

## 1. Accounting period of the statement

The Interim Statement has been issued for the first half-year of 2008.

## 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

"Lifosa" AB has concluded the agreement with Financial Broker Firm "Finasta" AB, (Konstitucijos ave. 23, Vilnius) with regard to management of accounts of the Company's securities.

## 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 August 5, 2008 the total number of the shareholders amounts to 1.315.

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	19 160 229	91,15	91,15

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 "Vilnius Stock Exchange" AB.

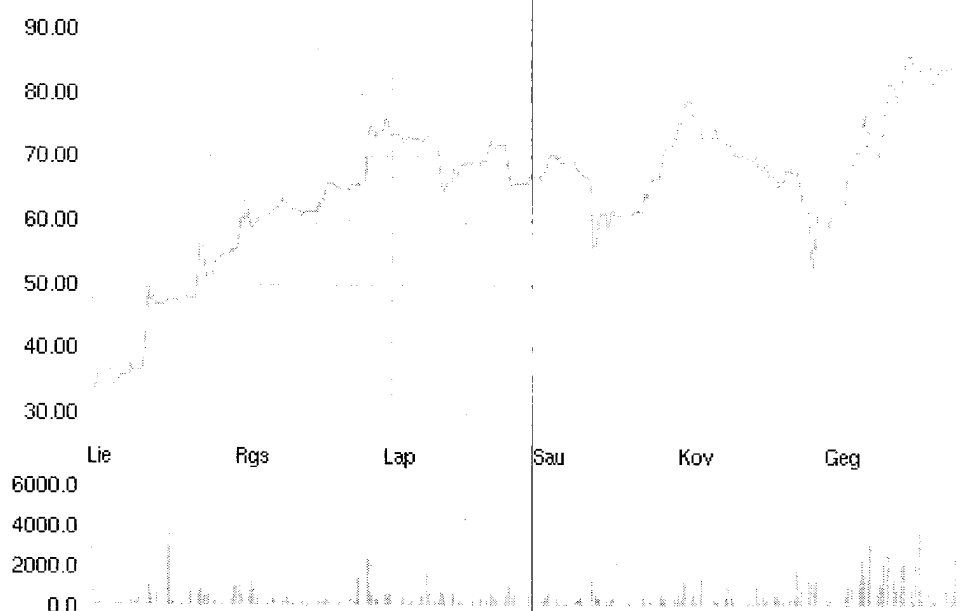
## Main characteristics of the shares

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

## Trade in the Company's shares

Accounting period	Price, in LTL			Turnover, in LTL			Date of last trading session	Total turnover	
	high est	lowe st	as of the last session	highest	lowe st	as of the last session		units	of LTL
The I <sup>st</sup> quarter of 2008	80,50	55,25	68,01	1 254 317,10	0	877 909,38	2008-03-31	312 785	21 401 077,43
The II <sup>nd</sup> quarter of 2008	90,00	51,00	88,01	2 950 224,03	0	323 653,28	2008-06-30	766 660	57 148 352,62

### Trade in shares 2007.07.01 – 2008.06.30



Date of last session	Capitalization, in LTL
2008-03-31	1 429 608 557
2008-06-30	1 850 019 837

## 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

	2005	2006	2007	1 <sup>st</sup> half-year of 2008
Managers	106	116	117	119
Specialists	92	80	78	76
Workers	851	843	824	809
<b>Total</b>	<b>1 049</b>	<b>1 039</b>	<b>1 019</b>	<b>1 004</b>

Table 8.2. Average monthly salary, in LTL

	2005	2006	2007	1 <sup>st</sup> half-year of 2008
Managers	4 816	4 669	5 208	5 762
Specialists	2 917	3 005	3 520	3 964
Workers	1 762	2 087	2 729	3 487
<b>Total</b>	<b>2 213</b>	<b>2 444</b>	<b>3 273</b>	<b>4 111</b>

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

	2005	2006	2007	1 <sup>st</sup> half-year of 2008
personnel with university education	163	170	176	179
personnel with vocational education	222	213	201	195
personnel with secondary education	538	526	442	435
other	126	130	200	195
<b>Total</b>	<b>1 049</b>	<b>1 039</b>	<b>1 019</b>	<b>1 004</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	-
Stanislavas Duriaginas	Member	-
Jonas Dastikas	Member	0,088
Regvita Ivanovienė	Member	0,005
<b>THE ADMINISTRATION</b>		
Jonas Dastikas	General Director	0,088
Regvita Ivanovienė	Finance Manager	0,005

\* Share of the capital / votes available on August 5, 2008

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	2012
Valerijus Rogalskis	2008-04-25	2012
Stanislavas Duriaginas	2008-04-25	2012
Jonas Dastikas	2008-04-25	2012
Regvita Ivanovienė	2008-04-25	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 2008, in LTL	Tantiemes paid during the 1st half-year of 2008, in LTL
To members of the Administration (the Managing Director, the Administrative Manager, the Technical Manager, the Finance Manager and the Chief Accountant)	1 969 624	-
Average amount per member of the Administration per month	65 654	-
To members of the Board	1 201 259	-
Average amount per member of the Board per month	100 105	-

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 2008.

### 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	2005		2006		2007		1 <sup>st</sup> half-year of 2008	
	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)	726,0	487 516	818,9	558 162	825,2	796 426	417,9	780 984
Aluminium fluoride	7,9	14 702	11,6	25 145	10,3	26 830	5,1	12 792
Commercial sulphuric acid	19,6	1 821	17,4	1 829	15,6	1 630	1,8	556
Commercial phosphoric acid	25,3	26 917	14,8	17 317	6,7	9 221	0,1	359
Feed phosphates	64,1	52 040	70,7	62 288	65,4	68 235	35,2	74 566
<b>Total</b>	-	<b>582 996</b>	-	<b>664 741</b>		<b>902 342</b>		<b>869 257</b>

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

Products	2005	2006	2007	1 <sup>st</sup> half-year of 2008
Diamonium phosphate (DAP)	672,27	681,02	970,57	1 869,04
Aluminium fluoride	1 851,37	2 223,33	2 558,80	2 514,97
Commercial sulphuric acid	92,81	105,19	104,81	314,55
Commercial phosphoric acid	1 065,87	1 169,29	1 386,07	3 803,22
Feed phosphates	811,86	881,02	1 043,65	2 118,65

Indicator	Unit of measuring	2005	2006	2007	1st year-half of 2008
Sales of products and services	mill. of LTL	603,9	682,5	921,6	889,7
Gross profit	mill. of LTL	148,5	107,7	343,6	364,3
Gross return (gross profit / sales)	perc.	24,6	15,8	37,3	40,9
Profit from operations	mill. of LTL	95,1	44,3	267,7	310,9
Return from operations (profit from operations / sales)	perc.	15,7	6,5	29,0	34,9
EBIT	mill. of LTL	95,2	45,5	270,0	312,5
Return of EBIT	perc.	15,8	6,7	29,3	35,1
Net profit	mill. of LTL	81,5	37,2	221,1	265,8
Net return (profit from operations / sales)	perc.	13,5	5,5	24,0	29,9
Profit per share	in Litas	3,9	1,8	10,5	12,6
Net book share value	in Litas	16,9	18,6	29,2	41,8
EBITDA	mill. of LTL	116,9	80,4	298,3	327,3
Return of EBITDA	perc.	19,4	11,8	32,4	36,8
Total assets (at the end of the period)	mill. of LTL	411,9	436,2	717,0	1 038,1
Return on assets (profit from operations / assets)	perc.	23,1	10,2	37,3	29,9
Return on assets ROA (net profit / assets)	perc.	19,8	8,5	30,8	25,6
Assets turnover (sales / assets)	times	1,5	1,6	1,3	0,9

Equity (at the end of the period)	mill. of LTL	354,6	391,8	612,9	878,7
Return on equity (net profit / equity)	perc.	23,0	9,5	36,1	30,2
Cover (current) ratio	times	3,3	4,2	4,4	4,9
Immediate cover ratio	times	2,1	3,1	3,8	3,5
Debt ratio (liabilities / assets)	times	0,1	0,1	0,1	0,2
Debt - equity ratio (liabilities / equity)	times	0,2	0,1	0,2	0,2
Dividends per share	in Litas	-	-	-	-
Price per share (at the end of the period)	in Litas	45,71	21,40	67,00	88,01

The plans and forecasts of the Company published in the Annual Statements as of 2007 remain unchanged.

## 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:

- March 17, 2008 The Company signed for the fourth time the Agreement on social-economical partnership between the Municipality of the Kėdainiai district, MCC "EuroChem" and "Lifosa" AB. According to this Agreement "Lifosa" AB planned to provide the funds needed for implementation of the sports, health care and educational programs of the K4dainiai district.
- March 31, 2008 The Company declared that it plans to assign the amount of 39.430 thous. of Litas (11.420 thous. of EUR)
- The decisions made in the General meeting of the shareholders held on April 25, 2008:
  1. Report of the Company's auditor. To take into consideration the Auditor's opinion presented in the report of the Company's auditor, while approving the Company's Annual Financial Statements for 2007.
  2. The Annual Statement of the Company as of 2007. To approve the Annual Statement of the Company as of 2007.
  3. Approval of the annual financial statements of the Company as of 2007. To confirm the annual financial statement as of 2007.
  4. The appropriation of profits of 2007. To approve the appropriation of the net audited profit (according to the IAS) of 2007 as follows:
    - 1) profit brought forward of the previous financial year at the end of the accounting financial year 168.762 thous. of LTL
    - 2) net profit of the accounting financial year 221.102 thous. of LTL
    - 3) profit (loss) of the accounting financial year not recognized in the Profit (Loss) Report 0
    - 4) transfers from reserves 0
    - 5) shareholders' contributions for covering losses of the company 0
    - 6) total profit to be appropriated 389.864 thous. of LTL
    - 7) the profit share appropriated to the legal reserve 8.287 thous. of LTL
    - 8) the profit share appropriated to the reserve for acquisition of own shares 0
    - 9) the profit share appropriated to other reserves 0
    - 10) the profit share appropriated for the dividends 0
    - 11) the profit share appropriated for the annual payments (tantiemes) to the members of the Board, bonuses to the employees and other purposes 0
    - 12) profit brought forward at the end of the accounting financial year that is brought forward to the next financial year 381.577 thous. of LTL

12) profit brought forward at the end of the accounting financial year that is brought forward to the next financial year 381.577 thous. of LTL

5. Selection of the audit company and determination of the payment terms for the services.

5.1 To approve the "PricewaterhouseCoopers" UAB as the audit company for the year 2007, after having coordinated the auditors (natural persons) of the company with the Lithuanian Securities Commission.

5.2 To authorize the General Director of the Company to conclude the Service Agreement with the audit company under the following remuneration terms for the services offered: the payment amount agreed between the Parties should not exceed 145 thous. of LTL (42 thous. of EUR), VAT excluded.

6. Election of the Board.

6.1 To admit the authorizations of all the members of the Board of the Company as terminated at the end of tenure of the Board.

6.2 Upon the proposition of the main Shareholder of the Company – OAO „MChK „EuroChem“ – to reelect the following members to the Board of the Company for the further tenure of four years:

Aleksandr Tugolukov, the Technical Manager of OAO „MChK „EuroChem“;

Jonas Dastikas, the General Director of „Lifosa“ AB;

Regvita Ivanovienė, the Financial Manager of „Lifosa“ AB;

Stanislav Duriagin, OAO „MChK „EuroChem“, the Head of the Department of Corporate Matters of OAO „MChK „EuroChem“;

Valerij Rogalski, the Sales Manager of OAO „MChK „EuroChem“.

6.3 To determine that the members of the Board shall start their activities at the end of this General Meeting of the Shareholders.

### **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.

The information about the transactions with the interested parties is disclosed in the Explanatory note of the Financial Statement for the first half-year of 2008.