

## Interim Statement for the first half-year of 2011

### 1. Accounting period of the statement

The Interim Statement has been issued for the first half-year of 2011.

### 2. The Issuer and its contact information

Title	"Lifosa" Public Limited Company
Legal status	Public Limited Company, a private legal entity of limited liability
Date and place of registration	October 30, 1996, at the Register of Legal Entities of the Republic of Lithuania
Enterprise Register Number	161110455
Head-office address	Juodkiškio g. 50, LT-57502 Kėdainiai
Phone	(8~347) 66 483
Fax	(8~347) 66 166
E-mail	<a href="mailto:info@lifosa.com">info@lifosa.com</a>
Web page	<a href="http://www.lifosa.com">www.lifosa.com</a>

### 3. The nature of the Issuer's principal activities

The main business activities of the Company comprise manufacture of phosphate fertilizers.

### 4. Information about the agreements with the intermediaries of public trading in securities

On the 8th of June, 2010 "Lifosa" AB has concluded the issuer service agreement with intermediary AB SEB bankas (Gedimino 12, Vilnius).

### 5. Structure of the Issuer's authorized capital

#### 5.1. Structure of the authorized capital

Type of shares	Number of shares, in units	Nominal value, in LTL	Total nominal value, in LTL	Weight in the authorized capital, in percentage
Ordinary registered shares	21 020 564	10	210 205 640	100,00

There are no restrictions regarding transfer of the shares.

#### 5.2. Rights and responsibilities of the shareholders

The shareholders have no other liabilities against the Company except for the obligation to pay for all the signed shares at the emission price.

In case the General Meeting of the Shareholders takes a resolution to cover the Company's losses by extra shareholders' contributions, those who voted "for" are obliged to pay. The shareholders who were not present in the General Meeting of the Shareholders or voted against such a resolution have the right not to pay any extra contributions.

The shareholder is obliged to reimburse for the dividends, if they were paid by violating the imperative regulations of the Law on Companies of the Republic of Lithuania, and if the Company proves, that the shareholder knew or had to know about this.

The shareholders of the Company have the following property rights:

- 1) to get the share of Company's profit (dividends);
- 2) to obtain the Company's assets as a pay out to the shareholders, when the Company's authorized capital is reduced;

- 3) to obtain the share of the Company's assets, in case the Company is liquidated;
- 4) to bequeath by will all or some portion of the shares to one or several persons;
- 5) to sell or otherwise transfer all or some portion of the shares to other persons' ownership;
- 6) to use the priority right in obtaining the shares issued by the Company or the converted bonds, except for the case when the General Meeting of the Shareholders, following the regulations of the Law on Companies of the Republic of Lithuania, resolves to withdraw the priority rights for all the shareholders;
- 7) to obtain the unpaid shares, when the authorized capital is increased out of the Company's funds, except for the exceptions according to the regulations of the Law on Companies of the Republic of Lithuania;
- 8) to provide a loan to the Company using the ways established by the Law; however the Company, taking loans from its own shareholders, has no right to mortgage its property in favor of the shareholders;
- 9) to claim the reimbursement of their contributions following the terms and conditions foreseen by the regulations of the Law on Companies of the Republic of Lithuania.

The shareholders have the following non-property rights:

- 1) to participate in the General Meetings of the Shareholders;
- 2) to vote at the General Meetings of the Shareholders according to the rights of the shareholders;
- 3) to receive the information about the Company following the regulations of the Law on Companies of the Republic of Lithuania;
- 4) to bring a lawsuit, requiring to cover the Company's loss, incurred due to non-fulfillment or improper fulfillment of the responsibilities of the Manager of the Company or of the Board Members thereof provided for in the Law on Companies of the Republic of Lithuania or other relevant regulations, as well as the Statute of the Company, or due to other reasons established by the Law;
- 5) to authorize other person to vote in the Meeting of Shareholders, or to execute other legal actions;
- 6) the shareholders holding the shares with the nominal value amounting to unless 1/10 of the authorized capital, have the right to require the court to assign an expert or the group of experts to audit the Company's activities and the accounting documents;
- 7) other miscellaneous non-property rights according to the existing laws and the Statute of the Company.

## 6. Shareholders

On the 30th of June, 2011 the total number of the shareholders amounts to 447.

The shareholders who have owned or controlled more than 5 percent of the Company's authorized capital are listed below

Name, registered office, and enterprise register code of the company	Number of ordinary registered shares owned by the shareholder	Share of the authorized capital, in percentage	Share of votes, in percentage
EUROCHEM, MINERAL AND CHEMICAL COMPANY JOINT STOCK Ul. Dubininskaja Dom 53, Stroenije 6, 115054 Mosc, Moscow, Russia 102770002659	20 075 577	95,50	95,50

There are no shareholders with the specific control rights.

There are no restrictions of the voting rights.

There is no information available to the Company about the settlements between the Shareholders resulting in restrictions to transfer the securities and (or) restrictions of the voting rights.

## 7. Data about trading in the Issuer's securities within the regulated markets

The ordinary registered shares of "Lifosa" AB are admitted to the Supplementary trading list of NASDAQ OMX Vilnius.

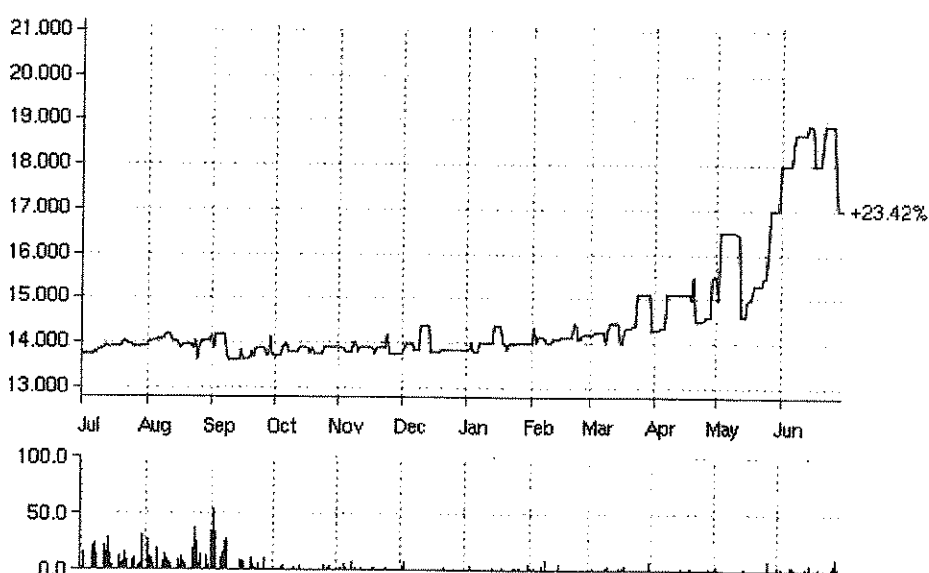
### Main characteristics of the shares

Type of shares	ISIN code	Shortened name	Number of shares, in units	Nominal value, in LTL	Total nominal value, in LTL
Ordinary registered shares	LT0000116691	LFO1L	21 020 564	10	210 205 640

### Company's shares trade

Accounting period	Price, in EUR			Turnover, in EUR			Date of last trading session	Total turnover	
	highest	lowest	as of the last session	highest	lowest	as of the last session		units	of EUR
The 1st quarter of 2011	15,10	13,80	14,29	7.841,20	0	6.433,75	2011-03-31	3.725	59.120,61
The 2nd quarter of 2011	20,50	14,30	17,00	9.350,00	0	1.700,00	2011-06-30	3.653	62.452,93

### Shares trade 2010.07.01 – 2011.06.30, EUR/share



Date of last session	Capitalization, in EUR
2011-03-31	300.383.859,56
2011-06-30	357.349.588,00

## 8. Employees

the average number of personnel; changes during the accounting period; reasons of the major changes (more than 10 percent); grouping of the personnel according to the educational background; number of management, specialists and workers, and the average monthly salary of each respective employee group before taxes; the special rights and duties of the Issuer's employees or part thereof provided for in the Employment Contracts or Collective Agreements

Table 8.1. Average number of employees

	2008	2009	2010	1 <sup>st</sup> half-year 2011
Managers	119	120	111	111
Specialists	77	76	75	74
Workers	807	794	779	771
<b>Total</b>	<b>1 003</b>	<b>990</b>	<b>965</b>	<b>956</b>

Table 8.2. Average monthly salary, in LTL

	2008	2009	2010	1 <sup>st</sup> half-year 2011
Managers	7 846	8 118	7 845	8 724
Specialists	4 324	4 706	5 352	6 125
Workers	3 592	3 991	4 008	4 558
<b>Total</b>	<b>4 151</b>	<b>4 580</b>	<b>4 552</b>	<b>5 159</b>

Table 8.3. Grouping of the personnel according to the educational background

	2008	2009	2010	1 <sup>st</sup> half-year 2011
personnel with university education	180	178	187	196
personnel with vocational education	192	186	173	175
personnel with secondary education	524	526	418	415
other	103	99	181	192
<b>Total</b>	<b>999</b>	<b>989</b>	<b>959</b>	<b>978</b>

### 9. Procedure of amending the Statutes of the Issuer

The Statute can be amended in accordance with the Law on Companies of the Republic of Lithuania. The Statute can be amended only by the resolution of the General Meeting of the shareholders, taken under the majority of votes – more than 2/3 of votes. The amended Statute is valid only after it has been registered at the Register of Legal Entities according to the procedure established by the law.

### 10. Bodies of the Issuer

their authorities, the procedure of appointment and replacement of the members of the Bodies)

members of the joint bodies, the Manager of the Company, the Chief Accountant (first names and surnames (in the paper copy of the Annual Statement to be provided to the Commission the personal identity numbers shall be indicated), the data with regard to the share of the issuer's authorized capital available, the start and the end date of the term of office of each person, information about the amounts reckoned by the Issuer during the accounting period, as well as about the other assets transferred and warranties granted to these persons in general, and the average amounts attributable to each member of the joint body, the Manager of the Company and the Chief Accountant)

- all the significant agreements, where the Issuer is the Party, and which would enter into force, be amended or terminated in case of change in the Issuer's control, as well as their influence (except for the cases, when disclosing of the agreements would seriously harm the Issuer due to their nature)

- all the agreements between the Issuer and the members of its bodies providing for the compensation, in case of their resignation or dismissal without any valid reason, or if their employment ended due to change of the Issuer's control

The principal Body of the Company is the General Meeting of the Shareholders. **The Management Bodies of the Company are as follows: the Board and the Manager of the Company (General Director). There is no Board of Observers.**

The Board is elected by the General meeting of shareholders for the period of 4 years. The Board of the company is composed of 5 members.

The General Director is appointed, recalled and dismissed by the Board of the Company. The Board may select the General Director through the contest.

Table 10.1. Members of the Board and Administration of the Company

First name, Surname	Position	Share of the capital / votes available, in percentage
<b>THE BOARD</b>		
Aleksandras Tugolukovas	The Chairman	-
Valerijus Rogalskis	Member	-

Valerijus Sidnevas	Member	-
Jonas Dastikas	Member	-
Regvita Ivanovienė	Member	0,0049
<b>THE ADMINISTRATION</b>		
Jonas Dastikas	General Director	-
Regvita Ivanovienė	Finance Manager	0,0049

\* Share of the capital / votes available on the 30th of June, 2011

Table 10.2. The beginning date and the end date of the term of office of members of the company's Board

First name, Surname	Start date of the office term	End date of the office term
Aleksandras Tugolukovas	2008-04-25	April, 2012
Valerijus Rogalskis	2008-04-25	April, 2012
Valerijus Sidnevas	2010-04-30	April, 2012
Jonas Dastikas	2008-04-25	April, 2012
Regvita Ivanovienė	2008-04-25	April, 2012

Table 10.3. Payments made to the members of the Administration and the Board of the Company

	Salaries paid during the 1st half-year of 2011, in LTL	Tantiemes paid during the 1st half-year of 2011, in LTL
To members of the Administration (the Managing Director, the Administrative Manager, the Technical Manager, the Finance Manager and the Chief Accountant)	2 232 145	-
Average amount per member of the Administration per month	74 405	-
To members of the Board	1 400 029	-
Average amount per member of the Board per month	116 669	-

The members of the Board who received payments related to labor relations – the Managing Director and the Finance Manager of the company. Other members of the Board did not receive any payments. Neither members of the Board, nor members of the Administration of the company received tantiemes or other payments.

No loans, guarantees and warranties were granted to the members of Board and to the members of the Administration during the 1<sup>st</sup> half-year of 2011.

#### 11. Review of the issuer's activities

objective review of the Company's status, its performance and development; description of the main risks and uncertainties the Company is encountering;

analysis of the results of financial and non-financial activities; information related to the environmental and personnel issues;

plans and forecasts of the Company's activities;

Table 11.1. The company's income of the main products sold

Products	2008		2009		2010		1 <sup>st</sup> half-year 2011	
	quantity in thous. of t	amount in thous. of LTL	quantity in thous. of t	amount in thous. of LTL	quantity in thous. of t	amount in thous. of LTL	quantity in thous. of t	amount in thous. of LTL
Diamonium phosphate (DAP)	754,9	1 533 149	910, 2	743 848	852,0	945 826	426,8	592 602
Aluminium fluoride	8,3	25 343	6,8	15 820	12,4	32 717	6,8	18 238
Sulfuric acid	1,9	657	0,48	177	0,28	85	0,09	39
Phosphoric acid	0,1	609	0,06	210	0,04	140	0,01	39
Feed phosphates	60,2	152 754	44,1	58 820	69,1	90 026	61,7	93 016

<b>Total</b>		<b>1 712 512</b>	<b>818 875</b>		<b>1 068 794</b>		<b>703 934</b>
--------------	--	------------------	----------------	--	------------------	--	----------------

Table 11.2. The sales prices of the products, LTL/t

<b>Products</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>1<sup>st</sup> half-year 2011</b>
Diamonium phosphate (DAP)	2 031,05	817,21	1 110,10	1 388,49
Aluminium fluoride	3 053,74	2 367,49	2 648,38	2 696,31
Sulfuric acid	339,53	367,21	303,17	424,34
Phosphoric acid	4 258,74	3 497,92	3 252,00	3 252,00
Feed phosphates	2 537,82	1 331,48	1 302,58	1 506,75

### The key financial ratios:

	2008	2009	2010	1st year- half of 2011
Sales, thous. LTL	1.748.778	838.798	1.089.280	712.342
Cost of sales, thous. LTL	1.486.208	802.696	785.661	560.277
Gross profit, thous. LTL	262.570	36.102	303.619	152.065
<i>gross profit margin, %</i>	15	4	28	21
Operating profit, thous. LTL	264.447	-18.420	283.304	123.893
<i>operating profit margin, %</i>	15	-2	26	17
Profit before tax, thous. LTL	266.767	-18.047	283.492	123.908
<i>profit before tax margin, %</i>	15	-2	26	17
Net profit, thous. LTL	237.231	-25.908	240.613	112.862
<i>net profit margin, %</i>	14	-3	22	16
EBITDA, thous. LTL	294.805	12.772	313.929	140.847
<i>EBITDA margin, %</i>	17	2	29	20
Return on Equity (ROE), %	28	-3	23	10
Return on Assets (ROA), %	23	-3	21	9
Debt/Equity ratio	0,24	0,07	0,07	0,09
Current assets/ Current liabilities ratio	3,77	10,38	12,83	10,61
(Current assets- Inventories)/ Current liabilities ratio	2,99	8,90	10,01	8,52
Cash/ Current liabilities ratio	0,32	0,64	0,50	0,42

### 12. Essential events of the first six fiscal months

their influence on the Interim Financial Statement, as well as the information about the main risks and uncertainties during the next six fiscal months

The essential events during the accounting period:

- On March 17, 2011 Lithuanian Court of Appeal annulled by its ruling the rulings of Panevėžys Regional Court, dtd. September 13 and September 14, 2010 to stop a mandatory AB Lifosa redemption process launched by the defendants JSC "Mineral & Chemical Company "EuroChem" and EuroChem A.M. Limited until the court ruling comes into force. The matter was resolved in principle and rejected the applicants' A. Š., L. D. and V. N. requests for interim measures.
- 28.04.2011 The resolutions taken during the General Meeting of AB "Lifosa" that was held on April 28, 2011:
  1. The Company's Auditor's Report. Heard.

2. The Annual Report of the Company for the year 2010. To assent to the Company's Annual Report for the year 2010.
3. The approval of the Company's Annual Financial Statements for the year 2010. To approve the audited Annual Financial Statements for the year 2010.
4. Company's profit appropriation for the year 2010. To approve the Company's net audited profit (acc.to IFRS) appropriation as follows:
  - 1) the unappropriated profit of the preceding year at the end of the accounting financial year - 592 900 thou. LTL (171 716 thou. EUR);
  - 2) net profit of the accounting financial year - 240 614 thou. LTL (69 687 thou. EUR);
  - 3) total profit available for appropriation - 833 514 thou. LTL (241 402 thou. EUR);
  - 4) the share of profit allocated to the legal reserve - 0 LTL (0 EUR);
  - 5) the share of profit allocated to the reserve for acquiring own shares - 0 LTL (0 EUR);
  - 6) the share of profit allocated to other reserves - 0 LTL (0 EUR);
  - 7) the share of profit for the payment of dividends - 0 LTL (0 EUR);
  - 8) the share of profit for the payment of annual bonuses to Board members, payment of incentives to employees and other allocations - 0 LTL (0 EUR);
  - 9) the unappropriated profit at the end of the accounting financial year brought forward to the next financial year - 833 514 thou. LTL (241 402 thou. EUR).
5. Selection of the firm of Auditors and establishment of the terms of remuneration for audit services.
  - 5.1. To approve the firm UAB "PricewaterhouseCoopers" as auditing company for the year 2011.
  - 5.2. To authorize Mr. Jonas Dastikas, the General Director of the Company to enter into the Service Agreement with the auditing company under the following remuneration terms for the services offered: the payment amount agreed between the Parties should not exceed 145 thou. LTL (42 thou. EUR) VAT excluded.

### 13. Information about more significant transactions with the interested parties

information about:

- a. transactions of the interested parties executed during the first six fiscal months of the current year, which influenced the Company's financial status of the said period, including the amounts of such transactions, nature of relations between the interested parties and other information about the transactions that is necessary for understanding the financial status of the Company. Information about the individual transactions can be summarized according to their type, except for the cases when additional information may be needed for understanding the influence of the transactions between the interested parties on the company's financial status;
- b. all the changes to transactions between the interested parties indicated in the recent Annual Statement, which could influence the Issuer's financial status or activities during the six fiscal months of the current year.

Information about transactions of the interested parties is available on Lifosa AB unaudited interim financial statement for the period January-June 2011, the 19th note to the financial statements.

General Director

Jonas Dastikas

2011.08.31

