

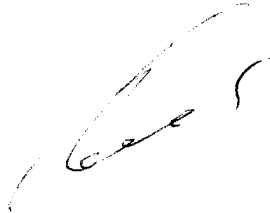
CONFIRMATION OF THE RESPONSIBLE PERSONS

2009-10- 30

Following the Lithuanian Securities Law, the 1st part of the 22nd article, we confirm that AB Lifosa not audited Financial Statements for the nine months of Y'2009, prepared in accordance with International Financial Reporting Standards, give a true view of AB Lifosa assets, liabilities, financial position, profit.

ADDED: Interim non audited Financial Statements for the nine months of Y'2009.

Director General



Jonas Dastikas

Chief Accountant



Nijolė Kalinauskienė

LIFOSA AB

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

Translation note

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

CONTENTS

	Page
FINANCIAL STATEMENTS.....	3
Income statement.....	3
Balance sheet.....	4
Statement of Changes in Shareholders' Equity.....	5
Cash Flow Statement.....	6
Notes to the Financial Statements.....	7

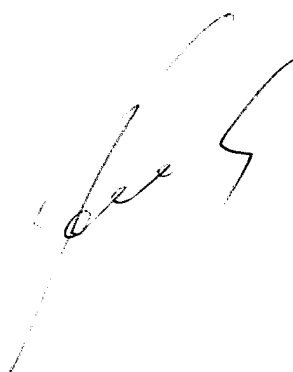
LIFOSA AB
FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

INCOME STATEMENT
in thousand LTL

	Notes	01 july – 30 september		01 july - 30 september	
		2009	2008	2009	2008
Sales	1	190 466	619 900	652 992	1 509 686
Cost of sales	4	(192 109)	(442 185)	(634 590)	(967 565)
Gross profit		8 357	177 715	18 402	542 121
Selling and distribution costs	2,4	(6 786)	(6 719)	(21 009)	(22 607)
Administrative expenses	3,4	(5 726)	(6 290)	(22 791)	(22 003)
Other activities, net	6	4 377	3 491	13 995	3 739
Operating profit		222	168 197	(11 403)	501 250
Financial income(loss), net		(14 617)	47 897	(17 866)	27 335
Profit before tax		(14 395)	216 094	(29 269)	528 585
Income tax	7	2 728	(32 469)	4 496	(79 133)
Net profit		(11 667)	183 625	(24 773)	449 452
Basic and diluted earnings per share (LTL per share)		-0.56	8.74	-1.18	21.38

These preliminary unaudited financial statements on pages 3 – 17 were approved by the Company's Director General and Chief Accountant on 12 october 2009.

Jonas Dastikas
Director General



Nijolė Kalinauskienė
Chief Accountant



LIFOSA AB
 FINANCIAL STATEMENTS (UNAUDITED)
 30 september 2009

BALANCE SHEET
 in thousand LTL

	Notes	30 september 2009	31 december 2008
ASSETS			
Non-current assets			
Property, plant and equipment	9	256 013	264 551
Intangible assets	10	369	459
Deferred tax asset	7	45 806	41 261
Other receivables		28 114	2 709
		330 302	308 980
Current assets			
Inventories	11	92 895	154 548
Trade and other receivables	12	137 783	165 858
Loans granted	12	338 735	359 764
Cash and cash equivalents	13	20 286	63 469
		589 699	743 639
Total assets		920 001	1 052 619
EQUITY			
Share capital	14	210 206	210 206
Share premium		80	80
Legal reserve		21 021	21 021
Retained earnings		594 035	618 808
Total equity		825 342	850 115
LIABILITIES			
Non-current liabilities			
Grants	15	5 309	5 212
Current liabilities			
Income tax liabilities		0	53 183
Trade and other payables	15	89 350	144 109
Total liabilities		94 659	202 504
Total equity and liabilities		920 001	1 052 619

The accounting policies and the notes on pages 7 to 18 form an integral part of these preliminary unaudited financial statements.

LIFOSA AB
 FINANCIAL STATEMENTS (UNAUDITED)
 30 september 2009

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in thousand LTL

	Notes	Share capital	Share premium	Legal reserve	Retained earnings	Total
Balance as at 1 January 2008		210,206	80	12 734	389 864	612 884
Transfer to legal reserve		-	-	8 287	-8 287	-
Net profit for the period		-	-	-	449 452	449 452
Balance at 30 september 2008		210 206	80	21 021	831 030	1 062 336
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	(212 221)	(212 221)
Balance at 31 december 2008	15	210,206	80	21,021	618 808	850 115
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	(24 773)	(24 773)
Balance at 30 september 2009	15	210,206	80	21,021	594 035	825 342

The accounting policies and the notes on pages 7 to 18 form an integral part of these preliminary unaudited financial statements.

LIFOSA AB
 FINANCIAL STATEMENTS (UNAUDITED)
 30 september 2009

CASH FLOW STATEMENT
 in thousand LTL

For the three month period ended on 30 september

	2009	2008
Cash flows from operating activities		
Profit before tax	(29 269)	528 585
Adjustments for:		
Depreciation and amortisation	23 362	22 738
Unrealised foreign Exchange loss/(gain)	17 866	24 473
Loss (profit) on disposal of property, plant and equipment, net	(34)	(22)
Changes in working capital	(28 589)	800
Change in other receivables	27 955	
Income tax paid	(53 232)	(36 873)
Net cash from operating activities	(41 941)	(5 899)
Cash flow from investing activities		
Purchase of property, plant and equipment	(15 271)	(29 311)
Proceeds from the sales of property, plant and equipment	34	22
Net cash used investing activities	(15 237)	(29 289)
Cash flows from financing activities		
Interest income	13 667	5 686
Other financing income	328	209
Net cash from financing activities	13 995	5 895
Net increase in cash and cash equivalents	(43 183)	(29 293)
Movement in cash and cash equivalents		
At beginning of year	63 469	109 146
Net increase	(43 183)	(29 293)
Cash and cash equivalents at end of the period	20 286	79 853

The accounting policies and the notes on pages 7 to 18 form an integral part of these preliminary unaudited financial statements.

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

A. GENERAL INFORMATION

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

Juodkiškio 50
LT-57502 Kėdainiai
Lithuania

The Company's shares are listed on the Secondary Trading List of the National Stock Exchange of Lithuania. The Company's principal activity is the production of phosphate fertilisers, mainly diammonium phosphate (DAP). As at 30 september 2009, the main shareholders of the Company were as follows:

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

The number of staff employed by the Company on 30 september 2009 totalled 993 (2008: 1003).

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of preparation

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

B.2 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

B.3 Property, plant and equipment

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

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

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

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

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

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

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

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

B.4 Intangible assets

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

B.5 Financial assets

Loans and receivables

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

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

B.6 Inventories

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

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

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

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

B.7 Cash and cash equivalents

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

B.8 Share capital

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

B.9 Legal reserve

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

B.10 Trade payables

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

B.11 Income tax

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

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

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

B.12 Leases – where the Company is the lessee

(a) Finance lease

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

(b) Operating lease

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

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

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

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

B.14 Employee benefits

(a) Social security contributions

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

(b) Termination benefits

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

(c) Bonus plans

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

B.15 Revenue recognition

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

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

B.16 Segment reporting

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

B.17 Emission allowances

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

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

B.18 Grants

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

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

B.19 Cash Flow Statement

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

C. FINANCIAL RISK MANAGEMENT

C.1 Financial risk factors

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

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

(a) Market risk

(i) Foreign exchange risk

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

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

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

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

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

OTHER EXPLANATORY NOTES

1. SEGMENT REPORTING

Primary reporting format – business segments

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

Secondary reporting format – geographical segments

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

	Sales		Total asse		Capital expenditure	
	01 January-30 september		30 september		30 september	
	2009	2008	2009	2008	2009	2008
Lithuania	31 733	115 595	920 001	1 020 252	15 271	29 289
France	4 318	109 021	-	-	-	-
Germany	95 035	77 587	-	-	-	-
The Netherlands	70 529	29 469	-	-	-	-
Brasil	0	84 897	-	-	-	-
Poland	26 226	65 445	-	-	-	-
Czech Republic	4 609	13 978	-	-	-	-
Romania	4 916	10 205	-	-	-	-
Hungary	2 417	27 360	-	-	-	-
Belgium	2 844	7 700	-	-	-	-
Slovakia			-	-	-	-
Pakistan	95 801	0	-	-	-	-
Austria			-	-	-	-
Sweden	4 011	0	-	-	-	-
Tajikistan	2 192	7 512	-	-	-	-
Spain	2 392	17 263	-	-	-	-
Ukraine	3 993	12 690	-	-	-	-
Great Britain	5 712	10 500	-	-	-	-
Airija	4 023	14 881	-	-	-	-
Portugalija	0	16 493	-	-	-	-
Indija	204 194	792 423	-	-	-	-
Etiopia	45 120	37 697	-	-	-	-
Kenia	30 837	0	-	-	-	-
Argentina	0	30 554	-	-	-	-
Danija	483	17 970	-	-	-	-
Baltarusija	3 022	0	-	-	-	-
Other countries	8 585	10 446	-	-	-	-
	652 992	1 509 686	920 001	1 020 252	15 271	29 289

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

Analysis of sales by category:

	30 september	30 september
	2009	2008
in thousand LTL		
Sales of goods	637 481	1 490 083
Sales of raw materials	598	14 657
Sales of electricity, heat energy, gas, CO ₂ emission rights, other services, other sales revenue	14 913	4 946
	652 992	1 509 686

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

2. SELLING AND DISTRIBUTION COSTS	30 september	30 september
In thousand LTL	2009	2008
Shipping costs	8 868	3 466
Transportation costs	10 816	10 420
Loading and forwarding costs	1 131	8 556
Other selling and distribution costs	195	165
	21 009	22 607
3. ADMINISTRATIVE EXPENSES	30 september	30 september
In thousand LTL	2009	2008
Remuneration of employees	8 398	9 055
Social security contributions	2 571	2 812
Accruals	-	(230)
Taxes (other than income tax)	3 953	1 494
Depreciation and amortization	720	643
Insurance	120	354
Security	642	612
Telecommunications	294	371
Support granted	883	2441
Other administrative expenses	5 210	4 451
	22 791	22 003
4. EXPENSES BY NATURE	30 september	30 september
In thousand LTL	2009	2008
Raw materials and consumables used	558 804	915 414
Inventory valuation allowance	-	-
Remuneration of employees and social security contributions	45 324	43 831
Transportation services	21 009	22 607
Depreciation and amortisation	23 362	22 738
Change in finished goods, semi-manufactures and work in progress	12 618	(17 685)
Repair and maintenance	5 267	11 964
Energy and fuel	2 652	2 741
Taxes (other than income tax)	3 953	1 494
Consulting expenses	498	554
Security	642	612
Telecommunication and IT maintenance expenses	294	371
Marketing	57	61
Other	3 910	7 473
	678 390	1 012 175

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

5. NET FOREIGN EXCHANGE GAIN/LOSS

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

	30 september	30 september
	2009	2008
Commission for currency translation operations	1 421	2 863
Net foreign exchange gain (loss)	(19 287)	24 473
	(17 866)	27 335

The accounting policies and the notes on pages 7 to 18 form an integral part of these preliminary unaudited financial statements.

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

6. OTHER INCOME/GAINS In thousand LTL	30 september 2009	30 september 2008
Interest income on short-term loans(paskolos)	13 667	3 333
Sąskaitų likučiai	294	384
Gain on disposal of property, plant and equipment	34	22
	13 995	3 739

7. INCOME TAX In thousand LTL	30 septmber 2009	30 september 2008
Current tax	(45 806)	77 331
Deferred tax	45 806	1 802
	0	79 133

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

In thousand LTL

	Buildings	Plant and machinery	Vehicles and equipment	Other PP&E	Construction in progress	Total
At 31 December 2007						
Cost	188,128	375,026	16,748	11,660	10,287	601,849
Accumulated depreciation	(87,610)	(242,890)	(9,208)	(9,343)	-	(349,051)
Net book amount	100,518	132,136	7,540	2,317	10,287	252,798
at 30 september 2008						
Opening net book amount	100,518	132,136	7,540	2,317	10,287	252,798
Additions	-	3 936	563	347	24 443	29 289
Disposals and write-offs	-	-	-	(3)	-	(3)
Reclassifications	1 162	16 700	-	-	(17 862)	-
Depreciation charge	(3 309)	(17 553)	(811)	(902)	-	(22 575)
Closing net book amount	98 371	135 219	7 292	1 759	16 868	259 509
at 30 september 2008						
Cost	189 289	394 826	17 127	11 872	16 868	629 982
Accumulated depreciation	(90 918)	(259 607)	(9 835)	(10 113)	-	(370 473)
Net book amount	98 371	135 219	7 292	1 759	16 868	259 509
at 30 september 2009						
Opening net book amount	108,047	143,082	7,444	2,008	3,970	264,551
Additions	-	1 123	684	243	13 121	15 171
Disposals and write-offs	(536)	(1)	-	-	-	(537)
Reclassifications	1 029	4 485	-	32	(5 546)	-
Depreciation charge	(3 603)	(18 147)	(1000)	(422)	-	(23 172)
Closing net book amount	104 937	130 542	7 128	1 861	11 545	256 013
at 30 september 2009						
Cost	199 634	409 866	17 899	11 887	11 545	650 831
Accumulated depreciation	(94 697)	(279 324)	(10 771)	(10 026)	-	(394 818)
Net book amount	104 937	130 542	7 128	1 861	11 545	256 013

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

LIFOSA AB
 NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
 30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

10. INTANGIBLE ASSETS	In thousand LTL	Computer software
At 31 December 2007		
Cost		1,121
Accumulated amortisation		(471)
Net book amount		<u>650</u>
at 30 september 2008		
Opening net book amount		650
Additions		22
Disposals and write-offs		(78)
Amortisation charge		(163)
Closing net book amount		<u>431</u>
at 30 september 2008		
Cost		966
Accumulated amortisation		(5358)
Net book amount		<u>431</u>
at 30 september 2009		
Opening net book amount		459
Additions		100
Disposals and write-offs		-
Amortisation charge		(190)
Closing net book amount		<u>369</u>
at 30 september 2009		
Cost		1 149
Accumulated amortisation		(780)
Net book amount		<u>369</u>

11. INVENTORIES	at 30 september	at 30 september
In thousand LTL	2009	2008
Finished goods	52 306	763 549
Raw materials and suppliers	34 886	167 615
Work in progress	1 917	6 104
Semi-manufactures	3 786	9 885
	<u>92 895</u>	<u>257 153</u>

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

12. LOANS GRANTED, TRADE AND OTHER RECEIVABLES

In thousand LTL

	at 30 september 2009	at 30 september 2008
Trade receivables, gross	121 797	53 983
Less: provision for impairment of trade receivable	-	(268)
VAT tax receivable	12 842	29 657
Prepayments made to suppliers	1 867	12 145
Other receivables	1 277	1 178
	137 783	96 695
Short-term loans granted	338 735	356 545
	476 518	453 240

13. CASH AND CASH EQUIVALENTS

In thousand LTL

	at 30 september 2009	at 30 september 2008
Cash in bank	1 107	2 058
Cash on hand	6	16
Time deposits and repo deals	19 173	74 659
Letters of credit and guarantees	-	3 120
	20 286	79 853

14. SHARE CAPITAL

As at 31 December 2008, authorised share capital comprised 21,020,564 ordinary shares with a par value of LTL 10 each. No changes were made in the Company's authorised share capital during at 30 september 2009.

15. TRADE AND OTHER PAYABLES In thousand LTL

	at 30september 2009	at 30 september 2008
Trade payables	20 152	19 470
Prekybos skolos susijusioms šalims	50 841	47 417
Other payables and accrued charges	14 158	147 590
Remuneration of employees and social security payable	4 199	4 123
Grants	5 309	5 394
	94 659	223 994

LIFOSA AB
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
30 september 2009

(All tabular amounts in LTL thousand unless otherwise stated)

16. RELATED-PARTY TRANSACTIONS

The Company is controlled by Mineral and Chemical Company Eurochem (Russia), which owns 91.15% of shares of the Company. As at 30 september 2009, the main shareholder of Mineral and Chemical Company Eurochem, holding 95 per cent of shares of this company, was Mr. Andrey Melnichenko.

Other related parties are deemed to be the Eurochem Group entities and management of the Company.

The following transactions were carried out with related parties:

	at 30 september 2009		at 30 september 2008	
	Sales	Purchases	Sales	Purchases
AO MXK „EuroChem	-	-	-	35235
Eurochem Trading GmbH	379 463	-	952 885	-
HarvesterShipmanagementLtd(from12.05.2009)	-	4 805	-	44 144
OAO Kavdorskiy GOK	-	284 608	-	436 020
OAO NAK Azot	-	62 666	-	55 116
UAB "Eurochem Baltic Logistics"	3	4 641	-	-
	379 466	356 720	952 885	570 515

Related parties in the table above belong to the Eurochem Group. Nature of transactions with related parties is purchase of raw materials (Eurochem Trading GmbH, Kavdorskiy GOK, NAK Azot and OAO MXK Eurochem), purchase of transportation services (Harvester Shipmanagement Ltd and UAB"Eurochem Baltic Logistics") and sales of production (Eurochem Trading GmbH).

During 05-08 august 2009, the loan in USD was reimbursed and a new loan was granted in EUR'os to related party Eurochem A.M. Limited .

Year-end balances of transactions with related parties:

	at 30 september 2009		at 30 september 2008	
	Receivables	Payables	Receivables	Payables
Eurochem Trading GmbH	120 492	-	230 005	-
"Eurochem BMU LLC"	7	-	-	-
Harvester Shipmanagement Ltd	-	-	-	-
OAO Kavdorskiy GOK	-	47 069	-	32 271
OAO NAK Azot	45	3 439	-	15 146
Eurochem A.M. Limited	338 735	-	352 545	-
UAB "Eurochem Baltic Logistics"	2	332	-	-
OAO "Nevnomyskiy Azot"	45	-	-	-
	459 326	50 840	582 550	47 417

The balances of receivables include receivables for production sold (Eurochem Trading GmbH) and short-term loans granted (Eurochem A.M. Limited). The balances of payables include accounts payable for raw materials purchased (OAO Kavdorskiy GOK, OAO NAK Azot) and for transportation services purchased (Harvester Shipmanagement Ltd).