

Enterprise name **RĪGAS FARMACEITISKĀ FABRIKA**

Registration No

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Registration No of tax-payer

4	0	0	0	3	0	0	0	7	6	5
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Address Rīga , Dunties 16/22

Phone 67355550 , 67355548 Fax 67391790

The basic kind of activity: manufacturing of medicines

Unit: LVL and EUR

B A L A N C E

for the period ended 31.March 2009

a/s "Rīgas Farmaceutiskā Fabrika"

reg. No 40003000765
Rīga, Dunties iela 16/22

BALANCE SHEET

for the period ended 31 march 2009

Period

01.01.2009.
31.03.2009.

(LB currency EUR rate = 0.702804)

ASSETS		Line code	The end of reporting period 2009.g. 01.01.-31.03. LVL	The end of reporting period 2009.g. 01.01.-31.03. EUR	The end of reporting period 2008.g. 01.01.-31.03. LVL	The end of reporting period 2008.g. 01.01.-31.03. EUR
1. Long - term investments						
<i>I Intangible investments</i>						
1 Research and development costs		10				
2 Concessions, patents, licenses, trade-marks and similar rights		20	52 766	75 079	15 058	21 426
3 Other intangible rights		21				
4 Intangible value of enterprise		30	-	-	-	-
5 Advance payments of intangible investments		40				
TOTALLY	1		52766	75079	15058	21426
<i>II Fixed assets</i>						
1 Lands, buildings, constructions and prennial plantations		60	492 127	700 234	371 755	528 960
2 Long-term leased fixed		70				
3 Technological equipment and machines		80	200 773	285 674	143 629	204 366
4 Other fixed assets and inventory		90	76 871	109 378	96 029	136 637
5 Forming of fixed assets and costs of unfinished objects of constructio		100				
6 Advance payments for fixed assets		110				
TOTALLY	2		769771	1095285	611413	869962
<i>III Long - term financial investments</i>						
1 Participation in capital of related companies		130				
2 Loans to related companies		140				
3 Participation in capital of affiliated companies		150				
4 Loans to affiliated companies		160				
5 Other securities and investments		170				
6 Other loans		180				
7 Own stocks and shares		190				
8 Loans to joint owners and administration		200				
TOTALLY			0	0	0	0
1. TOTALLY			822537	1170365	626471	891388
2. Current assets						
<i>I Stocks</i>						
1 Row materials, direct materials and auxiliary materials	3	230	260 650	370 872	267 691	380 890
2 Unfinished products	4	240	41 071	58 439	50 473	71 817
3 Complete products and goods for sale	5	250	111 743	158 996	67 353	95 835
4 Unfinished orders		260				
5 Advance payments for goods	6	270	1 346	1 915	12 712	18 088
6 Work animals and productive animals	7	280	150	213	50	71
TOTALLY			414960	590435	398279	566700
<i>II Debtors</i>						
1 Customers and client debts	8	300	28 613	40 713	210 718	299 825
2 Related companies debts		310	-		-	
3 Affiliated companies debts		320	-		-	
4 Other debts	9	330	238 929	339 965	341 240	485 541
5 Undeposited shares in business capital		340				
6 Short - term loans to joint owners and administration	9	350	420	598	102	145
7 Accrued income	10	360	8 181	11 641	12 065	17 167
TOTALLY			276143	392916	564125	802678
<i>III Securities and participation in capitals</i>						
1 Participation in capital of related companies		380				
2 Own stocks and shares		390				
3 Other securities and participation in capitals		400				
TOTALLY			0	0	0	0
<i>IV Cash assets (TOTAL)</i>						
1 Cash assets	11	420	4 481	6 376	10 696	15 219
2. TOTALLY			695584	989727	973100	1384597
BALANCE			1518121	2160092	1599571	2275984

LIABILITIES		Line code	The end of reporting period 2009.g. 01.01.-31.03. LVL	The end of reporting period 2009.g. 01.01.-31.03. EUR	The end of reporting period 2008.g. 01.01.-31.03. LVL	The end of reporting period 2008.g. 01.01.-31.03. EUR
1. Equity capital						
<i>Equity capital</i>						
1 Stock or share capital (equity capital)	12	450	663 000	943 364	663 000	943 364
2 Stock issue extra charge		460	-		-	
3 Long - term investment re-estimation reserve		470	-		-	
4 Prescribed reserves		480	-		-	
5 Reserves for own stocks and shares		490	-		-	
6 Reserves prescribed by enterprise		500	-		-	
7 Other reserves		510	28 060	39 926	28 060	39 926
8 Retained profit of previous years		530	739 748	1 052 567	671 992	956 158
9 Retained profit of the year of accountant		540	21 722	30 908	81 955	116 611
TOTALLY			1452530	2066764	1445007	2056060
1. TOTALLY			1452530	2066764	1445007	2056060
2. Stockpiles						
<i>Stockpiles</i>						
1 Reserves for pensions and similar obligations		560				
2 Reserve for prospective taxes	13	570	36 103	51 370	29 150	41 477
3 Other stockpiles	13	580	21 454	30 526	15 710	22 353
TOTALLY			57557	81896	44860	63830
2. TOTALLY			57557	81896	44860	63830
3. Creditors						
<i>I Long - term debts</i>						
1 Funded borrowings		600	-		-	
2 Borrowings for shares		610	-		-	
3 Bank borrowings		620	-		-	
4 Other borrowings		630	-		-	
5 Customers advanced payments		640	-		-	
6 Debts to suppliers and contractors		650	-		-	
7 Bills to be paid		660	-		-	
8 Borrowings from related companies		670	-		-	
9 Borrowings from affiliated companies		680	-		-	
10 Tax and social security payments		690	-		-	
11 Other creditors	14	700	-		-	
12 Deferred income		710	-		-	
13 Dividends of the year of account		720	-		-	
14 Unpaid dividends of previous years		730	-		-	
TOTALLY			0	0	0	0
<i>II Short - term debts</i>						
1 Funded borrowings		750	-		-	
2 Borrowings for shares		760	-		-	
3 Bank borrowings		770	-		-	
4 Other borrowings		780	-		-	
5 Customers advanced payments		790	-		-	
6 Debts to suppliers and contractors	14	800	35 343	50 289	73 524	104 615
7 Bills to be paid		810	-		-	
8 Borrowings from related companies		820	-		-	
9 Borrowings from affiliated companies		830	-		-	
10 Tax and social security payments	14	840	(42 618)	(60 640)	22 419	31 899
11 Other creditors	14	850	15 309	21 783	13 761	19 580
12 Deferred income		860	-		-	
13 Dividends of the year of account		870	-		-	
14 Unpaid dividends of previous years		880	-		-	
TOTALLY			8034	11431	109704	156095
3. TOTALLY			8034	11431	109704	156095
BALANCE			1518121	2160092	1599571	2275984

a/s "Rīgas Farmaceutiskā Fabrika "

reg. No 40003000765

Rīga , Dunties iela 16/22

PROFIT OR LOSS STATEMENT

for the period ended 31 march 2009

Period 01.01.2009.

31.03.2009.

(LB currency EUR rate = 0.702804)

No	Special rate	Note	ROW	The end of reporting period 2009.g. 01.01.-31.03. LVL	The end of reporting period 2009.g. 01.01.-31.03. EUR	The end of reporting period 2008.g. 01.01.-31.03. LVL	The end of reporting period 2008.g. 01.01.-31.03. EUR
1.	Net turnover	15	10	637791	907495	801050	1139791
2.	Cost of sales (prime cost)	16	20	-399848	-568932	-484135	-688862
3.	Gross profit or loss		30	237943	338562	316915	450929
4.	Sales Distribution costs:	16	40	-86775	-123470	-99919	-142172
5.	Administration costs	16	50	-111539	-158706	-127773	-181805
6.	Other operating income	17	60	158	225	1869	2659
7.	Other operating expenses	18	70	-3368	-4792	-2492	-3546
8.	Income from participation in capital of related and affiliated companies		80				
9.	Income from securities and long - term loans		90				
10.	Other interests receivable and similar income		100				
11.	Amounts written off investments		110				
12.	Interest payable and similar changes		120				
13.	Profit or loss before extraordinary items and tax	19	130	36419	51820	88600	126066
14.	Extraordinary income		140				
15.	Extraordinary charges		150				
16.	Profit or loss before tax	19	160	36419	51820	88600	126066
17.	Tax on profit or loss for the financial period	20	170	-13882	-19752	-6645	-9455
18.	Tax on profit (pustpone) or loss for the financial period	21	170	0	0	0	0
19.	Other taxes	22	180	-815	-1160	0	0
20.	Profit or loss for the financial period	23	190	21722	30908	81955	116611
EPS k-t				0.033	0.047	0.124	0.176

Enterprise name

RĪGAS FARMACEITISKĀ FABRIKA A/S

Registration No

0 0 0 3 0 0 0 7 6

Registration No of tax-payer

4 0 0 0 3 0 0 0 7 6 5

Address Rīga, Dunties iela 16/22

Phone 67355550, 67355548

Fax

67391790

Unit: LVL and EUR

OVERVIEW OF EQUITY CAPITAL CHANGES

		for the period ended 31 march 2009		(LB currency EUR rate = 0.702804)		Period	
						01.01.2009.	
						31.03.2009.	
		The end of	The end of	The end of	The end of	The end of	The end of
		reporting period	reporting period	reporting period	reporting period	reporting period	reporting period
		2009.g. 01.01.-	2009.g. 01.01.-	2008.g. 01.01.-	2008.g. 01.01.-	2008.g. 01.01.-	2008.g. 01.01.-
		31.03. , LVL	31.03. , EUR	31.03. , LVL	31.03. , EUR	31.03. , LVL	31.03. , EUR
1.	Share capital						
	Post-balance residue on: 01.01.2009.	663 000	943 364	663 000	943 364	663 000	943 364
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	663 000	943 364	663 000	943 364	663 000	943 364
2.	Share premium						
	Post-balance residue on: 01.01.2009.	0	0	0	0	0	0
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	0	0	0	0	0	0
3.	Revaluation reserve of long-term investments						
	Post-balance residue on: 01.01.2009.	0	0	0	0	0	0
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	0	0	0	0	0	0
4.	Mandatory reserves						
	Post-balance residue on: 01.01.2009.	0	0	0	0	0	0
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	0	0	0	0	0	0
5.	Revaluation of own stocks of shares reserves						
	Post-balance residue on: 01.01.2009.	0	0	0	0	0	0
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	0	0	0	0	0	0
6.	Reserves determined by company statute						
	Post-balance residue on: 01.01.2009.	0	0	0	0	0	0
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	0	0	0	0	0	0
7.	Other reserves						
	Post-balance residue on: 01.01.2009.	28 060	39 926	28 060	39 926	28 060	39 926
	Increase :	0	0	0	0	0	0
	Decrease :	0	0	0	0	0	0
	Post-balance residue on: 31.03.2009.	28 060	39 926	28 060	39 926	28 060	39 926
8.	Retained profit						
	Post-balance residue on: 01.01.2009.	739 748	1 052 567	671 992	956 158	671 992	956 158
	Post-balance residue on: 31.03.2009.	761 470	1 083 474	753 947	1 072 770	753 947	1 072 770
9.	Equity capital (total)						
	Post-balance residue on: 01.01.2009.	1 430 808	2 035 856	1 363 052	1 939 448	1 363 052	1 939 448
	Post-balance residue on: 31.03.2009.	1 452 530	2 066 764	1 445 007	2 056 060	1 445 007	2 056 060

a/s "Rīgas Farmaceutiskā Fabrika "

reg. No 40003000765

Rīga , Dunties iela 16/22

STATEMENT OF CASH FLOW

for the period ended 31 march 2009

Period 01.01.2009.

(LB currency EUR rate = 0.702804) 31.03.2009.

	Note No	The end of reporting period 2009.g. 01.01.-31.03. , LVL	The end of reporting period 2009.g. 01.01.-31.03. , EUR	The end of reporting period 2008.g. 01.01.-31.03. , LVL	The end of reporting period 2008.g. 01.01.-31.03. , EUR
CASH FLOW from operating activities					
Net profit (before enterprise income tax)		36419	51820	88600	126066
<i>Corrections to adjust the profit of revision year to hard cash of economic activities :</i>					
Depreciation of fixed assets and intangible investments		56676	80643	31528	44860
Profit or loss from sale of fixed assets and intangible investments		-6964	-9909	0	0
Expenditures per cent		0	0	0	0
Provisions for non-used holidays		-2822	-4015	-2867	-4079
Other reserves		0	0	0	0
Debt expenditures of doubtful debtors		0	0	0	0
Incoming of next periods		0	0	0	0
The taxes to deduct from net profit (property tax)		-815	-1160	0	0
Paid enterprise income tax		-13882	-19752	-6645	-9455
<i>The changes of the current assets and liabilities:</i>					
Provisions		21822	31050	-30935	-44017
Debts of customers and subscribers		156295	222388	38528	54820
Expenditures of next periods		-1392	-1981	-2778	-3953
Others debtors		281448	400464	-54700	-77831
Advance payments from customers		0	0	0	0
Debts to suppliers and contractors		-453517	-645297	-18050	-25683
Other creditors		-45527	-64779	-566	-805
Net cash provided by (used in) operating activities		27741	39472	42115	59924
CASH FLOW from investing activities					
Fixed assets purchase costs		-24063	-34239	-32905	-46820
Investment costs		0	0	0	0
Fixed assets selling income		0	0	0	0
Investment selling income		0	0	0	0
Company equity		0	0	0	0
Dividends received		0	0	0	0
Net cash provided by (used in) investing activities		-24063	-34239	-32905	-46820
CASH FLOW from financing activities					
Income from issue		0	0	0	0
Loans from credit institutions		0	0	0	0
Loans to creditors		0	0	0	0
Payments for leasing liabilities		0	0	0	0
Other loans		0	0	0	0
Fixed assets investments		0	0	0	0
Cost of dividends		0	0	0	0
Net cash provided by (used in) financing activities		0	0	0	0
Net increase (decrease) in cash		3678	5233	9210	13105
Cash at the beginning of the year		803	1143	1486	2114
Cash at the end of the year		4481	6376	10696	15219

ACCOUNTING POLICES**(1) Basis of preparation**

The financial statements have been prepared in accordance with general accounting principles that correspond to the laws of the Republic of Latvia. All amounts presented in these financial statements are denominated in EUR of the Bank of Latvia LVL rate of exchange as at date of report (0,702804).

The financial statements reporting period is from 1 January 2009 till 31 March 2009.

The company's accounting policies have not changed in comparison with the previous year.

The financial statements reporting period is not verified by auditor.

1. INTANGIBLE ASSETS

	Expenditures on research activities LVL / EUR	Licenses and patents LVL / EUR	Company's intangible value LVL / EUR	Total LVL / EUR
Historical cost as of 1 January 2009	0	67 358 / 95 842	3 682 / 5 239	71 040 / 101 081
Additions	0	20 000 / 28 457	0	20 000 / 28 457
Disposals	0	0	0	0
Historical cost as of 31 March 2009	0	87 358 / 124 299	3 682 / 5 239	91 040 / 129 538
Accumulated depreciation before 2009	0	32 619 / 46 413	3 682 / 5 239	36 301 / 51 652
Excluded on disposal	0	0	0	0
Accumulated depreciation in 2009	0	1 973 / 2 807	0	1 973 / 2 807
Net book value as of 31 March 2009	0	52 766 / 75 079	0	52 766 / 75 079

2. FIXED ASSETS

	Land LVL / EUR	Buildings LVL / EUR	Equipment LVL / EUR	Computing equipment LVL / EUR	Other fixed assets LVL / EUR	Pending objects LVL / EUR	Total LVL / EUR
Historical cost as of 1 January 2009	67 473 / 96 005	581 600 / 827 542	499 720 / 711 037	30 741 / 43 740	237 387 / 337 772	0	1 416 921 / 2 016 097
Additions	0	0	3 850 / 5 478	31 / 44	183 / 260	0	4 064 / 5 782
Disposals	0	0	(4 237) / (6 029)	(139) / (198)	(21 064) / (29 971)	0	(25 440) / (36 198)
Historical cost as of 31 March 2009	67 473 / 96 005	581 600 / 827 542	499 333 / 710 486	30 633 / 43 586	216 506 / 308 060	0	1 395 545 / 1 985 681
Accumulated depreciation before 2009	0	145 471 / 206 987	286 983 / 408 340	22 927 / 32 622	148 094 / 210 719	0	603 475 / 858 667
Accumulated depreciation in 2009	0	11 475 / 16 327	15 814 / 22 501	1 447 / 2 059	7 066 / 10 054	0	35 802 / 50 942
Excluded on disposal	0	0	(4 237) / (6 029)	(139) / (198)	(9 127) / (12 986)	0	(13 503) / (19 213)
Net book value as of 31 March 2009	67 473 / 96 005	424 654 / 604 228	200 773 / 285 674	6 398 / 9 103	70 473 / 100 273	0	769 771 / 1 095 285

3. RAW AND ANCILLARY MATERIALS

Raw and ancillary materials are presented at their historical cost .

4. GOODS FOR SALE

Goods for sale are presented in the financial statements at their net realizable value

5. GOODS HELD ON CONSIGNMENT

Goods held on consignment are presented in the financial statements at their net realizable value

6. ADVANCE PAYMENTS

Amounts for raw and ancillary materials as well as advance payments for factory reconstruction designing works are presented in advance payments.

7. Work animals – guard dog.

8. ACCOUNTS RECEIVABLE

All accounts receivable are short-term.

9. OTHER DEBTORS

	As of 31 March 2009 LVL / EUR	As of 01 January 2009 LVL / EUR
Corporate income tax, social and VAT overpayment	31 090 / 44 237	225 214 / 320 451
Short-term loans to partners and employees	208 259 / 296 326	295 583 / 420 577
Total	239 349 / 340 563	520 797 / 741 028

VAT overpayment amount has been used to cover VAT and other taxes for 2009. Year.

Accounts receivable consist of loans to the Company's partner that will be settled in the June of year 2009.

10. DEFERRED EXPENSES

	As of 31 March 2009 LVL / EUR	As of 01 January 2009 LVL / EUR
Press subscription	556 / 791	556 / 791
Insurance	2 274 / 3 236	2 535 / 3 607
Other	5 351 / 7 614	3 698 / 5 262
Total	8 181 / 11 641	6 789 / 9 660

11. CASH

	As of 31 March 2009 LVL / EUR	As of 01 January 2009 LVL / EUR
Cash on hand	1 939 / 2 759	241 / 343
Current account with NORDEA BANKA (LVL)	413 / 588	110 / 157
Current account with HANSABANKA (LVL)	2 129 / 3 029	452 / 643
Current account with HANSABANKA (currency)	0	0
Total	4 481 / 6 376	803 / 1 143

12. SHARE CAPITAL

The share capital of the Company consisted of 663,000 LVL; that is 660,000 common voting shares and 3,000 common nonvoting shares with nominal value 1 LVL per share.

13. PROVISIONS

Provisions for the reporting year consisted of vacation salaries and other remaining balance amounts.

14. CREDITORS

	As of 31 March 2009 LVL / EUR	As of 01 January 2009 LVL / EUR
Due to suppliers	35 343 / 50 289	488 860 / 695 585
Advance from suppliers	0 / 0	0 / 0
Salary for March	15 309 / 21 783	16 484 / 23 455
Taxes and social security payment	-42 618 / -60 640	1 734 / 2 467
Corporate income tax	0 / 0	0 / 0
Total	8 034 / 11 431	507 078 / 721 507

15. SALES

LVL / EUR

Total sales	637 791 / 907 495
including : - operating income	611 251 / 869 732
- other operating expenses	26 540 / 37 763

16. SALES EXPENSES

Production expenses	399 848 / 568 932
Sales expenses	86 775 / 123 470
Administrative expenses	111 539 / 158 706
Total expenses	598 162 / 85 1 108
Profit for the year	39 629 / 56 387

17. OTHER OPERATING INCOME

Bank interest for application of funds from current account	9 / 13
Income from currency fluctuations	149 / 212
Other	0 / 0
Total	158 / 225

18. OTHER OPERATING EXPENSES

Expenses from currency fluctuations	956 / 1 360
Fines paid	0 / 0
Provisions for vacations	0 / 0
Donations	0 / 0
Other	2 412 / 3 432
Total expenses	3 368 / 4 792

19. PROFIT FOR THE YEAR

36 419 / 51 820

20. CORPORATE INCOME TAX (advance payments)

13 882 / 19 752

21. CORPORATE INCOME TAX /postpone/

0 / 0

22. OTHER TAXES

815 / 1 160

23. NET PROFIT

21 722 / 30 908

24. The average number of employees in 2009 was 74.

**A/S "RĪGAS FARMACEITISKĀ FABRIKA"
GOVERNING BODY REPORT**

JSC "Riga Pharmaceutical Plant" is situated in Riga, 16/22 Dantes street and 6 Maza Ozolu street. The enterprise is the largest producer of finite pharmaceuticals, medical plants and drugs in Latvia. The factory was registered in Latvian Commercial Register of Enterprises in 2004. The Company has the licence for opening (activity) of drug manufacturing enterprise and has successfully passed the GMP certificate, as well as ISO 14001 standard.

The main business course of the enterprise is devoted to the manufacturing of medicines, medical goods and food supplements. All kinds of produced medicines are being realized in Latvia.

In first 3 months of 2009 the enterprise turnover was 907 495 EUR (637 791 LVL), which is about 20 % less than in a corresponding period in 2008. The income of the enterprise in first 3 months of 2009 was 30 908 EUR (21 722 LVL), which is almost 65 % less than in a corresponding period of 2008.

The government of JSC "Riga Pharmaceutical Plant" (later in the text - Enterprise) is responsible for the preparing of intermediate finance report. Intermediate reports of the enterprise are not being audited. This management report based on accountant abstracts and incoming documents is considered to provide real and true information about the assets, liabilities and the whole financial position of the enterprise.

The government of the enterprise is responsible for using a corresponding register system, for preservation of assets of the enterprise and for investigation and elimination of the deceptions and delusions committed by the enterprise. The government of the enterprise is also responsible for the observance of Latvian legislation.