CONFIRMATION OF THE RESPONSIBLE PERSONS

2010-11-18

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'2010, 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'2010.

Director General Jonas Dastikas

Chief Financial Officer Regvita Ivanoviené

LIFOSA AB

INTERIM FINANCIAL STATEMENT
FOR THE PERIOD JANUARY- SEPTEMBER 2010(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

STATEMENT OF COMPREHENSIVE INCOME

in thaousand LTL

	Notes	01 july – 30 september 2010	2009	01january- 30 september 2010	2009
Sales	1	308 107	190 466	783 675	652 992
Cost of sales	4	(232 511)	(192 109)	(578 750)	(634 590)
Gross profit		**75 596**	**8 357**	**204 924**	**18 402**
Selling and distribution costs	2,4	(8 334)	(6 786)	(22 144)	(21 009)
Administrative expenses	3,4	(5 941)	(5 726)	(19 226)	(22 791)
Net foreign exchange gain/(loss)	5	(9 234)	(14 617)	9 665	(17 866)
Other income	6	6 711	4 323	15 348	13 667
Operating profit		**58 798**	**(14 449)**	**188 568**	**(29 597)**
Interest income on short-term cash deposits		39	54	147	328
Profit before tax		**58 837**	**(14 395)**	**188 715**	**(29 269)**
Income tax	7	(9 038)	2 728	(28 599)	4 496
Net profit		**49 799**	**(11 667)**	**160 116**	**(24 773)**
Basic and diluted earnings per share (LTL per share)		2,37	-0.56	7,62	-1.18

These preliminary unaudited financial statements on pages 3 – 18 were approved by the Company's Director General and Chief Accountant on 18 November 2010.

Jonas Dastikas
Director General

Regvita Ivanoviene
Financial Director

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

STATEMENT OF FINANCIAL POSITION

in thousand LTL

	Notes	30 september 2010	31 december 2009
ASSETS			
Non-current assets			
Property, plant and equipment	9	312 443	271 985
Intangible assets	10	378	605
Deferred tax asset	7	5 102	33 449
Other receivables		13 287	20 029
		331 210	**326 068**
Current assets			
Inventories	11	121 550	79 385
Trade and other receivables	12	92 092	100 159
Loans granted	12	457 355	342 972
Cash and cash equivalents	13	39 393	34 393
		710 390	**556 909**
Total assets		**1 041 600**	**882 977**
EQUITY			
Share capital	14	210 206	210 206
Share premium		80	80
Legal reserve		21 021	21 021
Retained earnings		753 016	592 900
Total equity		**984 323**	**824 207**
LIABILITIES			
Non-current liabilities			-
Grants	15	**17 478**	**5 127**
Current liabilities			
Income tax liabilities		-	-
Trade and other payables	15	39 799	53 643
Total liabilities		**57 277**	**58 770**
Total equity and liabilities		**1 041 600**	**882 977**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in thousand LTL

	Notes	Share capital	Share premium	Legal reserve	Retained earnings	Total
Balance as at 1 January 2009		210,206	80	21 021	618 807	850 114
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	-24 772	-24 772
Balance at 30 september 2009		**210 206**	**80**	**21 021**	**594 035**	**825 342**
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	(1 135)	(1 135)
Balance at 31 december 2009	15	**210,206**	**80**	**21,021**	**592 900**	**824 207**
Transfer to legal reserve		-	-	-	-	-
Net profit for the period		-	-	-	160 116	160 116
Balance at 30 september 2010	15	**210,206**	**80**	**21,021**	**753 016**	**984 323**

CASH FLOW STATEMENT

in thousand LTL

	For the nine month period ended on 30 September	
	2010	2009
Cash flows from operating activities		
Profit before tax	188 715	(29 269)
Adjustments for:		
Depreciation and amortisation	22 651	23 362
Unrealised foreign Exchange loss/(gain)	(9 665)	17 866
Loss (profit) on disposal of property,plant and equipment,net	(30)	(34)
Changes in working capital	(43 025)	(28 589)
Change in other receivables	(99 574)	27 955
Income tax paid	(6 413)	(53 232)
Net cash from operating activities	**52 659**	**(41 941)**
Cash flow from investing activities		
Purchase of property,plant and equipment	(63 167)	(15 271)
Proceeds from the sales of property, plant and equipment	12	34
Net cash used investing activities	**(63 155)**	**(15 237)**
Cash flows from financing activities		
Interest income	15 348	13 667
Other financing income	148	328
Net cash from financing activities	**15 496**	**13 995**
Net increase in cash and cash equivalents	**5 000**	**(43 183)**
Movement in cash and cash equivalents		
At beginning of year	34 393	63 469
Net increase	5 000	(43 183)
Cash and cash equivalents at end of the period	**39 393**	**20 286**

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

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).

The number of staff employed by the Company on 30 september 2010 totalled 968 (2009: 973).

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),incudes 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.

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 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.

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.

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.

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 01January-30September		**Total assets 30 September**		**Capital expenditure 30 September**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Lithuania	30 608	31 733	1 041 600	920 001	63 167	15 271
France	39 201	4 318	-	-	-	-
Germany	87 393	95 035	-	-	-	-
The Netherlands	56 038	70 529	-	-	-	-
Brasilia	30 738	-	-	-	-	-
Poland	34 974	26 226	-	-	-	-
Argentina	27 577	-				
Czech Republic	4 694	4 609	-	-	-	-
Romania	10 158	4 916	-	-	-	-
Hungary	3 903	2 417	-	-	-	-
Belgium	4 176	2 844	-	-	-	-
Slovakia	1 982	-	-	-	-	-
Pakistan	-	95 801	-	-	-	-
Uruguay	8 758	-	-	-	-	-
Sweden	2 443	4 011	-	-	-	-
Tajikistan	7 307	2 192				
Spain	-	2 392	-	-	-	-
Ukraine	5 827	3 993	-	-	-	-
Great Britain	4 736	5 712	-	-	-	-
Ireland	14 710	4 023	-	-	-	-
Portugal	1 119	-	-	-	-	-
Indiia	333 109	204 194	-	-	-	-
Etiopia	-	45 120	-	-	-	-
Kenia	-	30 837	-	-	-	-
Denmark	12 231	483	-	-	-	-
Baltarusia	2 584	3 022	-	-	-	-
Rusia	9 782	-	-	-	-	-
Ivory Coast	9 221	-	-	-	-	-
Cameroon	1 851	-	-	-	-	-
Egypt	1 306	-	-	-	-	-
Guatemala	7 742	-	-	-	-	-
Latvia	2 264	-	-	-	-	-
Malaysia	1 972	-	-	-	-	-
Martinique	1 634	-	-	-	-	-
Vietnam	19 987	-	-	-	-	-
Senegal	2 067	-	-	-	-	-
Serbia	1 008	-	-	-	-	-
Other countries	575	8 585	-	-	-	-
	783 675	**652 992**	**1 041 600**	**920 001**	**63 167**	**15 271**

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(in thousand LTL):

	30 september 2010	30 september 2009
Sales of goods	774 097	637 481
Sales of raw materials	5	598
Sales of electricity, heat energy, gas, CO_2 emission rights, other services, other sales revenue	9 573	14 913
	783 675	**652 992**

2 SELLING AND DISTRIBUTION COSTS

In thousand LTL

	30 september 2010	30 september 2009
Shipping costs	9 155	8 868
Transportation costs	12 339	10 816
Loading and forwarding costs	612	1 131
Other selling and distribution costs	38	195
	22 144	**21 009**

3 ADMINISTRATIVE EXPENSES

In thousand LTL

	30 september 2010	30 september 2009
Remuneration of employees	9 295	8 398
Social security contributions	2 982	2 571
Accruals	-	-
Taxes (other than income tax)	1 435	3 953
Depreciation and amortization	777	720
Insurance	71	120
Security	718	642
Telecommunications	240	294
Support granted	483	883
Other administrative expenses	3 225	5 210
	19 226	**22 791**

4 EXPENSES BY NATURE

In thousand LTL

	30 september 2010	30 september 2009
Raw materials and consumables used	513 371	558 804
Inventory valuation allowance	-	-
Remuneration of employees and social security contributions	47 847	45 324
Transportation services	22 144	21 009
Depreciation and amortisation	21 874	23 362
Change in finished goods, semi-manufactures and work in progress	-	12 618
Repair and maintenance	5 233	5 267
Energy and fuel	3 346	2 652
Taxes (other than income tax)	1 435	3 953
Consulting expenses	592	498
Security	718	642
Telecommunication and IT maintenance expenses	240	294
Marketing	276	57
Other	3 044	3 910
	620 120	**678 390**

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

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 2010	**30 september 2009**
Commission for currency translation operations	705	1 421
Net foreign exchange gain (loss)	8 960	(19 287)
	9 665	**(17 866)**

6 OTHER INCOME/GAINS

In thousand LTL

	30 september 2010	**30 september 2009**
Interest income on short-term loans	15 319	13 633
Gain on disposal of property, plant and equipment	30	34
	15 348	**13 667**

7 INCOME TAX

In thousand LTL

	30 septrmber 2010	**30 september 2009**
Current tax	(33 701)	(45 806)
Deferred tax	5 102	45 806
	28 599	**0**

Analysis of sales by category (in thousand LTL):

	30 september 2010	30 september 2009
Sales of goods	774 097	637 481
Sales of raw materials	5	598
Sales of electricity, heat energy, gas, CO_2 emission rights, other services, other sales revenue	9 573	14 913
	783 675	**652 992**

2 SELLING AND DISTRIBUTION COSTS
In thousand LTL

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In thousand LTL

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Insurance	71	120
Security	718	642
Telecommunications	240	294
Support granted	483	883
Other administrative expenses	3 225	5 210
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In thousand LTL

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Depreciation and amortisation	21 874	23 362
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Telecommunication and IT maintenance expenses	240	294
Marketing	276	57
Other	3 044	3 910
	620 120	**678 390**

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

(All tabular amounts in LTL thousand unless otherwise stated)

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 2010	30 september 2009
Commission for currency translation operations	705	1 421
Net foreign exchange gain (loss)	8 960	(19 287)
	9 665	**(17 866)**

6 OTHER INCOME/GAINS

In thousand LTL

	30 september 2010	30 september 2009
Interest income on short-term loans	15 319	13 633
Gain on disposal of property, plant and equipment	30	34
	15 348	**13 667**

7 INCOME TAX

In thousand LTL

	30 septrmber 2010	30 september 2009
Current tax	(33 701)	(45 806)
Deferred tax	5 102	45 806
	28 599	**0**

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 2008						
Cost						
Accumulated depreciation	(87,610)	(242,890)	(9,208)	(9,343)	-	(349,051)
Net book amount						
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**
at 30 September 2010						
Opening net book amount	105 484	135 738	6 775	2 262	21 726	271 985
Additions	-	1 550	-	191	61 410	63 151
Disposals and write-offs	-	(284)	-	-	-	(284)
Reclassifications	6 440	45 914	-	576	(52 930)	-
Depreciation charge	(3 413)	(17 444)	(1 053)	(499)	-	(22 409)
Closing net book amount	**108 511**	**165 474**	**5 722**	**2 530**	**30 206**	**312 443**
at 30 September 2010						
Cost	207 813	462 717	17 747	12 649	30 206	731 132
Accumulated depreciation	(99 302)	(297 243)	(12 025)	(10 119)	-	(418 689)
Net book amount	**108 511**	**165 474**	**5 722**	**2 530**	**30 206**	**312 443**

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.

The rental payments for the land amounted to LTL 321 thousand during nine months 2010 (2009 nine months 227,3 thousand LTL).

10 INTANGIBLE ASSETS

In thousand LTL

	Computer software
At 31 December 2008	
Cost	1 049
Accumulated amortisation	(590)
Net book amount	**459**
at 30 September 2009	
Opening net book amount	459
Additions	100
Disposals and write-offs	-
Amortisation charge	(190)
Closing net book amount	**369**
at 30 September 2009	
Cost	1 149
Accumulated amortisation	(780)
Net book amount	**369**
at 30 September 2010	
Opening net book amount	605
Additions	(1)
Disposals and write-offs	-
Amortisation charge	(242)
Closing net book amount	**378**
at 30 September 2010	
Cost	1 465
Accumulated amortisation	(1 087)
Net book amount	**378**

11 INVENTORIES

In thousand LTL

	30 september 2009	30 september 2009
Finished goods	44 651	52 306
Raw materials and suppliers	73 103	34 886
Work in progress	2 488	1 917
Semi-manufactures	1 308	3 786
	121 550	**92 895**

12. LOANS GRANTED, TRADE AND OTHER RECEIVABLES

In thousand LTL

	30 september 2010	30 september 2009
Trade receivables, gross	51 320	121 797
Less: provision for impairment of trade receivable	(3 490)	-
VAT tax receivable	21 630	12 842
Prepayments made to suppliers	19 142	1 867
Other receivables	3 490	1 277
	92 092	**137 783**
Short-term loans granted	457 355	338 735
	549 447	**476 518**

13. CASH AND CASH EQUIVALENTS

In thousand LTL

	30 september 2010	30 september 2009
Cash in bank	39 280	1 107
Cash on hand	13	6
Time deposits and repo deals	0	19 173
Letters of credit and guarantees	100	-
	39 393	**20 286**

14. SHARE CAPITAL

As at 31 December 2009, 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 2010.

15. TRADE AND OTHER PAYABLES

In thousand LTL

	30september 2010	30 september 2009
Trade payables	14 618	20 152
Trade payables for related parties	2 377	50 841
Other payables and accrued charges	18 662	14 158
Remuneration of employees and social security payable	4 142	4 199
Grants	17 478	5 309
	57 277	**94 659**

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 2010, 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:

	30 september 2010		30 september 2009	
	Sales	**Purchases**	**Sales**	**Purchases**
Eurochem Trading GmbH	455 843	25 125	379 463	-
HarvesterShipmanagementLtd(from12.05.2009)	-	2 585	-	4 805
OAO Kavdorskyj GOK	-	130 628	-	284 608
OAO NAK Azot	-	59 715	-	62 666
UAB "Eurochem Baltic Logistics"	17	83 895	3	4 641
	455 860	**301 948**	**379 466**	**356 720**

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, Kavdorskyj GOK, NAK Azot and OAO MXK Eurochem), purchase of transportation services (Harvester Ship management Ltd and UAB "Eurochem Baltic Logistics") and sales of production (Eurochem Trading GmbH).

During Y2009-2010, the loans was granted to related parties Eurochem A.M. Limited and Eurochem Holding B.V.

Year-end balances of transactions with related parties:

	30 september 2010		30 september 2009	
	Receivables	**Payables**	**Receivables**	**Payables**
Eurochem Trading GmbH	60 891	1 251	120 492	-
"Eurochem BMU LLC"	-	-	7	-
OAO Kavdorskyj GOK	-	1,165	-	47 069
OAO NAK Azot	-	-	45	3 439
Eurochem Holding B.V.	49 093	-		
Eurochem A.M. Limited	408 262	-	338 735	-
UAB "Eurochem Baltic Logistics"	2	635	2	332
OAO "Nevynomyskij Azot"	-	-	45	-
	518 248	**33 051**	**459 326**	**50 840**

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