during the year in which they are identified as irrecoverable.

B.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related indirect production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Net realisable value of finished goods is the estimated selling price in the ordinary course of business, less the cost of

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(All tabular amounts in LTL thousand unless otherwise stated)

completion and selling expenses. Raw materials and other substances held for the production of goods are not written down below their cost, unless it is probable that the cost of goods produced using these raw materials and substances will exceed the net realisable value. Under such circumstances, the best estimate of net realisable value of raw materials and substances is deemed to be their replacement cost. Loss resulting from writing down of inventories to net realisable value is included in the cost of sales in the income statement.

B.7 Cash and cash equivalents

Cash and cash equivalents are carried at nominal value. Cash and cash equivalents comprise cash in hand, cash at bank held on call, and other short-term highly liquid investments with original maturities of three months or less.

B.8 Share capital

Ordinary shares are stated at their nominal value. Consideration received for the shares sold in excess over their nominal value is shown as share premium.

B.9 Legal reserve

Legal reserve is compulsory under the Lithuanian regulatory legislation. Annual transfers of 5 per cent of net result are required until the reserve reaches 10 per cent of share capital. The legal reserve cannot be used for payment of dividends and it is established to cover future losses only.

B.10 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

B.11 Income tax

Pursuant to the Lithuanian Law on Corporate Profit Tax, taxable profit is subject to income tax at a rate of 20 per cent. Expenses related to taxation charges and included in these financial statements are based on calculations made by the management in accordance with Lithuanian regulatory legislation on taxes. Income tax rate valid for 2008 is 15 per cent.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax is recognized to the extent it is probable that sufficient taxable profit will be available against which the temporary differences can be utilised.

The principal temporary differences arise from accrued charges and inventory valuation allowance. The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

B.12 Leases – where the Company is the lessee

(a) Finance lease

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

(b) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
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(All tabular amounts in LTL thousand unless otherwise stated)

B.13 Operating lease – where the Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

B.14 Employee benefits

(a) Social security contributions

The Company pays social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on the accrual basis and included in payroll expenses.

(b) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Bonus plans

The Company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

B.15 Revenue recognition

Sales revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Company. Revenue from sales of goods is recognised only when all significant risks and benefits arising from ownership of goods is transferred to the customer.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

B.16 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company's single business segment is production of mineral fertilizers; therefore, information on key business segments is not presented. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

B.17 Emission allowances

The Company participates in a carbon dioxide cap and trade scheme. It is set a target to reduce its emissions of carbon dioxide to a specified level (the cap). The Company is issued allowances equal in number to its cap by the Government. Allowances are issued free of charge. The Company measures both emission allowances and government grants at cost, i.e. zero value. As actual emissions are made, a liability is recognised for the obligation to deliver allowances. Liabilities to be settled using allowances on hand are measured at the carrying amount of those allowances. Any excess emissions are measured at the market value of allowances at the period end. Surplus of emission allowances, if any, can be traded on the market. Revenue from sale of surplus allowances is recognised on the actual trade date.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
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B.18 Grants

Grants are recognised where there is reasonable assurance that the grant will be received and the Company will comply with all conditions established.

Grants relating to purchase of property, plant and equipment are included in current liabilities and are credited to the income statement on a straight-line basis over the depreciation period of the related assets.

B.19 Cash Flow Statement

For the purpose of presentation of cash flow statement, interest income earned on bank deposits and current accounts is classified as income from financing activities whereas interest income received for loans granted is treated as income from investing activities.

C. FINANCIAL RISK MANAGEMENT

C.1 Financial risk factors

The Company's activities are exposed to a variety of financial risks: market risk (including foreign currency exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the senior management of the Company. The management identifies, evaluates and takes appropriate actions in order to mitigate the financial risks.

(a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company's foreign exchange risk management is based on matching the expected cash flows in principal currencies. Due to the fact that the majority of business transactions carried out by the Company, including sales of production and purchases of raw materials are denominated in US dollars, changes in USD exchange rates do not affect the cash flows of the Company. However, these changes are reflected in the carrying value of financial assets and liabilities which are originally expressed in foreign currencies but translated to the functional currency Lithuanian Litas (LTL) in the balance sheet.

The Company is not exposed to significant foreign exchange risk arising from transactions denominated in euro (EUR) because the Lithuanian Litas has been pegged to the euro at an exchange rate of LTL 3.4528 = EUR 1 since 2 February 2002.

The Company has no other financial liabilities except for trade and other payables. All trade and other payables reported in the balance sheet are due within 12 months and their fair value is equal to their carrying balances as the impact of discounting would not be significant.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
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(All tabular amounts in LTL thousand unless otherwise stated)

OTHER EXPLANATORY NOTES

1. SEGMENT REPORTING

Primary reporting format – business segments

The Company's single business segment is production of mineral fertilizers.

Secondary reporting format – geographical segments

All the Company's assets are located in Lithuania. The Company's sales by market can be analysed as follows:
in thousand LTL

	Sales		Total assets		Capital expenditure	
	January-March		31 march	31 december	31 march	
	2009	2008	2009	2008	2009	2008
Lithuania	8 849	39 161	1 017 092	1 052 619	2 438	7 022
France	3 327	63 159	-	-	-	-
Germany	64 704	37 139	-	-	-	-
The Netherlands	53 537	20 453	-	-	-	-
Brasil	-	55 791	-	-	-	-
Poland	9 779	15 276	-	-	-	-
Czech Republic	1 680	3 318	-	-	-	-
Romania	220	3 894	-	-	-	-
Hungary	1 262	4 846	-	-	-	-
Belgium	2 844	7 700	-	-	-	-
Slovakia	796	-	-	-	-	-
Portugal	-	16 493	-	-	-	-
Austria	694	-	-	-	-	-
Sweden	1 678	1 002	-	-	-	-
Tajikistan	1 557	3 315	-	-	-	-
Spain	-	6 863	-	-	-	-
Ukraine	-	2 951	-	-	-	-
Great Britain	4 489	3 420	-	-	-	-
Ireland	3 992	14 881	-	-	-	-
Argentina	-	30 554	-	-	-	-
India	116 727	-	-	-	-	-
Other countries	255	844	-	-	-	-
	276 390	331 060	1 017 092	1 052 619	2 438	7 022

Sales are allocated among geographical segments based on the country which is the final destination of production sold by the Company according to dispatch documents. Usually, this country is where the buyer is located with the exception being sales to certain wholesale customers, mainly related party Eurochem Trading GmbH. For instance, Eurochem Trading GmbH is based in Switzerland but acts as a wholesale distributor of production of the Company in non-EU markets .

Analysis of sales by category:

	31 march	31 march
in thousand LTL	2009	2008
Sales of goods	271 054	321 752
Sales of raw materials	187	4 686
Sales of electricity, heat energy, gas, CO ₂ emission rights, other services, other sales revenue	5 149	4 622
	276 390	331 060

The accounting policies and the notes on pages 7 to 17 form an integral part of these preliminary unaudited financial statements.

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 NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
 31 march 2009

(All tabular amounts in LTL thousand unless otherwise stated)

2. SELLING AND DISTRIBUTION COSTS	31 march	31 march
In thousand LTL	2009	2008
Shipping costs	-	3 466
Transportation costs	3 892	3 473
Loading and forwarding costs	3 792	2 053
Other selling and distribution costs	85	143
	7 769	9 135

3. ADMINISTRATIVE EXPENSES	31 march	31 march
In thousand LTL	2009	2008
Remuneration of employees	3 758	2 636
Social security contributions	1 037	837
Taxes (other than income tax)	434	482
Depreciation and amortization	236	221
Insurance	83	151
Security	204	204
Telecommunications	93	114
Support granted	159	820
Other administrative expenses	1 274	851
	7 278	6 306

4. EXPENSES BY NATURE	31 march	31 march
In thousand LTL	2009	2008
Raw materials and consumables used	239 640	223 671
Inventory valuation allowance	-	8 940
Remuneration of employees and social security contributions	13 740	12 629
Transportation services	7 769	9 135
Depreciation and amortisation	7 770	7 848
Change in finished goods, semi-manufactures and work in progress	1 474	(43 765)
Repair and maintenance	1 933	2 745
Energy and fuel	955	898
Taxes (other than income tax)	434	482
Consulting expenses	188	154
Security	204	204
Telecommunication and IT maintenance expenses	93	114
Marketing	9	21
Other	1 771	4 623
	275 980	227 699

Expenses by nature disclosed together with the distribution cost and administrative expenses.

5. NET FOREIGN EXCHANGE GAIN/LOSS

Net foreign exchange gain and loss resulted from significant fluctuations in exchange rate of functional currency of the Company (the Lithuanian Litas) and the main trading currency of the Company (the US dollar).

	31 march	31 march
	2009	2008
Commission for currency translation operations	451	437
Net foreign exchange gain (loss)	25 116	(22 829)
	25 567	(22 392)

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
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(All tabular amounts in LTL thousand unless otherwise stated)

6. OTHER INCOME/GAINS	31 march	31 march
In thousand LTL	2009	2008
Interest income on short-term loans	4 918	439
Gain on disposal of property, plant and equipment	26	4
	4 944	443

7. INCOME TAX	31 march	31 march
In thousand LTL	2009	2008
Current tax	6 230	11 687
Deferred tax	(45 092)	604
	(38 862)	(12 291)

LIFOSA AB
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(All tabular amounts in LTL thousand unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

In thousand LTL

	Buildings	Plant and machinery	Vehicles and equipment	Other PP&E	Construction in progress	Total
At 31 December 2007						
Cost	188,128	375,026	16,748	11,660	10,287	601,849
Accumulated depreciation	(87,610)	(242,890)	(9,208)	(9,343)	-	(349,051)
Net book amount	100,518	132,136	7,540	2,317	10,287	252,798
at 31 march 2008						
Opening net book amount	100,518	132,136	7,540	2,317	10,287	252,798
Additions	-	211	111	33	6 652	7 007
Disposals and write-offs	-	-	-	(1)	-	(1)
Reclassifications	-	1 253	-	-	(1 253)	-
Depreciation charge	(1 103)	(5 855)	(265)	(301)	-	(7 534)
Closing net book amount	99 415	127 745	7 386	2 048	15 686	252,280
at 31 December 2008						
Cost	200,002	405,478	17,215	12,199	3,970	638,864
Accumulated depreciation	(91,955)	(262,396)	(9,771)	(10,191)	-	(374,313)
Net book amount	108,047	143,082	7,444	2,008	3,970	264,551
at 31march 2009						
Opening net book amount	108,047	143,082	7,444	2,008	3,970	264,551
Additions	-	328	13	24	2 051	2 416
Disposals and write-offs	(130)	-	-	-	-	(130)
Reclassifications	801	1 666	-	-	(2 467)	-
Depreciation charge	(1 201)	(6 057)	(311)	(140)	-	(7 709)
Closing net book amount	107 517	139 019	7 146	1 892	3 554	259 128
at 31 December 2009						
Cost	200 420	406 497	17 228	11 824	3 554	638 528
Accumulated depreciation	(92 908)	(267 478)	(10 082)	(9 932)	-	(380 400)
Net book amount	107 517	139 019	7 146	1 892	3 554	259 128

Land is leased by the Company from the Government of the Republic of Lithuania for the term of 99 years under the lease agreement signed in 1997.

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(All tabular amounts in LTL thousand unless otherwise stated)

10. INTANGIBLE ASSETS	In thousand LTL	Computer software
At 31 December 2007		
Cost		1,121
Accumulated amortisation		(471)
Net book amount		<u>650</u>
at 31 march 2008		
Opening net book amount		650
Additions		14
Disposals and write-offs		-
Amortisation charge		(64)
Closing net book amount		<u>600</u>
at 31 march 2008		
Cost		1135
Accumulated amortisation		(535)
Net book amount		<u>600</u>
At 31 December 2008		
Cost		1,049
Accumulated amortisation		(590)
Net book amount		<u>459</u>
at 31 march 2009		
Opening net book amount		459
Additions		22
Disposals and write-offs		-
Amortisation charge		(61)
Closing net book amount		<u>420</u>
at 31 march 2009		
Cost		1 071
Accumulated amortisation		(651)
Net book amount		<u>420</u>

11. INVENTORIES	at 31march 2009	at 31december 2008
In thousand LTL	<hr/>	
Finished goods	37 130	75 752
Raw materials and suppliers	34 094	70 260
Work in progress	3 300	3 161
Semi-manufactures	5 745	5 375
	<u>80 269</u>	<u>154 548</u>

The accounting policies and the notes on pages 7 to 17 form an integral part of these preliminary unaudited financial statements.

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(All tabular amounts in LTL thousand unless otherwise stated)

12. LOANS GRANTED, TRADE AND OTHER RECEIVABLES

In thousand LTL

	at 31march 2009	at 31december 2008
Trade receivables, gross	177 676	122 938
Less: provision for impairment of trade receivable	(337)	(305)
VAT tax receivable	31 690	40 437
Prepayments made to suppliers	2 517	1 572
Other receivables	1 437	1 216
	212 983	165 858
Short-term loans granted	387 781	359 764
	600 764	525 622

13. CASH AND CASH EQUIVALENTS

In thousand LTL

	at 31march 2009	at 31march 2008
Cash in bank	1 892	3 779
Cash on hand	3	8
Time deposits and repo deals	55 363	23 324
Letters of credit and guarantees	-	-
	57 258	27 111

14. SHARE CAPITAL

As at 31 December 2008, authorised share capital comprised 21,020,564 ordinary shares with a par value of LTL 10 each. No changes were made in the Company's authorised share capital during at 31 march 2009.

15. TRADE AND OTHER PAYABLES In thousand LTL

	at 31march 2009	at 31december 2008
Trade payables	10 373	12 603
Prekybos skolos susijusioms šalims	79 244	93 607
Other payables and accrued charges	75 753	89 271
Remuneration of employees and social security payable	4 289	1 811
Grants	5 031	5 212
	174 690	202 504