

JOINT STOCK COMPANY OLAINFARM
(UNIFIED REGISTRATION NUMBER 40003007246)
CONSOLIDATED ANNUAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2010

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EU

Olaine, 2010

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General information

Name of the Parent Company	OLAINFARM
Legal status of the Parent Company	JOINT STOCK COMPANY
Unified registration number, place and date of registration of the Parent Company	40003007246 Riga, 10 June 1991 (re-registered on 27 March 1997)
Registered office of the Parent Company	Rūpnīcu iela 5 Olaine, Latvia, LV-2114
Major shareholders of the Parent Company	SIA Olmafarm (42.56%) Rūpnīcu iela 5 Olaine, Latvia, LV-2114 HB-19 Investments Limited Company, Cyprus (26.17%)
Board	<p>Valērijs Maligins, Chairman of the Board <i>Positions held in other companies:</i> SIA Aroma, Chairman of the Board SIA Olmafarm, Chairman of the Board Hunting Club Vitkupe, Board Member <i>Participation in other companies:</i> SIA Lano Serviss (25.04%) SIA Vega MS (60%) SIA Briz (12.48%) SIA Olfa Press (45%) SIA Carbochem (50%) SIA Aroma (100%) SIA Olmafarm (100%)</p> <p>Jeļena Borcova, Board Member <i>Positions held in other companies:</i> SIA Carbochem, Board Member <i>Participation in other companies:</i> none</p> <p>Jurijs Kaplinovs <i>Positions held and participation in other companies:</i> none</p> <p>Inga Liščika <i>Positions held and participation in other companies:</i> none</p> <p>Vjačeslavs Kuļikovs (died on 09/01/2010) <i>Positions held and participation in other companies:</i> none</p> <p>Salvis Lapiņš (appointed 09/03/2010) <i>Positions held and participation in other companies:</i> none</p>
Council	<p>Eļena Dudko, Deputy Chairperson of the Council <i>Positions held and participation in other companies:</i> none</p>

General information (cont'd)

Council

Helmuts Balderis-Sildedzis, Chairman of the Council

Positions held in other companies:

SIA HB-19, Board Member

SIA Nordic Bio Energy, Board Member

SIA EGRA trans, Board Member

Participation in other companies:

SIA HB-19 (100%)

SIA Nordic Bio Energy (30.9%)

SIA EGRA trans (25%)

Aleksandrs Raicis

Positions held in other companies:

Latvian Pharmaceutical Wholesalers Association

SIA BRIZ, Development Director

Participation in other companies:

SIA VIP Pharma (50%)

SIA Recessus (30%)

SIA Briz (3.4%)

Volodimirs Krivozubovs

Positions held in other companies:

OOO Torgovije Tehnologii (Ukraine), General Director

Participation in other companies: none

Signe Baldere-Sildedze

Positions held in other companies:

SIA Louvre Commercial Director

Participation in other companies:

SIA Louvre (50%)

Movements in the Board during the period 1 January 2010 through 31 March 2010

none

Movements in the Council during the period 1 January 2010 through 31 March 2010

none

Subsidiaries

SIA Reinolds (100%)

Dzegužu iela 1/2, LV-1007, from 26/08/2008

Core business activity

Manufacture of basic pharmaceutical products and pharmaceutical preparations

Audit Committee

Žanna Karaseva

Financial year

1 January – 31 March 2010

Auditors

Ivars Ragainis

Certified auditor

Certificate number 159

SIA Ernst & Young Baltic

Muitas iela 1, Rīga

Latvia, LV-1010

License number 17

Major shareholders

	Holding (%)
Swedbank AS Clients Account	5,42%
Olmafarm, SIA	42,56%
HB - 19 Investments Limited	26,17%
Other shareholders	<u>25,85%</u>
Total	100,00%

Management report

General information

During the reporting period no changes have been made to the composition of the Group and it still consists of a Parent Company JSC Olainfarm and its daughter company SIA Reynolds, which owns several patents related to new products.

The Group is one of the biggest pharmaceutical companies in Latvia with nearly 40 years of experience in production of medication and chemical and pharmaceutical products. A basic principle of Group's operations is to produce reliable and effective top quality products for Latvia and the rest of the world. Products made by the Group are being exported to more than 30 countries of the world, including the Baltics, Russia, other CIS, Europe, Asia, North America and Australia.

Corporate mission and vision

Corporate mission:

JSC „Olainfarm” is one of the biggest manufacturers of finished drug forms chemical products in the Baltics. The keystone of our work is manufacturing of reliable and effective high quality products to the whole world. We are about fair and effective cooperation with our customers – patients, doctors, pharmacists and other partners. In achievement of our goals we are creating a team of highly qualified, socially secured and well motivated employees. Our priority is organizing an environmentally friendly manufacturing and constant increase of the Company's shareholders value.

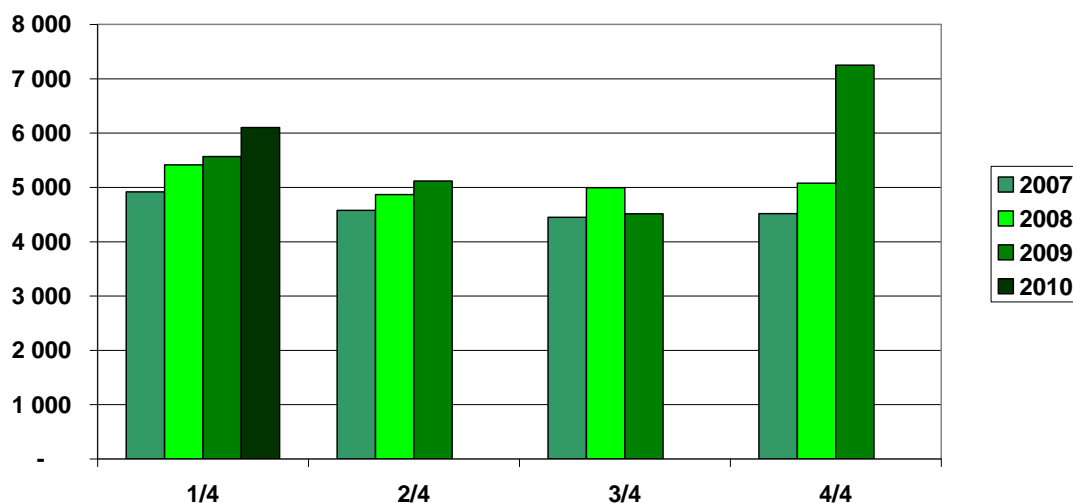
Corporate vision:

We are aiming to become the leading manufacturer of finished drug forms and chemical-pharmaceutical products in the Baltics and to make our products known and available worldwide.

Financial results

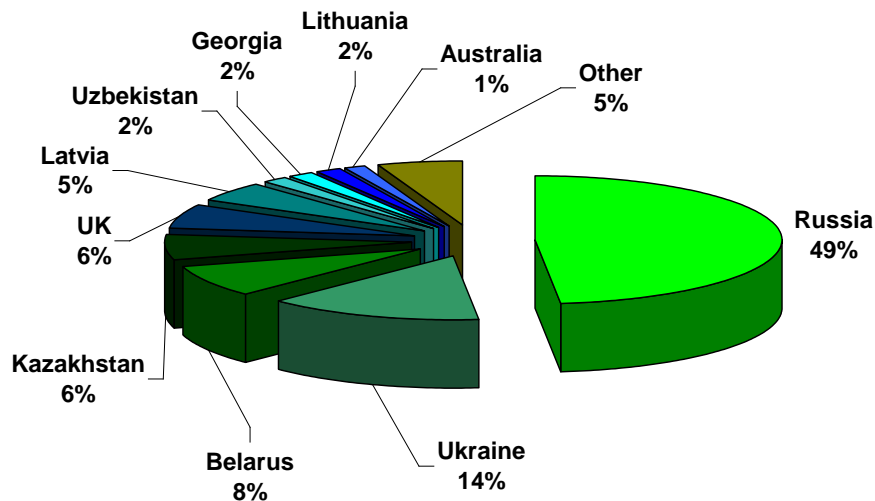
Because of the effort taken in previous periods to strengthen the product promotion, to renew the product portfolio and to enter the new export markets, the growth continued throughout the 1st quarter of 2010. Compared to the 1st quarter of previous periods it has increased by 9.6% to 6.1 million lats (8.6 million EUR).

Consolidated sales by quarters, thsnd. LVL



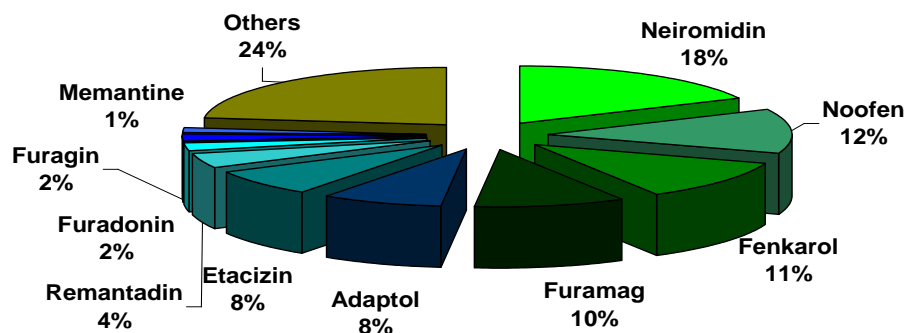
Sales to some export market grew particularly strongly during the 1st quarter of 2010, while the sales in Latvia showed considerable decrease. During the reporting period two countries that were so far untypical for Concern's sales appeared among the top 10 markets, namely the UK and Australia. The biggest sales increase was experienced in Uzbekistan, where the sales grew by 1457% compared to 1st quarter of 2009. Despite the political unrest Kyrgyzstan sales grew by 192%, Kazakhstan by 117%, Tajikistan by 60%, Azerbaijan by 25%, Russia by 15%, Belarus by 12% and Ukraine by 10%. Sales decreased in Latvia, Lithuania, Estonia, Bulgaria, Moldova and Georgia for up to 40%. This resulted in Belarus becoming the third biggest market for the Concern and exports increasing to 95% of the total sales.

Sales by Countries, 1st Quarter 2010



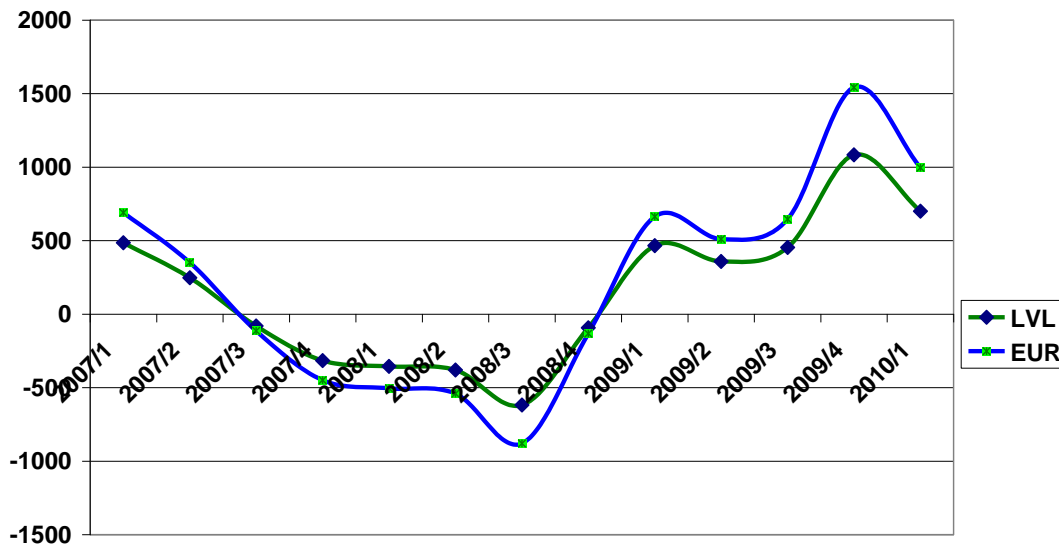
Product portfolio of Olainfarm remains well diversified in 2010, and still none of company's products makes up more than 20% in total sales. Some amendments to the list of top products have also been made by new products and during the first quarter of 2010 one of the most demanded company's products was memantine, which has been sold to Australian and Canadian markets. Still six best sold products are products that are promoted particularly strongly.

Sales by Products, 1st Quarter 2010



Because of the rapid improvements in Company's financial situation, the last quarter has been the best-ever first quarter of the year for the Company, both, in terms of sales and profit. Concern's profit during this period has reached 0.7 million lats or 1 million Euro.

Profit by Quarters, thsnd.



All major financial indicators of the company continue to improve.

Main financial indicators	31.03.2010.	31.03.2009.	% to the previous period
Sales (LVL)	6 101 424	5 566 223	110%
Net profit (LVL)	697 883	465 713	150%
EBITDA (LVL)	1 335 136	1 204 787	111%
EBIT (LVL)	882 654	577 145	153%
Sales (EUR)	8 681 544	7 920 022	110%
Net profit (EUR)	992 998	662 650	150%
EBITDA (EUR)	1 899 727	1 714 257	111%
EBIT (EUR)	1 255 903	821 203	153%
EBITDA margin, %	22	22	
Net margin, %	11	8	
EBIT margin, %	14	10	
Profit, last 12 months (LVL)	2 595 233	- 625 371	NA
Profit, last 12 months (EUR)	3 692 684	- 889 823	NA
EBITDA, last 12 months (LVL)	5 741 955	2 405 069	239%
EBITDA, last 12 months (EUR)	8 170 066	3 422 105	239%
ROA, % (last 12 months)	8,4	-1,9	
ROE, % (last 12 months)	14,6	-4,1	
Current ratio	2,4	1,4	
EPS, LVL (quarter)	0,05	0,03	150%
EPS, EUR (quarter)	0,07	0,05	150%
Share price, end of the period (LVL)	1,06	0,22	482%

Main financial indicators	31.03.2010.	31.03.2009.	% to the previous period
Share price, end of the period (EUR)	1,51	0,31	482%
P/E, last 12 months	5,8	- 5,0	NA
Market capitalisation at the end of the period (LVL)	14 930 183	3 098 717	482%
Market capitalisation at the end of the period (EUR)	21 243 737	4 409 077	482%
EV/EBITDA	2,6	1,3	
P/B	0,84	0,20	

Annual General Meeting of Shareholders of „Olainfarm” held on April 29, 2010 approved the operating plan of the concern. According to it, the forecast sales of the Concern for 2010 are 24.5 million lats (34.9 million Euro), but the net profit is forecast at 2.7 million lats (3.8 million Euro). Sales of the Concern during the first quarter of 2010 were 24% of the annual target, while the net profit was 26% of it. Therefore, during the first quarter the company operates very much in line with its forecasts.

Stock market

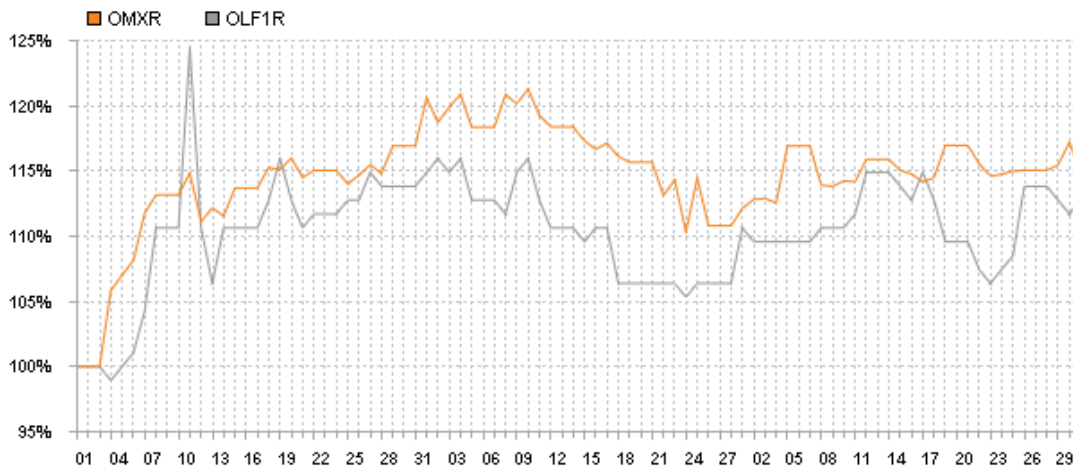
Considerable swings in company's operations over the last three years are well reflected in company's share price on NASDAQ OMX Riga. The relative stabilisation of share price took place only in autumn 2009, when the price stabilised at the level of approximately 1 lats per share, and remains at this level up until now. This price level for „Olainfarm” shares is the highest since autumn of 2008, after which the share price experienced relatively rapid fall down to 0.2 lats.

Price of shares of “Olainfarm” on NASDAQ OMX Riga (LVL) (April 2007 – March 2010)



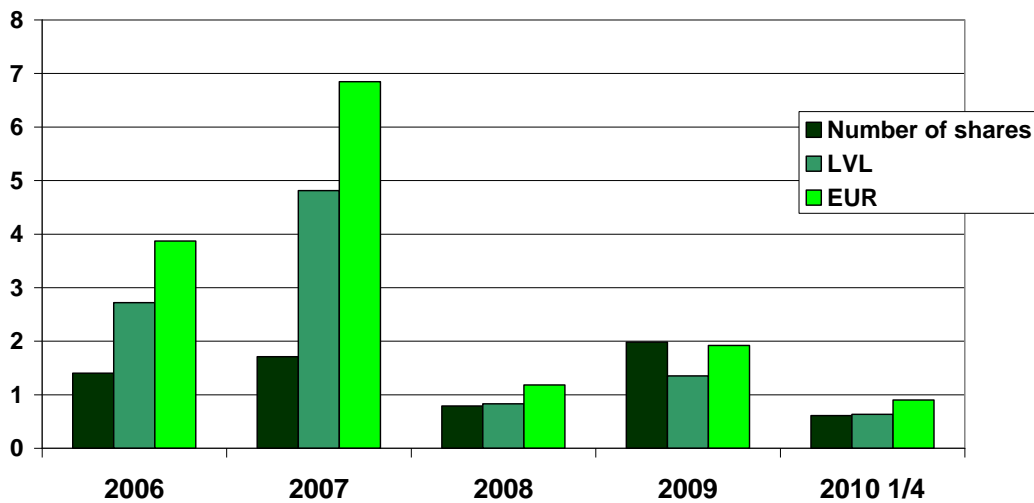
During the first quarter of 2010, compared to previous periods, the price of Olainfarm's shares remained relatively stable and its development was rather comparable to that of OMX Riga index, as Olainfarm share price during this period increased by 13%, but OMX Riga index by 15%. During the quarter the share price has fluctuated from 0.93 lats (1.32 euro) to 1.19 lats (1.69 euro) per share. Average weighted share price during this period was 1.04 lats (1.49 euro) per share.

Rebased price of Olainfarm share vs. rebased OMX Riga index (January – March 2010)



-- OMX Riga
 -- AS "Olainfarm"

Trading of Shares on NASDAQ OMX Riga, mln.



Trading activity with Olainfarm's shares on NASDAQ OMX Riga has also grown considerably. Number of shares traded during the 1st quarter of 2010 has exceeded 600 000, which is almost as much as during the entire 2008 and nearly one third of trading during 2009.

Product development

During the 1st quarter of 2010 7 registration cases have been finished, including registration of company's new product Midolat® in Latvia, registration of ampouled form of Vazonat® in Ukraine and registration of 5 products in Albania. This market is completely new for the Company and the first shipments to this market are planned for the nearest months. Also several registration files have been submitted to other markets that are untypical for the company, including Indonesia and Serbia. During the reporting period pilot tests of R-Fenotropol have also been successfully completed and the work has been launched to identify the optimal drug form for this molecule.

Environment

During the 1st quarter of 2010 the application has been developed to receive the permit for category A polluting activity, drug dust emission monitoring program agreed with the Environmental laboratory and the relevant measurements have been started. According to the requirements of EU Directive 1272/2008 on classification, packaging and labelling of substances and combinations new labelling of chemical compounds and chemical intermediates is being developed.

Events after the end of the reporting period

In April 2010 Olainfarm has received a new Good Manufacturing Practice compliance certificate.

In May 2010 Olainfarm was the only Latvian company to participate in Baltic Investors' Conference organized by Swedbank in Stockholm. At this event the most attractive Baltic listed companies met the potential investors from Baltic, Scandinavian and Western European countries.

On April 28, 2010 the new company SIA „NKC” (Ķīmijas, farmācijas, biotehnoloģijas un vides nozaru kvalifikācijas centrs – Centre for qualifications of chemical, pharmaceutical, biotechnological and environmental industries) was founded. This company was established together with other companies and organisations interested in development of the mentioned industries to develop the curricula necessary for employees of these industries and in order to help the educational institutions related to industries to be able to react in as short time as possible to new educational needs appearing in these industries. JSC owns 20% of the capital of this company, and so far Olainfarm has invested 3 500 lats (about 5000 euros) in it.

The financial reports were approved by the Board of the Parent company and on its behalf they are signed by


Jelena Borcova
Member of the Board



28 May 2010

Statement of Responsibility of the Management

The Management Board prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Group, the cash flows and the results of the Group for that period in accordance with International Financial Reporting Standards as adopted by the EU. In preparing those financial statements, they:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position, financial performance and cash flows of the Parent Company and the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by the EU.

For the Board of JSC Olainfarm:


Jelena Borcova
Member of the Board



28 May 2010

Statement of consolidated comprehensive income

	Notes	31.03.2010. LVL	31.03.2010. EUR	31.03.2009. LVL	31.03.2009. EUR
Net sales	3	6 101 424	8 681 544	5 566 223	7 920 022
Changes in stock of finished goods and work in progress		(307 505)	(437 540)	503 993	717 117
Other operating income	4	86 889	123 632	140 928	200 522
Cost of materials:					
<i>raw materials and consumables</i>		(542 295)	(771 616)	(624 708)	(888 879)
<i>other external costs</i>		(525 510)	(747 733)	(737 639)	(1 049 566)
		(1 067 805)	(1 519 350)	(1 362 347)	(1 938 445)
Staff costs:					
<i>Wages and salaries</i>	8	(1 138 194)	(1 619 504)	(1 348 090)	(1 918 159)
<i>Statutory social insurance contributions</i>	8	(263 978)	(375 607)	(313 184)	(445 621)
		(1 402 172)	(1 995 111)	(1 661 274)	(2 363 780)
Depreciation/ amortization	10,11	(452 482)	(643 824)	(627 642)	(893 054)
Other operating expense	5	(2 075 695)	(2 953 448)	(1 982 736)	(2 821 179)
Financial income	6	55 715	79 275	33 515	47 688
Financial expense	7	(82 556)	(117 467)	(140 217)	(199 511)
(Loss)/ profit before taxes		855 813	1 217 712	470 443	669 380
Corporate income tax	18	(157 930)	(224 714)	(4 730)	(6 730)
(Loss)/ profit for the reporting period		697 883	992 998	465 713	662 650
Basic and diluted earnings per share	9	0.050	0.071	0.033	0.047

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The accompanying notes form an integral part of these financial statements.

For the Board of JSC Olainfarm:


 Jelena Borcova
 Member of the Board
 

28 May 2010

Consolidated statement of financial position

	Notes	ASSETS			
		31.03.2010. LVL	31.03.2010. EUR	31.03.2009. LVL	31.03.2009. EUR
NON-CURRENT ASSETS					
Intangible assets					
Goodwill	10	503 930	717 028	503 930	717 028
Patents	10	5 872 484	8 355 792	6 021 457	8 567 761
Other intangible assets	10	593 034	843 811	391 513	557 073
Prepayments for intangible assets		190 341	270 831	296 115	421 334
TOTAL		7 159 789	10 187 462	7 213 015	10 263 196
Property, plant and equipment					
Land, buildings and constructions	11	6 317 025	8 988 317	6 846 980	9 742 375
Equipment and machinery	11	2 299 245	3 271 531	3 660 041	5 207 769
Other tangible assets	11	639 982	910 612	241 100	343 054
Construction in progress	11	81 650	116 177	110 805	157 661
Prepayments for property, plant and equipment		297 722	423 620	238 432	339 258
TOTAL		9 635 624	13 710 258	11 097 358	15 790 118
Financial assets					
Other securities and investments		386	549	386	549
Investments in related companies		650	925	650	925
Investments in associated companies		3 500	4 980	-	-
TOTAL		4 536	6 454	1 036	1 474
TOTAL NON-CURRENT ASSETS		16 799 949	23 904 174	18 311 409	26 054 788
CURRENT ASSETS					
Inventories					
Raw materials		597 089	849 581	924 271	1 315 119
Work in progress		3 706 986	5 274 566	4 487 882	6 385 681
Finished goods and goods for resale		1 876 616	2 670 184	1 860 071	2 646 643
Goods in transit		1 368	1 946	-	-
Prepayments for goods		58 424	83 130	14 604	20 780
TOTAL	12	6 240 483	8 879 407	7 286 828	10 368 222
Receivables					
Trade receivables	13	6 836 444	9 727 383	4 908 348	6 983 950
Receivables from related companies		81 965	116 626	39 979	56 885
Other receivables		298 683	424 988	1 015 050	1 444 286
Corporate income tax		-	-	164 334	233 826
Current loans to management and employees		618 946	880 681	277 733	395 178
Prepaid expense		38 050	54 140	62 189	88 487
TOTAL		7 874 088	11 203 818	6 467 633	9 202 613
Cash	14	37 547	53 425	553 412	787 434
TOTAL CURRENT ASSETS		14 152 118	20 136 650	14 307 873	20 358 269
TOTAL ASSETS		30 952 067	44 040 824	32 619 282	46 413 057

For the Board of JSC Olainfarm:


 Jelena Borcova
 Member of the Board


28 May 2010

Consolidated statement of financial position

EQUITY	Notes	EQUITY AND LIABILITIES			
		31.03.2010. LVL	31.03.2010. EUR	31.03.2009. LVL	31.03.2009. EUR
Share capital	15	14 085 078	20 041 260	14 085 078	20 041 260
Share premium		1 759 708	2 503 839	1 759 708	2 503 839
Retained earnings/ (accumulated deficit):					
brought forward		1 266 810	1 802 508	(1 096 253)	(1 559 827)
for the period		697 883	992 998	465 713	662 650
TOTAL EQUITY		17 809 479	25 340 606	15 214 246	21 647 922
LIABILITIES					
Non-current liabilities					
Loans from credit institutions	16	3 219 829	4 581 404	4 599 273	6 544 176
Long term payables	20	2 453 050	3 490 376	1 256 836	1 788 317
Deferred corporate income tax liabilities		839 689	1 194 770	718 164	1 021 855
Loan from shareholder		610 517	868 687	-	-
Taxes payable	18	148 214	210 890	734 797	1 045 522
Finance lease liabilities	17	83 513	118 828	180 488	256 811
TOTAL		7 354 812	10 464 955	7 489 558	10 656 681
Current liabilities					
Loans from credit institutions	16	2 402 773	3 418 838	3 377 831	4 806 221
Finance lease liabilities	17	97 740	139 071	159 477	226 915
Prepayments received from customers		35 171	50 044	190 674	271 305
Trade and other payables	20	1 374 795	1 956 157	4 020 582	5 720 773
Payables to related companies		227 604	323 851	175 737	250 051
Taxes payable	18	583 958	830 897	923 847	1 314 516
Corporate income tax	18	486 727	692 551	-	-
Accrued liabilities	19	579 008	823 854	1 067 330	1 518 674
TOTAL		5 787 776	8 235 264	9 915 478	14 108 454
TOTAL LIABILITIES		13 142 588	18 700 218	17 405 036	24 765 135
TOTAL EQUITY AND LIABILITIES		30 952 067	44 040 824	32 619 282	46 413 058

The accompanying notes form an integral part of these financial statements.

For the Board of JSC Olainfarm:


 Jelena Borcova
 Member of the Board



28 May 2010

Consolidated statement of cash flow

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Cash flows to/from operating activities				
(Loss)/ Profit before taxes	855 813	1 217 712	470 443	669 380
Adjustments for:				
Amortisation and depreciation	454 868	647 219	630 018	896 435
Loss on sale/ disposal of property, plant and equipment	1 897	2 699	(306)	(435)
Increase in allowances	40 224	57 234	135 766	193 178
Interest expenses	76 483	108 826	140 217	199 511
Interest receivable	(8 815)	(12 543)	(2 714)	(3 862)
Operating cash flows before working capital changes	1 420 470	2 021 147	1 373 424	1 954 206
Increase in inventories	349 724	497 612	(463 451)	(659 431)
Decrease in receivables and prepaid expense	(993 282)	(1 413 313)	(575 415)	(818 742)
Increase/ (decrease) in payables and prepayments received	(260 238)	(370 285)	397 489	565 576
Cash generated from operations	516 674	735 161	732 047	1 041 609
Interest paid	(58 085)	(82 648)	(138 232)	(196 686)
Corporate income tax paid	-	-	(45 065)	(64 122)
Net cash flows to/ from operating activities	458 589	652 513	548 750	780 801
Cash flows to/from investing activities				
Purchase of property, plant and equipment	(167 381)	(238 162)	(71 556)	(101 815)
Acquisition of subsidiary	-	-	(53 000)	(75 412)
Proceeds from sale of intangible assets and property, plant and equipment	31 848	45 316	1 289	1 834
Loans repaid	40 085	57 036	693	986
Interest receivable	3 588	5 105	251	357
Loans granted	(205 275)	(292 080)	(7 218)	(10 270)
Net cash flows to/from investing activities	(297 135)	(422 785)	(129 541)	(184 320)
Cash flows to/from financing activities				
Borrowings repaid	(376 846)	(536 204)	(403 300)	(573 844)
Proceeds from borrowings	70 280	99 999	500 396	712 000
Net cash flows to/from financing activities	(306 566)	(436 204)	97 097	138 156
Change in cash	(145 112)	(206 476)	516 306	734 637
Cash at the beginning of the year	182 659	259 900	37 106	52 797
Cash at the end of the year	37 547	53 425	553 412	787 434

The accompanying notes form an integral part of these financial statements.

Statement of consolidated changes in equity

	Share capital	Share capital	Share premium	Share premium	Retained earnings/ (Accumulated deficit)	Retained earnings/ (Accumulated deficit)	Total	Total
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Balance as at 31 December 2009	14 085 078	20 041 260	1 759 708	2 503 839	1 266 810	1 802 508	17 111 596	24 347 607
Loss for the reporting year	-	-	-	-	697 883	992 998	697 883	992 998
Balance as at 31 March 2010	14 085 078	20 041 260	1 759 708	2 503 839	1 964 693	2 795 506	17 809 479	25 340 605

The accompanying notes form an integral part of these financial statements.

Notes to the consolidated financial statements

1. Corporate information

The principal activities of Olainfarm Group (hereinafter, the Group) are manufacturing and distribution of chemical and pharmaceutical products.

The Parent Company of the Group, JSC Olainfarm (hereinafter, the Parent Company) was registered with the Republic of Latvia Enterprise Register on 10 June 1991 (re-registered on 27 March 1997) and with the Republic of Latvia Commercial Register on 4 August 2004.

The shares of the Parent Company are listed on Riga Stock Exchange, Latvia.

These consolidated financial statements were approved by the Board on 28 May 2010.

The Parent Company's shareholders have the power to amend the consolidated financial statements after the issue.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in lats (LVL), the monetary unit of the Republic of Latvia.

The consolidated financial statements of JSC Olainfarm and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

Foreign currency translation

The functional and reporting currency of companies of the Group is the Lat (LVL). All transactions denominated in foreign currencies are converted into Lats at the Bank of Latvia rate of exchange prevailing on the day the transaction took place. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income. At the year end foreign currency financial assets and liabilities are translated at the Bank of Latvia rate of exchange ruling at 31 December, and all associated exchange differences are dealt with through the statement of comprehensive income.

Exchange rates against the USD and EUR in the last two years have been:

	<u>31/03/2010</u>	<u>31/03/2009</u>
EUR	0.702804	0.702804
USD	0.521	0.532

3. Net sales

By business segments	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Finished form medicine	5 445 116	7 747 702	5 313 200	7 560 003
Chemicals	656 308	933 842	253 023	360 020
TOTAL:	6 101 424	8 681 544	5 566 223	7 920 022

By geographical segments	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
CIS	5 010 266	7 128 966	4 190 448	5 962 470
Latvia	299 451	426 080	944 331	1 343 662
Europe	522 298	743 163	88 835	126 401
Baltic states (Lithuania and Estonia)	107 876	153 494	158 681	225 783
Other	161 533	229 841	183 928	261 706
TOTAL:	6 101 424	8 681 544	5 566 223	7 920 022

4. Other operating income

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Treatment of waste water	778	1 108	66 465	94 571
Income of services*	29 363	41 780	30 450	43 327
Lease of premises	16 695	23 755	20 309	28 897
Sale of current assets	22	32	1 289	1 834
Incomes from catering services	5 990	8 522	8 880	12 635
Gains from sale of non-current assets	30 861	43 911	223	317
Other operating income	3 180	4 524	13 311	18 940
TOTAL:	86 889	123 632	140 928	200 522

* Income from services includes the analysis of preparations based on customer's orders.

5. Other operating expense

	31.03.2010		31.03.2009	
	LVL	EUR	LVL	EUR
Marketing expense	1 399 259	1 990 966	1 316 412	1 873 086
Sales commissions	40 558	57 709	31 027	44 147
Transportation expense	20 753	29 529	15 927	22 662
Other distribution costs	23 956	34 086	14 764	21 007
Expert analysis of medicines	2 064	2 937	1 074	1 528
<i>Total distribution costs:</i>	<i>1 486 590</i>	<i>2 115 228</i>	<i>1 379 204</i>	<i>1 962 430</i>
Other operating expense	118 133	168 088	333 595	474 662
Write-offs of current assets	67 230	95 660	11 169	15 892
Representation expense	61 246	87 145	11 248	16 004
Information and business consulting	58 423	83 128	28 474	40 515
Security	50 166	71 380	8 120	11 554
Insurance	43 003	61 187	39 749	56 558
Business trips	32 387	46 082	24 426	34 755
Current repairs	17 753	25 260	6 117	8 704
Other taxes	16 473	23 439	15 411	21 928
Communications expense	15 859	22 566	16 337	23 245
Allowances to staff	13 544	19 271	9 479	13 487
Car fleet maintenance	11 100	15 794	11 075	15 758
Permits for import and export of medicines	9 686	13 781	3 960	5 635
Flowers and gifts	8 848	12 589	2 343	3 334
Donations	8 238	11 722	2 393	3 405
Social infrastructure	8 168	11 621	10 107	14 381
Bank charges	7 494	10 663	7 874	11 204
Annual payment for medicines registered in LR	7 350	10 458	3 150	4 482
Membership fees	6 999	9 959	9 620	13 688
Education	6 779	9 646	7 026	9 997
Office expense	6 637	9 444	4 263	6 066
Write-offs and disposal of tangible assets	2 276	3 239	485	690
Legal and audit expense	2 030	2 888	960	1 366
Land lease for eco-field	1 896	2 698	3 577	5 090
Waste removal	1 824	2 595	7 765	11 049
Laboratory tests	1 802	2 564	3 125	4 446
Visas, invitations	1 694	2 411	1 040	1 480
Administrative offices maintenance	1 350	1 921	2 310	3 287
Humanitarian aid	718	1 022	5 335	7 591
Inventorying of buildings	-	-	13 000	18 497
TOTAL:	2 075 695	2 953 448	1 982 736	2 821 179

6. Financial income

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Interest accrued on bank account balances	3 588	5 105	251	357
Currency exchange gain, net	46 900	66 733	30 801	43 826
Loan interest payments	5 227	7 437	2 463	3 505
TOTAL:	55 715	79 275	33 515	47 688

7. Financial expense

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Loan interest expenses	76 746	109 200	102 522	145 875
Penalties paid for late payments	5 810	8 267	37 695	53 635
TOTAL:	82 556	117 467	140 217	199 511

8. Staff costs and number of employees

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Wages and salaries	1 138 194	1 619 504	1 348 090	1 918 159
Statutory social insurance contributions	263 978	375 607	313 184	445 621
TOTAL:	1 402 172	1 995 111	1 661 274	2 363 780

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Management of the Group				
Wages and salaries	95 810	136 326	101 990	145 119
Statutory social insurance contributions	23 489	33 422	24 518	34 886
Board Members				
Wages and salaries	97 359	138 529	89 996	128 053
Statutory social insurance contributions	23 032	32 772	21 680	30 848
Council Members				
Wages and salaries	27 071	38 519	19 514	27 766
Statutory social insurance contributions	6 557	9 329	4 073	5 795
TOTAL:	273 318	388 897	261 771	372 467

	31/03/2010	31/03/2009
Average number of employees during the reporting year	731	816

9. Basic and diluted earnings per share

Earnings per share are calculated by dividing the net result for the year after taxation attributable to shareholders by the weighted average number of shares in issue during the year. The table below presents the income and share data used in the computations of basic earnings per share:

	2010 I quarter		2009 I quarter	
	LVL	EUR	LVL	EUR
Net result attributable to shareholders	697 883	992 998	465 713	662 650
Weighted average number of ordinary shares*	14 085 078	14 085 078	14 085 078	14 085 078
Earnings per share	0.050	0.071	0.033	0.047

The Parent Company has no potential dilutive ordinary shares and therefore diluted earnings per share are the same as the basic earnings per share.

10. Intangible assets

	Goodwill		Production technologies		Other intangible assets		TOTAL	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Acquisition value as at 31/12/2009	503 930	717 028	6 228 449	8 862 285	1 185 268	1 686 484	7 917 647	11 265 797
2010 I quarter Additions	-	-	-	-	10 989	15 636	10 989	15 636
quarter Reclassification	-	-	(11 988)	(17 057)	(67 176)	(95 583)	(79 164)	(112 640)
Acquisition value as at 31/03/2010	503 930	717 028	6 216 461	8 845 227	1 129 081	1 606 538	7 849 472	11 168 792
Accumulated amortisation as at 31/12/2009	-	-	304 781	433 664	547 334	778 785	852 115	1 212 450
2010 I quarter Amortisation	-	-	39 196	55 771	49 525	70 467	88 721	126 238
quarter Reclassification	-	-	-	-	(60 811)	(86 526)	(60 811)	(86 526)
Accumulated amortisation as at 31/03/2010	-	-	343 977	489 435	536 047	762 726	880 024	1 252 162
Net carrying amount as at 31/12/2009	503 930	717 028	5 923 670	8 428 623	637 935	907 700	7 065 535	10 053 351
Net carrying amount as at 31/03/2010	503 930	717 028	5 872 484	8 355 792	593 034	843 811	6 969 448	9 916 631

	Goodwill		Patents		Other intangible assets		TOTAL	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Acquisition value as at 31/12/2008	503 930	717 028	6 209 531	8 835 367	818 783	1 165 023	7 532 244	10 717 418
2009. I quarter Additions	-	-	-	-	31 067	44 204	31 067	44 204
Acquisition value as at 31/03/2009	503 930	717 028	6 209 531	8 835 367	849 850	1 209 228	7 563 311	10 761 622
Accumulated amortisation as at 31/12/2008	-	-	148 018	210 611	419 672	597 139	567 690	807 750
2009. I quarter Amortisation	-	-	40 056	56 994	38 665	55 015	78 721	112 009
quarter Amortisation of disposals	-	-	-	-	-	-	-	-
Accumulated amortisation as at 31/03/2009	-	-	188 074	267 605	458 337	652 155	646 411	919 759
Net carrying amount as at 31/12/2008	503 930	717 028	6 061 513	8 624 756	399 113	567 887	6 964 556	9 909 670
Net carrying amount as at 31/03/2009	503 930	717 028	6 021 457	8 567 761	391 513	557 073	6 916 900	9 841 862

11. Property, plant and equipment

LVL

	Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2009	55 928	12 992 020	12 259 334	601 254	82 484	25 991 020
2010. I quarter						
Additions	-	-	76 179	38 989	505	115 673
Liquidation	-	(841)	(19 848)	(13 781)	(505)	(34 975)
Reversed impairment	-	-	82	-	-	82
Reclassification*	-	834	-	-	(834)	-
Reclassification**	-	-	(1 358 377)	1 440 300	-	81 923
Acquisition value as at 31/03/2010	55 928	12 992 013	10 957 369	2 066 762	81 650	26 153 723
Accumulated depreciation as at 31/12/2009	-	6 602 293	9 397 201	417 846	-	16 417 339
2010. I quarter						
Depreciation	-	129 158	165 918	71 071	-	366 147
Depreciation of disposals	-	(534)	(18 861)	(11 835)	-	(31 230)
Reclassification**	-	-	(475)	(574)	-	63 563
Accumulated depreciation as at 31/03/2010	-	6 730 916	8 658 124	1 426 779	-	16 815 820
Net carrying amount as at 31/12/2009	55 928	6 389 728	2 862 135	183 408	82 484	9 573 684
Net carrying amount as at 31/03/2010	55 928	6 261 097	2 299 245	639 982	81 650	9 337 902

	Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2008	55 928	13 023 139	12 264 667	602 694	88 779	26 035 207
2009. I quarter						
Additions	-	-	3 831	584	23 678	28 093
Disposals	-	(3 750)	(14 997)	(115)	(1 652)	(20 514)
Reclassification	-	-	(207)	207	-	-
Acquisition value as at 31/03/2009	55 928	13 019 389	12 253 294	603 370	110 805	26 042 786
Accumulated depreciation as at 31/12/2008	-	6 098 312	8 212 375	339 756	-	14 650 443
2009. I quarter						
Depreciation	-	133 361	395 328	22 609	-	551 298
Depreciation of disposals	-	(3 335)	(14 450)	(95)	-	(17 880)
Accumulated depreciation as at 31/03/2009	-	6 228 338	8 593 253	362 270	-	15 183 861
Net carrying amount as at 31/12/2008	55 928	6 924 828	4 052 292	262 939	88 779	11 384 766
Net carrying amount as at 31/03/2009	55 928	6 791 052	3 660 041	241 100	110 805	10 858 925

11. Property, plant and equipment (cont'd)

EUR

	Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2009	79 578	18 485 979	17 443 461	855 507	117 364	36 981 889
2010. I quarter						
Additions	-	-	108 392	55 477	719	164 588
Liquidation	-	(1 197)	(28 241)	(19 609)	(719)	(49 765)
Reversed impairment	-	-	117	-	-	117
Reclassification*	-	1 187	-	-	(1 187)	-
Reclassification**	-	-	(1 932 797)	2 049 362	-	116 565
Acquisition value as at 31/03/2010	79 578	18 485 969	15 590 932	2 940 737	116 177	37 213 395
Accumulated depreciation as at 31/12/2009	-	9 394 216	13 371 012	594 541	-	23 359 769
2010. I quarter						
Depreciation	-	183 775	236 080	101 126	-	520 980
Depreciation of disposals	-	(760)	(26 837)	(16 839)	-	(44 436)
Reclassification**	-	-	(676)	(817)	-	90 442
Accumulated depreciation as at 31/03/2010	-	9 577 231	12 319 400	2 030 124	-	23 926 756
Net carrying amount as at 31/12/2009	79 578	9 091 765	4 072 451	260 966	117 364	13 622 125
Net carrying amount as at 31/03/2010	79 578	8 908 739	3 271 531	910 612	116 177	13 286 638

	Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2008	79 578	18 530 257	17 451 049	857 556	126 321	37 044 762
2009. I quarter						
Additions	-	-	5 451	831	33 691	39 973
Disposals	-	(5 336)	(21 339)	(164)	(2 351)	(29 189)
Reclassification	-	-	(295)	295	-	-
Acquisition value as at 31/03/2009	79 578	18 524 922	17 434 867	858 518	157 661	37 055 546
Accumulated depreciation as at 31/12/2008	-	8 677 116	11 685 157	483 429	-	20 845 702
2009. I quarter						
Depreciation	-	189 755	562 501	32 170	-	784 426
Depreciation of disposals	-	(4 745)	(20 560)	(135)	-	(25 441)
Accumulated depreciation as at 31/03/2009	-	8 862 126	12 227 097	515 464	-	21 604 688
Net carrying amount as at 31/12/2008	79 578	9 853 143	5 765 892	374 128	126 321	16 199 063
Net carrying amount as at 31/03/2009	79 578	9 662 797	5 207 769	343 054	157 661	15 450 858

There is a difference of LVL 2 386 between total depreciation and amortisation under the income statement and the total depreciation and amortisation stated in Notes 10 and 11. Difference is explained as depreciation of the property, plant and equipment in the cafe and the canteen – LVL 1 421 which was disclosed in the income statement as other operating expense and 965 LVL depreciation expenses included in other operating expense.

12. Inventories

	31.03.2010.		31.03.2009.	
	LVL	EUR	LVL	EUR
Raw materials (at cost)	933 239	1 327 879	1 044 727	1 486 513
Work in progress (at cost)	3 959 245	5 633 498	4 669 013	6 643 407
Finished goods and goods for resale (at cost)*	2 180 401	3 102 431	2 102 072	2 990 979
Goods in transit	1 368	1 946	-	-
Prepayments for goods	58 424	83 130	14 604	20 780
TOTAL:	7 132 677	10 148 885	7 830 416	11 141 678
Allowances for raw materials	(336 150)	(478 299)	(120 456)	(171 393)
Allowances for work in progress	(252 260)	(358 933)	(181 131)	(257 726)
Allowances for finished goods and goods for resale	(303 785)	(432 248)	(242 001)	(344 336)
TOTAL:	(892 195)	(1 269 480)	(543 588)	(773 456)
TOTAL:	6 240 483	8 879 407	7 286 828	10 368 222

* As at 31 March 2010, the Group's inventories comprised goods on consignment in the amount of LVL 258 664 (31/03/2009: LVL 223 174).

13. Trade receivables

	31.03.2010.		31.03.2009.	
	LVL	EUR	LVL	EUR
Trade receivables	6 888 047	9 800 807	4 929 136	7 013 529
Allowances for doubtful trade receivables	(51 603)	(73 424)	(20 788)	(29 579)
TOTAL:	6 836 444	9 727 383	4 908 348	6 983 950

14. Cash and short term deposits

	31.03.2010.		31.03.2009.	
	LVL	EUR	LVL	EUR
Cash at banks and on hand	37 547	53 425	53 016	75 434
Short-term deposits	-	-	500 396	712 000
	37 547	53 425	553 412	787 434

	31.03.2010.		31.03.2009.	
	Foreign currency	LVL	Foreign currency	LVL
Cash by currency profile:				
LVL	-	28 116	-	31 511
EUR	12 046	8 466	742 249	521 656
USD	1 711	891	461	245
RUB	4 151	73	-	-
KOPĀ:	-	37 547	-	553 412

Cash at banks earns interest at average 0.25% based on bank account service agreement.

15. Share capital

The share capital of the Parent Company on 31/03/2010 is LVL 14 085 078 (31/03/2009: LVL 14 085 078) and consists of 14 085 078 (31/03/2009: 14 085 078) shares. The par value of each share is LVL 1.

All 14 085 078 shares are ordinary publicly traded dematerialized voting shares to bearer.

16. Loans from credit institutions

Non-current:		Amount	Interest rate (%) as at 31/03/2010	Maturity	The rests of the loans			
					31.03.2010. LVL	31.03.2010. EUR	31.03.2009. LVL	31.03.2009. EUR
Loan from AS SEB banka	6 950 000	EUR	EUR LIBOR (3 month)+2.1%	08.12.2011.	1 441 752	2 051 429	1 982 409	2 820 714
Loan from AS SEB banka	4 000 000	EUR	EURIBOR (3 month)+2.1%	23.05.2013.	1 029 459	1 464 789	1 504 594	2 140 844
Loan from AS SEB banka	2 000 000	EUR	EURIBOR (3 month)+2.1%	10.10.2012.	523 658	745 098	854 389	1 215 686
Loan from AS SEB banka	445 000	EUR	EURIBOR (3 month)+2.1%	30.01.2015.	224 959	320 088	257 880	366 930
TOTAL:					3 219 829	4 581 404	4 599 273	6 544 176

Current:		Amount	Interest rate (%) as at 31/03/2010	Maturity	The rests of the loans			
					31.03.2010. LVL	31.03.2010. EUR	31.03.2009. LVL	31.03.2009. EUR
Loan from AS SEB banka	6 950 000	EUR	EUR LIBOR (3 month)+2.1%	08.12.2011.	540 657	769 286	540 657	769 286
Loan from AS SEB banka	4 000 000	EUR	EURIBOR (3 month)+2.1%	23.05.2013.	475 135	676 056	475 135	676 056
Loan from AS SEB banka	2 000 000	EUR	EURIBOR (3 month)+2.1%	10.10.2012.	330 731	470 588	330 731	470 589
Loan from AS SEB banka	445 000	EUR	EURIBOR (3 month)+2.1%	30.01.2015.	32 921	46 842	32 921	46 842
Credit line from AS SEB banka	1 488 000	EUR	EURIBOR (3 month)+2.9%	03.01.2011.	1 023 329	1 456 066	1 998 387	2 843 449
TOTAL:					2 402 773	3 418 838	3 377 831	4 806 221

Interest payable is normally settled quarterly throughout the financial year.

* Limit for 2010 was set at 1 488 000 EUR. As at 31 March 2010, the undrawn portion was EUR 661 167 (LVL 464 671). As at 31 March 2009 limit of credit line was 3 000 000 EUR and unused credit line amount comprised EUR 1 425 167 (LVL (1 001 613)).

As at 31 March 2010, all the non-current and current assets owned by the Parent Company were pledged as a security for the loan and credit lines received (see Note 12). The pledge agreements were registered with the Commercial Pledge Register. In addition, major shareholders of the Parent Company guaranteed repayment of the loan by their shares in the Parent Company, and the chairman of the Board of the Parent Company (President) pledged all his shares in SIA Olmafarm.

17. Finance lease liabilities

	31.03.2010.		31.03.2010.		31.03.2009.		31.03.2009.	
	LVL		EUR		LVL		EUR	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Finance lease liabilities to SIA SEB lizings, EUR	83 513	97 740	118 828	139 071	180 488	151 626	256 811	215 744
Finance lease liabilities to SIA Swedbank Lizings, EUR	-	-	-	-	-	4 072	-	5 794
Finance lease liabilities to SIA SEB lizings, LVL	-	-	-	-	-	1 541	-	2 193
Finance lease liabilities to SIA "Parex Lizings", EUR	-	-	-	-	-	2 238	-	3 184
TOTAL:	83 513	97 740	118 828	139 071	180 488	159 477	256 811	226 915

The interest rate on the finance leases is 2.38%. Interest rate is normally revised quarterly throughout the financial year. The net carrying amount of the property, plant and equipment held under finance lease is disclosed in Note 11.

Future minimum lease payments for the above finance leases can be specified as follows:

	31.03.2010.		31.03.2010.		31.03.2009.		31.03.2009.	
	Present		Present		Present		Present	
	Minimum payments	value of payments	Minimum payments	value of payments	Minimum payments	value of payments	Minimum payments	value of payments
	LVL	LVL	EUR	EUR	LVL	LVL	EUR	EUR
Within one year	103 912	97 740	147 853	139 071	173 190	159 477	246 427	226 915
Between one and five years	86 508	83 513	123 090	118 828	190 836	180 487	271 535	256 810
Total minimum lease payments	190 420	181 253	270 943	257 900	364 026	339 964	517 962	483 725
Less amounts representing finance charges	(9 167)	-	(13 043)	-	(24 062)	-	(34 237)	-
Present value of minimum lease payments	181 253	181 253	257 900	257 900	339 964	339 964	483 725	483 725

18. Taxes payable/ receivable

	31.03.2010		31.03.2010		31.03.2009		31.03.2009	
	LVL		EUR		LVL		EUR	
Personal income tax *		(504 501)		(717 840)		(701 980)		(998 828)
Statutory social insurance contributions *		(181 421)		(258 138)		(896 235)		(1 275 228)
Real estate tax *		(41 058)		(58 421)		(56 635)		(80 584)
Natural resource tax		(5 191)		(7 386)		(3 793)		(5 397)
Corporate income tax		(486 727)		(692 551)		164 334		233 826
Value added tax		141 778		201 732		166 092		236 328
TOTAL:		(1 077 120)		(1 532 603)		(1 328 218)		(1 889 884)
Total liabilities:		(1 218 899)		(1 734 338)		(1 658 644)		(2 360 038)
Total assets:		141 779		201 733		330 426		470 154

* According to Cabinet Order No. 127 as of 25 February 2005, the Parent Company was granted extension of the payment term of delayed statutory social insurance contributions, personal income tax and real estate tax (accrued till 1 November 2003), without late payment penalties being charged as defined in the Law on Taxes and Duties and applicable tax laws.

19. Accrued liabilities

	31.03.2010.		31.03.2009.	
	LVL	EUR	LVL	EUR
Vacation pay reserve	324 312	461 454	378 833	539 031
Accruals for electricity and gas	89 692	127 620	214 103	304 641
Provisions for penalties related to taxes (see Note 25)	34 261	48 749	55 511	78 985
Accruals for marketing services	-	-	354 927	505 016
Accrued interest for purchase of long term investment	126 172	179 527	34 062	48 466
Other accrued liabilities	4 571	6 504	29 895	42 537
TOTAL:	579 008	823 854	1 067 330	1 518 674

20. Trade and other payables

	31.03.2010.		31.03.2009.	
	LVL	EUR	LVL	EUR
Trade and other payables	1 105 879	1 573 524	1 946 610	2 769 776
Wages and salaries	268 916	382 633	320 526	456 067
Loan from shareholder	-	-	500 396	712 000
Liability for long term investment	-	-	1 253 050	1 782 930
TOTAL:	1 374 795	1 956 157	4 020 582	5 720 773

21. Segment information

For management purposes group is organized into business units based on its products, and has two reportable operating segments as follows:

The finished form medicine segment represents tablets, capsules, ampoules and sachets, namely the products ready for final consumption by end users.

The chemicals segment is sales of chemicals to the clients of the Group for further processing, eventually into finished form medicines. Production of both segments is separated.

Under the segment „Chemicals” the Group has stated revenues from sale of chemical and pharmaceutical substances only to customers outside the Group. However, most of the chemicals are used to produce the final dosage forms within the Group and revenues generated by them do cover the resources invested into fixed assets used for chemical production. The Group does not keep separate books by segments. The segment „Other” relates primarily to matters that are managed on a group basis.

21. Segment information (cont'd)

LVL

	Finished form medicine		Chemicals		Unallocated		Total	
	31.03.2010.	31.03.2009.	31.03.2010.	31.03.2009.	31.03.2010.	31.03.2009.	31.03.2010.	31.03.2009.
Assets								
Intangible assets	4 510 657	2 522 236	2 664 571	2 664 571	126 897	168 949	7 159 789	7 213 015
Tangible assets	4 843 635	8 960 993	3 899 389	1 157 563	892 600	978 802	9 635 624	11 097 358
Financial assets	-	-	-	-	4 536	1 036	4 536	1 036
Inventories	3 457 228	6 452 915	2 783 255	833 574	-	339	6 240 483	7 286 828
Receivables	6 787 817	5 837 206	304 692	463 513	781 579	166 914	7 874 088	6 467 633
Cash	-	-	-	-	37 547	553 412	37 547	553 412
Total assets	19 599 337	25 630 609	9 509 572	5 119 221	1 843 158	1 869 452	30 952 067	32 619 282
Equity and liabilities								
Total equity	-	-	-	-	17 809 479	15 214 246	17 809 479	15 214 246
Deffered income tax liability	-	-	-	-	839 689	718 164	839 689	718 164
Loans from credit institution	3 114 922	7 064 523	2 507 680	912 581	-	-	5 622 602	7 977 104
Other loans	438 641	301 073	353 129	38 892	-	-	791 770	339 965
Taxes payable	675 270	1 468 658	543 629	189 718	-	267	1 218 899	1 658 644
Prepayments received from customers	149	162 721	35 022	27 858	-	95	35 171	190 674
Trade payables	2 435 238	3 321 420	1 392 607	1 899 162	-	56 836	3 827 845	5 277 418
Payables to related companies	126 093	155 633	101 511	20 104	-	-	227 604	175 737
Accrued liabilities	-	-	-	-	579 008	1 067 330	579 008	1 067 330
Total equity and liabilities	6 790 311	12 474 028	4 933 580	3 088 315	19 228 176	17 056 938	30 952 067	32 619 282
Income statement								
Net turnover	5 445 116	5 313 200	656 308	253 023	-	-	6 101 424	5 566 223
Changes in stock of finished goods and work in progress	(170 358)	446 336	(137 147)	57 657	-	-	(307 505)	503 993
Other operating income	-	446 336	-	57 657	86 889	140 928	86 889	140 928
Cost of materials	(591 564)	(1 204 727)	(476 241)	(155 623)	-	(1 997)	(1 067 805)	(1 362 347)
Staff costs	(776 803)	(1 471 223)	(625 369)	(190 051)	-	-	(1 402 172)	(1 661 274)
Depreciation/ amortisation and write-offs	(235 981)	(532 841)	(189 978)	(68 831)	(26 523)	(25 970)	(452 482)	(627 642)
Other operating expense	(1 149 935)	(1 755 911)	(925 760)	(226 825)	-	(25 970)	(2 075 695)	(1 982 736)
Income from investments in subsidiaries	-	-	-	-	55 715	-	-	-
Financial income	-	-	-	-	(82 556)	33 515	55 715	33 515
Financial expenses	-	-	-	-	(82 556)	(140 217)	(82 556)	(140 217)
Corporate income tax	-	-	-	-	(157 930)	(4 730)	(157 930)	(4 730)
Net profit/ (loss) for the year	2 520 475	794 834	(1 698 187)	(330 650)	(124 405)	1 529	697 883	465 713

21. Segment information (cont'd)

EUR

	Finished form medicine		Chemicals		Unallocated		Total	
	31.03.2010.	31.03.2009.	31.03.2010.	31.03.2009.	31.03.2010.	31.03.2009.	31.03.2010.	31.03.2009.
Assets								
Intangible assets	6 418 086	6 231 460	3 588 818	3 791 343	180 557	240 392	10 187 462	10 263 196
Tangible assets	6 891 872	12 750 345	5 548 330	1 647 063	1 270 055	1 392 710	13 710 258	15 790 118
Financial assets	-	-	-	-	6 454	1 474	6 454	1 474
Inventories	4 919 192	9 181 670	3 960 216	1 186 069	-	482	8 879 407	10 368 222
Receivables	9 658 194	8 305 596	433 538	659 520	1 112 086	237 497	11 203 818	9 202 613
Cash	-	-	-	-	53 425	787 434	53 425	787 434
Total assets	27 887 344	36 469 071	13 530 902	7 283 995	2 622 578	2 659 990	44 040 824	46 413 057
Equity and liabilities								
Total equity	-	-	-	-	25 340 606	21 647 922	25 340 606	21 647 922
Deferred income tax liability	-	-	-	-	1 194 770	1 021 855	1 194 770	1 021 855
Loans from credit institution	4 432 134	10 051 911	3 568 108	1 298 486	-	-	8 000 242	11 350 396
Other loans	624 129	428 388	502 458	55 338	-	-	1 126 586	483 726
Taxes payable	960 823	2 089 713	773 514	269 945	-	380	1 734 338	2 360 038
Prepayments received from customers	212	231 531	49 833	39 638	-	135	50 044	271 305
Trade payables	3 465 031	4 725 955	1 981 502	2 702 264	-	80 870	5 446 533	7 509 089
Payables to related companies	179 414	221 446	144 438	28 605	-	-	323 851	250 051
Accrued liabilities	-	-	-	-	823 854	1 518 674	823 854	1 518 674
Total equity and liabilities	9 661 742	17 748 943	7 019 851	4 394 276	27 359 230	24 269 836	44 040 824	46 413 057
Income statement								
Net turnover	7 747 702	7 560 003	933 842	360 019	-	-	8 681 544	7 920 022
Changes in stock of finished goods and work in progress	(242 397)	635 079	(195 143)	82 039	-	-	(437 540)	717 117
Other operating income	-	-	-	-	123 632	200 522	123 632	200 522
Cost of materials	(841 720)	(1 714 172)	(677 630)	(221 432)	-	(2 841)	(1 519 350)	(1 938 445)
Staff costs	(1 105 292)	(2 093 362)	(889 820)	(270 418)	-	-	(1 995 111)	(2 363 780)
Depreciation/ amortisation and write-offs	(335 771)	(758 164)	(270 314)	(97 938)	(37 739)	(36 952)	(643 824)	(893 054)
Other operating expense	(1 636 210)	(2 498 436)	(1 317 238)	(322 743)	-	-	(2 953 448)	(2 821 179)
Income from investments in subsidiaries	-	-	-	-	-	-	-	-
Financial income	-	-	-	-	79 275	47 688	79 275	47 688
Financial expenses	-	-	-	-	(117 467)	(199 511)	(117 467)	(199 511)
Corporate income tax	-	-	-	-	(224 714)	(6 730)	(224 714)	(6 730)
Net profit/ (loss) for the year	3 586 312	1 130 947	(2 416 302)	(470 472)	(177 012)	2 176	992 998	662 650

Segment assets do not include part of the intangible assets, tangible assets, inventories, receivables and financial assets and cash, as these assets are managed on a Group bases.

Segment liabilities do not include deferred tax liability and accrued liabilities, as these liabilities are managed on Group level.

Net profit for each operating segment does not include financial income and expenses and corporate income tax and deferred corporate income tax.

Geographic information

Major part of the Group assets (approx. 99%) is located in Latvia. For sales disclosed to external customers based on its geographical location, see Note 3.

22. Events after reporting period end

As of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statements or notes thereto.