JOINT STOCK COMPANY OLAINFARM

(UNIFIED REGISTRATION NUMBER 40003007246)

CONSOLIDATED ANNUAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS

Olaine, 2009

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General information

Name of the Parent Company	Olainfarm
Legal status of the Parent Company	Joint stock Company
Unified registration number, place and date of registration	40003007246 Riga, 10 June 1991 (re-registered on 27 March 1997)
Registered office	Rūpnīcu iela 5 Olaine, Latvia, LV-2114
Major shareholders	SIA Olmafarm (42.56 %) Rūpnīcu iela 5 Olaine, Latvia, LV-2114 Juris Savickis (26.17 %)
Board	Valērijs Maligins, Chairman of the Board (President) *Positions held in other companies:* SIA Aroma, Chairman of the Board, SIA Olmafarm, Chairman of the Board, SIA New Classic, Board Member (resigned on 08/08/2008) *Participation in other companies:* Non-governmental organisation Latvian Academic Library Foundation, Nature Restoration Foundation, SIA Vega MS (60%), SIA Briz (51%), SIA Olfa Press (45%), SIA Carbochem (50%), SIA Aroma (100%), SIA Olmafarm (100%). Jeļena Borcova, Board Member *Positions held in other companies:* SIA Carbochem – Board Member *Participation in other companies:* none Jurijs Kaplinovs *Participation in other companies:* none Inga Liščika *Participation in other companies:* none Vjačeslavs Kuļikovs (appointed on 01/10/2008) *Participation in other companies:* none

Council	Juris Savickis, Chairman of the Council *Positions held in other companies:* The Latvian Tennis Union (unregistered office), AS Sibur Itera, Chairman of the Council, AS Latvijas Gāze, Deputy Chairman of the Council,, SIA Itera Latvija, Chairman of the Board, AS Nordeka, Chairman of the Council, SIA Islande Hotel, Board Member, *Participation in other companies:* SIA Islande Hotel (75.31%), SIA Energo SG (50%), SIA Nordeka Serviss (100%), SIA Palasta nami (100%), SIA Elssa-SIA (55%), Company of apartment owners' Četri pluss (20%), AS Latvijas Krājbanka (1.02%), SIA Bobrova nams (28.75%), AS Nordeka (48.09%), Tennis club Prezidents, SIA Blūza klubs (50%), SIA Ajura (50%), SIA SWH Sets (15.29%), SIA Babbord (33%), AS Dinamo Rīga (9.76%), AS VEF banka (9.99%).	
	Eļena Dudko, Deputy Chairperson of the Council (appointed on 11/04/2008) *Positions held and participation in other companies:* none	
	Aleksandrs Raicis *Positions held in other companies*: Latvian Pharmaceutical Wholesalers Association *Participation in other companies*: SIA VIP Pharma (50%), SIA Recesus(30%).	
Movements in the Board during the period 1 January 2009 through 30 June 2009	none	
Movements in the Council during the period 1 January 2009 through 30 June 2009	Rolands Klincis (resigned 26.01.2009.)	
Subsidiaries	SIA Reinolds (100%) Dzegužu iela 1/2, LV-1007, from 26/08/2008	
Core business activity	Manufacturing and distribution of chemical and pharmaceutical products	
Financial year	1 January – 30 June 2009	
Auditors	Diāna Krišjāne Certified Auditor Certificate No. 124	SIA Ernst & Young Baltic Muitas iela 1, Riga Latvia, LV – 1010 Licence No. 17

Management report

General information

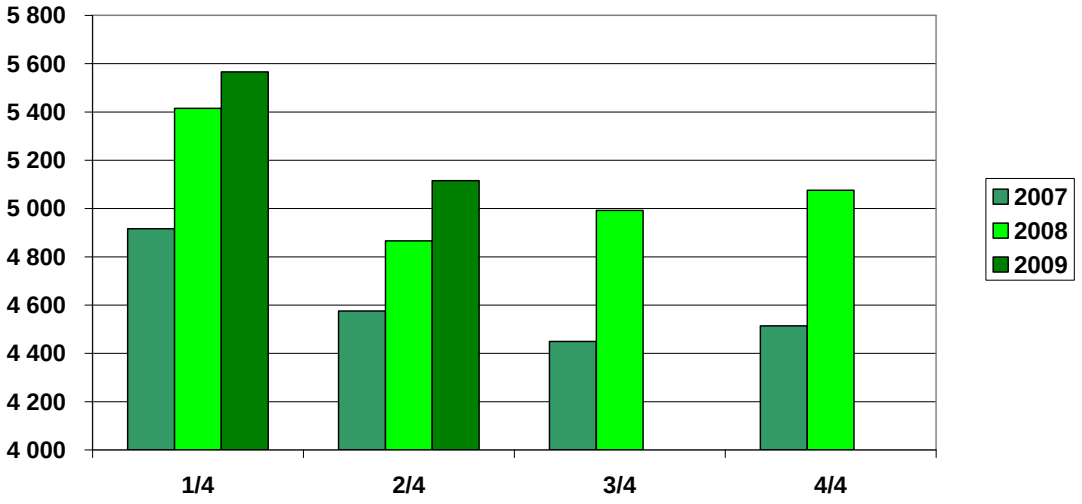
During the reporting period no changes have occurred to the composition of the Concern and it consisted from the parent company JSC „Olainfarm" and its daughter company SIA „Reinolds" which owns several patents related to the new products.

Concern is one of the biggest companies in the Baltic States with more than 35 years of experience in production of medicines and chemical and pharmaceutical products. The basic principle of Concern's operations is to produce reliable and effective top quality products for Latvia and the rest of the world. Currently the products of Concern are being exported to more than 30 countries worldwide, including the Baltics, Russia, CIS, Scandinavian and other Western European countries, Asia and the USA.

Financial results

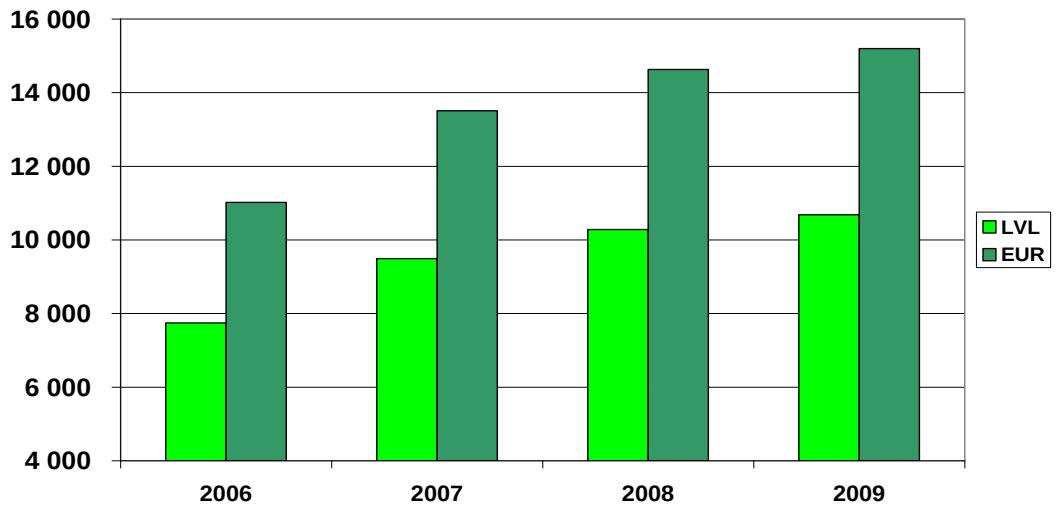
Sales of the Concern continued increasing during the second quarter of 2009 compared to the similar period a year earlier. Sales reached 5 115 383 lats (7 278 534 Euro) which is a 6% increase compared to the 2nd quarter of 2008.

Consolidated Sales by Quarters, thsnd LVL



Similar growth trend can be observed when looking at the total sales of the first six months. Consolidated sales of the concern during this period reached 10.7 million lats (15.2 million Euro), which is a 4% increase compared to the first half of 2008.

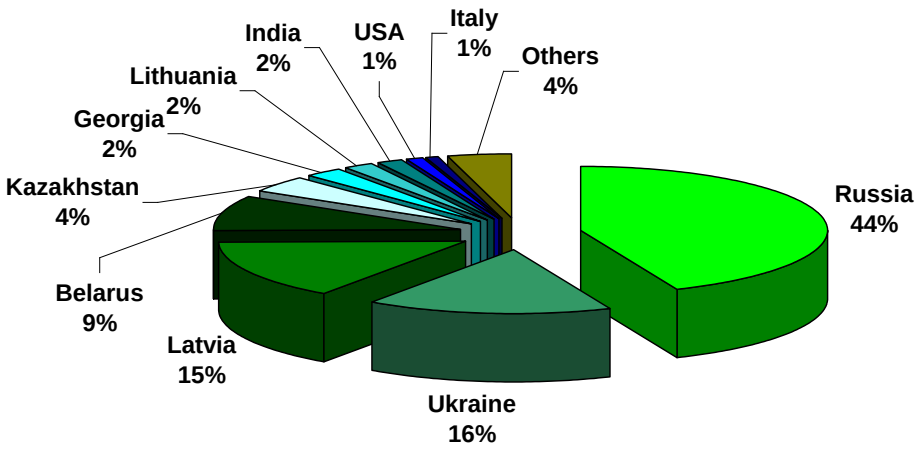
Consolidated Sales of First Six Months, thsnd.



It must be noted, however, that significant shipments were made during the first half of 2008 to partners in Poland and the UK, and similar shipments are planned for the second half of 2009. Should the respective corrections be made for such irregular and untypical sales, sales of the first half of 2009 would have grown by 15%.

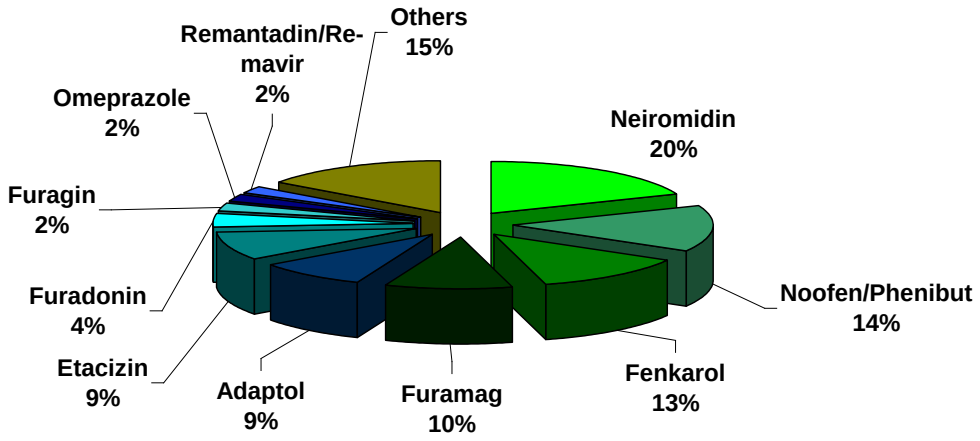
Like before, according to the results of 1st half of 2009, significant sales growth remains in the countries where Concern's marketing effort has been particularly strengthened. Sales to Russia during the 1st half of 2009 have grown by 40%, to Moldova by 76%, to Azerbaijan by 147%, to Kazakhstan by 22%. Some smaller growth has been achieved in countries with more turbulent economic conditions, namely Belarus, Ukraine and Latvia. Biggest sales decreases in percents have come from countries with rather insignificant influence to Concern's sales like Tajikistan, Kirgizstan and Estonia. In some instances the sales to these countries has decreased by as much as 55%, but since the impact of these countries to overall sales of the Concern is negligible, such a decrease could not and did not leave any significant adverse impact on overall Concern's sales figures.

Sales of First Half of 2009 by Countries



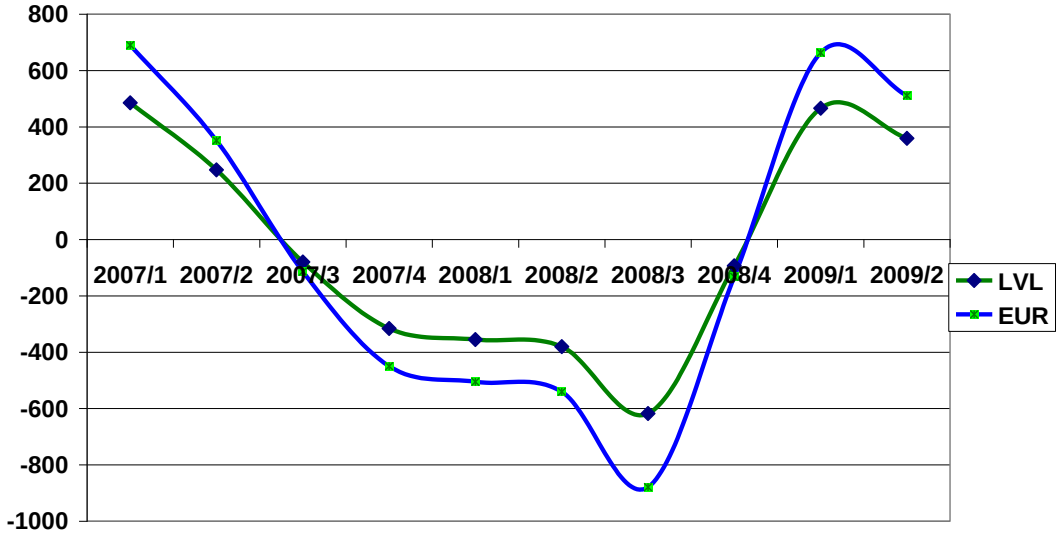
During the 2nd quarter of 2009 the work was continued at sales promotion in different markets and as of the end of the first half of 2009 five best selling products were the products, sales of which are being promotes particularly strongly. At the same time, despite a rather considerable growth of Neiromidin's share in overall sales, rather good diversity of products in portfolio remains, as the best sold product makes up only about one fifth of total sales while ten best sold products make up only 85% of total sales.

Sales of First Half of 2009 by Products



In the 2nd quarter of 2009 as before, the impact of previously made decisions regarding the sales promotion and cost optimization remained. Thus the net profit of the Concern with slight corrections for seasonality remained on the level of 1st quarter and reached 359 thousand lats (511 thousand Euros).

Profit by Quarters thsnd. LVL and EUR



As far as the profit is concerned, in 2009 the Concern has experienced its best ever 1st half of year, as it totally made the net profit of 825 thousand lats (1 173 thousand Euro).

Consolidated Profit in First Halves, thsnd. LVL and EUR

EBIT and EBITDA keep improving with considerable speed. During the 1st half of 2009 EBITDA reached 2 306 452 lats (3 281 786 Euro), while at the same time last year it was 923 895 lats (1 314 584Euro), which means that in 1st half of 2009 it has increased two and a half times compared to the respective period of 2008. EBIT has also grown significantly to 1 058 486 lats (1 506 090 Euro), while a year ago it was negative figure of 337 718 lats (480 529 Euro).

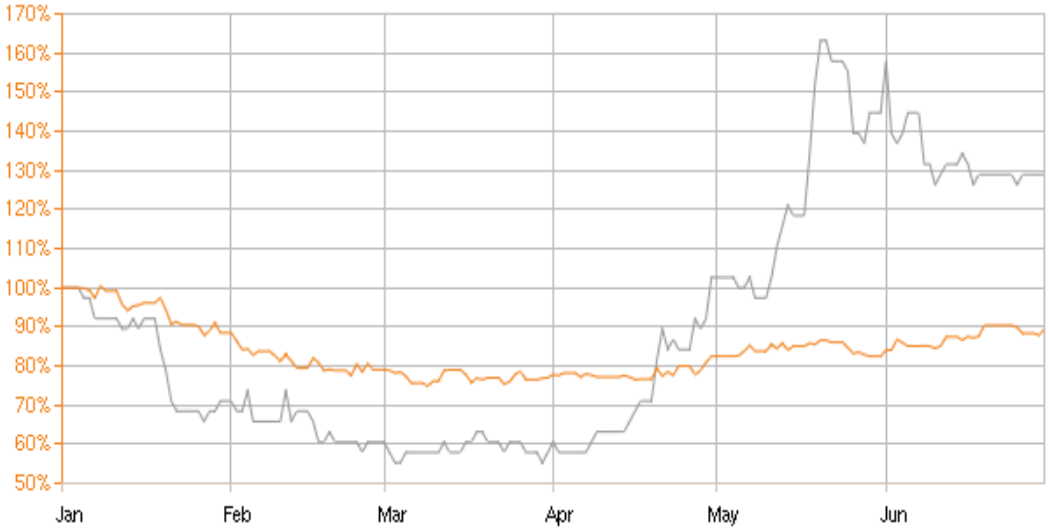
Main financial indicators	30.06.2009.	30.06.2008.	% to the previous period
Net sales (LVL)	10 681 616	10 281 395	104%
Net profit (LVL)	824 707	-735 000	NA
EBITDA (LVL)	2 306 452	923 895	250%
EBIT (LVL)	1 058 486	- 337 718	NA
Net sales (EUR)	15 198 570	14 629 107	104%
Net profit (EUR)	1 173 452	-1 045 811	NA
EBITDA (EUR)	3 281 786	1 314 584	250%
EBIT (EUR)	1 506 090	-480 529	NA
EBITDA margin	22	9	
Net margin	7,7	-7,1	
EBIT margin	10	-3,3	
ROA (for quarter)	2,6	-2,5	
ROE (for quarter)	5,3	-4,8	
EPS, LVL (for quarter)	0,059	-0,052	NA
EPS, EUR (for quarter)	0,083	-0,074	NA

Stabilization of financial indicators has also facilitated the stabilization of the share price of the share price on NASDAQ OMX Riga Stock Exchange, especially during the second half of the first quarter. Particularly strong growth of the share price can be observed after the results of the first quarter were published.

Price of share of Parent Company on Riga Stock Exchange (H1, 2009)

During the second quarter of this year the price of Olainfarm's shares has increased much more rapidly than the OMX Riga Index. It resulted in OMX Riga index falling in six months period by about 10%, while Olainfarm's share price during the similar period has increased by about 30%.

Rebased price of Parent Company's shares on Riga Stock Exchange compared to rebased OMX Riga Index (H1, 2009)



-- OMR Riga
-- Olainfarm

Events after the end of the reporting period

On July 3, 2009 Chairman of the Supervisory Council of Olainfarm Mr. Juris Savickis announced his resignation by July 9, 2009. Supervisory Council of Olainfarm elected Mr. Helmuts Balderis – Sildedzis to be the new Chairman of the Supervisory Council. However, since Mr. Savickis' resignation Olainfarm's Supervisory council was lacking one member, therefore, based on Articles 270 and 273 on Latvian Commercial Law the Management Board of Olainfarm decided to convene the Extraordinary Shareholders Meeting of Olainfarm on September 25, 2009, with elections of the Supervisory Council on agenda.

On July 15, 2009, Olainfarm received an announcement whereby Chairman of Olainfarm's Supervisory Council Mr. Helmuts Balderis – Sildedzis informed about obtaining an indirect participation in JSC Olainfarm because a company „HB-19 Investments Limited" owned by Mr. Balderis – Sildedzis has purchased 3 686 014 shares of JSC „Olainfarm", which represents some 26,17% of

the total share capital. Respective announcement about the similar selling transaction was also received from former Chairman of the Supervisory Council Mr. Juris Savickis.

Financial reports are approved by the Parent Company's Management Board, on behalf of which they are signed by

Jelena Borcova
Member of the Management Board

28 August 2009

Statement of Responsibility of the Management

The Management Board prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Group, the cash flows and the results of the Group for that period in accordance with International Financial Reporting Standards as adopted by the EU. In preparing those financial statements, they:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position, financial performance and cash flows of the Parent Company and the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by the EU.

On behalf of the Board

Jelena Borcova
Member of the Management Board

28 August 2009

Consolidated income statement

	Notes	2009 II.quarter LVL	2009 II.quarter EUR	2008 II.quarter LVL	2008 II.quarter EUR
Net sales	3	10 681 616	15 198 570	10 281 395	14 629 107
Changes in stock of finished goods and work in progress		851 091	1 210 993	564 068	802 596
Other operating income	4	241 137	343 107	287 961	409 732
Cost of materials:					
raw materials and consumables		(1 271 189)	(1 808 739)	(1 786 556)	(2 542 040)
other external costs		(1 008 926)	(1 435 572)	(1 029 436)	(1 464 755)
		(2 280 115)	(3 244 311)	(2 815 992)	(4 006 796)
Staff costs:					
Wages and salaries	8	(2 830 911)	(4 028 023)	(3 587 868)	(5 105 076)
Statutory social insurance contributions	8	(638 065)	(907 885)	(788 876)	(1 122 469)
		(3 468 976)	(4 935 908)	(4 376 744)	(6 227 546)
Depreciation/ amortization	10,11.	(1 247 966)	(1 775 696)	(1 261 613)	(1 795 114)
Other operating expense	5	(3 748 451)	(5 333 565)	(3 077 027)	(4 378 215)
Income from investments into subsidiaries		-	-	32 631	46 430
Financial income	6	70 993	101 015	23 688	33 705
Financial expense	7	(269 892)	(384 021)	(353 623)	(503 160)
(Loss)/ profit before taxes		**829 437**	**1 180 183**	**(695 256)**	**(989 260)**
Corporate income tax		(4 730)	(6 730)	(39 744)	(56 551)
(Loss)/ profit for the reporting year		**824 707**	**1 173 452**	**(735 000)**	**(1 045 811)**
Basic and diluted earnings per share	9	0.059	0.083	(0.052)	(0.074)

The accompanying notes form an integral part of these financial statements.

For the Board of the Group:

Jelena Borcova
Member of the Management Board

28 August 2009

Consolidated balance sheet

ASSETS	Notes	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
NON-CURRENT ASSETS					
Intangible assets					
Goodwill	10	503 930	717 028	-	-
Patents	10	5 983 137	8 513 236	2 780 357	3 956 092
Other intangible assets	10	361 442	514 286	563 344	801 566
Prepayments for intangible assets		311 197	442 793	268 791	382 455
TOTAL		**7 159 706**	**10 187 344**	**3 612 492**	**5 140 113**
Property, plant and equipment					
Land, buildings and constructions	11	6 707 105	9 543 351	5 250 590	7 470 917
Equipment and machinery	11	3 327 004	4 733 900	4 508 854	6 415 521
Other tangible assets	11	220 726	314 065	283 380	403 213
Construction in progress	11	110 805	157 661	1 565 707	2 227 800
Prepayments for property, plant and equipment		197 838	281 498	388 185	552 337
TOTAL		**10 563 478**	**15 030 475**	**11 996 716**	**17 069 789**
Financial assets					
Other securities and investments		386	549	386	549
Investments in related companies		650	925	-	-
Prepayments for investments		-	-	540 950	769 703
TOTAL		**1 036**	**1 474**	**541 336**	**770 252**
TOTAL NON-CURRENT ASSETS		**17 724 220**	**25 219 293**	**16 150 544**	**22 980 154**
CURRENT ASSETS					
Inventories					
Raw materials		865 008	1 230 795	1 219 824	1 735 653
Work in progress		4 037 948	5 745 482	3 172 155	4 513 570
Finished goods and goods for resale		2 521 576	3 587 879	2 729 262	3 883 390
Prepayments for goods		15 543	22 116	78 576	111 804
TOTAL	12	**7 440 075**	**10 586 273**	**7 199 817**	**10 244 418**
Receivables					
Trade receivables	13	5 377 422	7 651 382	4 589 710	6 530 569
Receivables from related companies		41 293	58 755	87 227	124 113
Prepayments to suppliers		222 075	315 985	61 014	86 816
Other receivables		367 161	522 423	320 174	455 566
Corporate income tax		164 069	233 449	10 067	14 324
Current loans to management and employees		275 883	392 546	310 183	441 350
Prepaid expense		44 023	62 639	24 945	35 494
TOTAL		**6 491 926**	**9 237 179**	**5 403 320**	**7 688 231**
Cash	14	**622 090**	**885 154**	**81 068**	**115 349**
TOTAL CURRENT ASSETS		**14 554 091**	**20 708 606**	**12 684 205**	**18 047 998**
TOTAL ASSETS		**32 278 311**	**45 927 899**	**28 834 749**	**41 028 152**

The accompanying notes form an integral part of these financial statements.

For the Board of the Group:

Jelena Borcova
Member of the Management Board

28 August 2009

EQUITY AND LIABILITIES

	Notes	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
EQUITY					
Share capital	15	14 085 078	20 041 260	14 085 078	20 041 260
Share premium		1 759 708	2 503 839	1 759 708	2 503 839
Retained earnings/ (accumulated deficit):					
brought forward		(1 096 253)	(1 559 827)	350 275	498 396
for the period		824 707	1 173 452	(735 000)	(1 045 811)
TOTAL EQUITY		**15 573 240**	**22 158 724**	**15 460 061**	**21 997 685**
LIABILITIES					
Non-current liabilities					
Loans from credit institutions	16	4 254 412	6 053 483	5 783 162	8 228 698
Long term payables for the long-term investment	20	2 453 050	3 490 376	-	-
Finance lease liabilities	17	146 202	208 027	276 932	394 039
Other loans		557 232	792 870	-	-
Taxes payable	18	290 010	412 647	493 726	702 509
Deferred corporate income tax liabilities		718 164	1 021 855	309 800	440 806
TOTAL		**8 419 070**	**11 979 257**	**6 863 620**	**9 766 051**
Current liabilities					
Loans from credit institutions	16	3 467 874	4 934 340	2 997 182	4 264 606
Finance lease liabilities	17	150 842	214 629	205 686	292 665
Other loans		45 806	65 176	-	-
Prepayments received from customers		119 451	169 963	214 445	305 128
Trade and other payables	20	2 032 275	2 891 667	1 839 520	2 617 401
Payables to related companies		250 387	356 269	140 116	199 367
Taxes payable	18	1 395 484	1 985 595	544 852	775 255
Accrued liabilities	19	823 882	1 172 278	569 267	809 994
TOTAL		**8 286 001**	**11 789 917**	**6 511 068**	**9 264 415**
TOTAL LIABILITIES		**16 705 071**	**23 769 175**	**13 374 688**	**19 030 467**
TOTAL EQUITY AND LIABILITIES		**32 278 311**	**45 927 899**	**28 834 749**	**41 028 152**

The accompanying notes form an integral part of these financial statements.

For the Board of the Group:

Jelena Borcova
Member of the Management Board

28 August 2009

Consolidated cash flow statement

	2009 I quarter		2008 I quarter	
	LVL	EUR	LVL	EUR
Cash flows to/from operating activities				
(Loss)/ Profit before taxes	470 443	669 380	(355 445)	(505 753)
Adjustments for:				
Amortisation and depreciation	630 018	896 435	620 346	882 673
Loss on sale/ disposal of property, plant and equipment	(306)	(435)	31 275	44 500
Increase in allowances	135 766	193 178	(7 112)	(10 119)
Interest expences	140 217	199 511	130 027	185 012
Interest receivable	(2 714)	(3 862)	(20 480)	(29 140)
Unrealised loss/(profit) from fluctuations of currency exchange rates	(16 683)	(23 738)	24 248	34 502
	0	-	0	-
Operating cash flows before working capital changes	**1 356 741**	**1 930 469**	**422 859**	**601 674**
Increase in inventories	(463 451)	(659 431)	77 590	110 401
Decrease in receivables and prepaid expence	(575 415)	(818 742)	(277 104)	(394 283)
Increase/ (decrease) in payables and prepayments received	519 076	738 579	121 668	173 118
Cash generated from operations	**836 951**	**1 190 874**	**345 013**	**490 909**
Interest paid	(138 232)	(196 686)	(130 027)	(185 012)
Corporate income tax paid	(45 065)	(64 122)	-	-
Real estate tax paid	(3 832)	(5 452)	(13 791)	(19 623)
Net cash flows to/ from operating activities	**649 822**	**924 613**	**201 195**	**286 275**
Cash flows to/from investing activities				
Purchase of property, plant and equipment	(71 556)	(101 815)	(1 153 742)	(1 641 627)
Acquistion of subsidiary	(53 000)	(75 412)	-	-
Proceeds from sale of intangible assets and property, plant and equipment	1 289	1 834	70	100
Loans repaid	693	986	27 433	39 034
Interest receivable	251	357	20 480	29 140
Loans granted	(7 218)	(10 270)	(122 778)	(174 697)
Net cash flows to/from investing activities	**(129 540)**	**(184 319)**	**(1 228 537)**	**(1 748 051)**
Cash flows to/from financing activities				
Borrowings repaid	(3 976)	(5 657)	387 068	550 748
Net cash flows to/from financing activities	**(3 976)**	**(5 657)**	**387 068**	**550 748**
Change in cash	**516 306**	**734 637**	**(640 274)**	**(911 028)**
Cash at the begining of the year	**37 106**	**52 797**	**1 078 604**	**1 534 715**
Cash at the and of the year	**553 412**	**787 434**	**438 330**	**623 687**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital	Share capital	Share premium	Share premium	Retained earnings/ (Accumulated deficit)	Retained earnings/ (Accumulated deficit)	Total	Total
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Balance as at 31 December 2008	**14 085 078**	**20 041 260**	**1 759 708**	**2 503 839**	**(1 096 253)**	**(1 559 827)**	**14 748 533**	**20 985 272**
Loss for the reporting year	-	-	-	-	824 707	1 173 452	824 707	1 173 452
Balance as at 30 June 2009	**14 085 078**	**20 041 260**	**1 759 708**	**2 503 839**	**(271 546)**	**(386 375)**	**15 573 240**	**22 158 724**

The accompanying notes form an integral part of these financial statements.

Notes to the consolidated financial statements

1. Corporate information

The principal activities of Olainfarm Group (hereinafter, the Group) are manufacturing and distribution of chemical and pharmaceutical products.

The Parent Company of the Group, AS Olainfarm (hereinafter, the Parent Company) was registered with the Republic of Latvia Enterprise Register on 10 June 1991 (re-registered on 27 March 1997) and with the Republic of Latvia Commercial Register on 4 August 2004.

The shares of the Parent Company are listed on Riga Stock Exchange, Latvia.

These consolidated financial statements were approved by the Board on 28 August 2009.

The Parent Company's shareholders have the power to amend the consolidated financial statements after the issue.

2. Summary of significant accounting policies

Foreign currency translation

The functional and reporting currency of companies of the Group is the Lat (LVL). All transactions denominated in foreign currencies are converted into Lats at the Bank of Latvia rate of exchange prevailing on the day the transaction took place. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. At the year end foreign currency financial assets and liabilities are translated at the Bank of Latvia rate of exchange ruling at 31 December, and all associated exchange differences are dealt with through the income statement.

Exchange rates against the USD and EUR in the last two years have been:

	30/06/2009	*30/06/2008*
EUR	*0.702804*	*0.702804*
USD	*0.501*	*0.447*

3. Net sales

	2009 II.quarter		**2008 II.quarter**	
By business segments	**LVL**	**EUR**	**LVL**	**EUR**
Finished form medicine	10 049 721	14 299 465	9 518 777	13 543 999
Chemicals	631 895	899 106	762 618	1 085 108
TOTAL:	**10 681 616**	**15 198 570**	**10 281 395**	**14 629 107**

	2009 II.quarter		**2008 II.quarter**	
By geographical segments	**LVL**	**EUR**	**LVL**	**EUR**
CIS	8 236 422	11 719 373	7 207 864	10 255 867
Latvia	1 625 464	2 312 827	1 563 397	2 224 514
Europe	273 000	388 444	1 021 991	1 454 162
Baltic states (Lithuania and Estonia)	217 000	308 763	336 795	479 216
Other	329 730	469 164	151 348	215 349
TOTAL:	**10 681 616**	**15 198 570**	**10 281 395**	**14 629 107**

4. Other operating income

	2009 II.quarter		2008 II.quarter	
	LVL	EUR	LVL	EUR
Treatment of waste water	115 664	164 575	85 369	121 469
Lease of premises	40 927	58 234	24 673	35 107
Income of services*	39 802	56 632	62 612	89 088
Other operating income	25 394	36 132	52 987	75 394
Incomes from catering services	15 918	22 649	24 825	35 323
Gains from sale of non-current assets	2 940	4 184	1 780	2 533
Sale of current assets	492	700	35 716	50 819
TOTAL:	**241 137**	**343 107**	**287 961**	**409 732**

* Income from services includes the analysis of preparations based on customer's orders.

5. Other operating expense

	30.06.2009		30.06.2008	
	LVL	EUR	LVL	EUR
Marketing expense	2 446 202	3 480 632	2 030 233	2 888 761
Sales commissions	50 989	72 550	62 338	88 699
Transportation expense	35 980	51 195	66 469	94 577
Other distribution costs	31 344	44 599	49 405	70 297
Expert analysis of medicines	2 391	3 402	4 085	5 812
Exhibition expense	471	670	668	950
Total distribution costs:	*2 567 378*	*3 653 049*	*2 213 198*	*3 149 097*
Other operating expense	514 976	732 744	73 837	105 061
Insurance	106 353	151 327	104 446	148 614
Write-offs of current assets	86 878	123 617	47 517	67 611
Security	58 327	82 992	16 148	22 976
Information and business consulting	53 072	75 515	60 189	85 641
Business trips	38 065	54 162	73 518	104 607
Permits for import and export of medicines	37 153	52 864	20 279	28 854
Communications expense	30 521	43 427	39 640	56 403
Other taxes	30 150	42 900	27 603	39 276
Car fleet maintenance	24 765	35 237	43 437	61 806
Representation expense	21 633	30 781	61 156	87 017
Allowances to staff	19 213	27 338	29 841	42 460
Social infrastructure	18 989	27 019	26 061	37 081
Current repairs	16 691	23 749	26 821	38 163
Education	13 435	19 116	11 532	16 409
Inventorying of buildings	13 000	18 497	-	-
Waste removal	11 769	16 745	12 250	17 430
Bank charges	11 284	16 056	18 635	26 515
Write-offs and disposal of tangible assets	9 100	12 948	18 261	25 983
Hosting expense	8 275	11 774	10 882	15 484
Membership fees	7 549	10 741	11 308	16 090
Legal and audit expense	6 253	8 898	25 789	36 695
Flowers and gifts	5 758	8 193	31 376	44 644
Office expense	5 717	8 135	15 717	22 363
Laboratory tests	5 680	8 082	3 842	5 467
Land lease for eco-field	5 366	7 635	591	841
Humanitarian aid	5 335	7 591	1 081	1 538
Administrative offices maintenance	4 982	7 089	6 443	9 168
Donations	4 618	6 571	17 065	24 281
New product research and development costs	2 225	3 165	21 070	29 980
Visas, invitations	1 943	2 765	2 472	3 517
Unemployment risk duty	1 349	1 919	1 648	2 345
Provisions for impairment of tangible assets	650	925	-	-
Office rent	-	-	3 373	4799
TOTAL:	**3 748 451**	**5 333 565**	**3 077 027**	**4 378 215**

6. Financial income

	2009 II.quarter		2008 II.quarter	
	LVL	EUR	LVL	EUR
Currency exchange gain, net	29 038	41 318	-	-
Currency exchange commission	21 995	31 296	-	-
Received penalties	14 490	20 617	-	-
Loan interest payments	5 201	7 401	4 318	6 144
Interest accrued on bank account balances	269	383	19 370	27 561
TOTAL:	**70 993**	**101 015**	**23 688**	**33 705**

7. Financial expense

	2009 II.quarter		2008 II.quarter	
	LVL	EUR	LVL	EUR
Loan interest expenses	185 634	264 132	260 476	370 624
Penalties paid for late payments	69 298	98 602	26 872	38 235
Currency exchange commission	14 960	21 286	43 478	61 864
Currency exchange loss, net	-	-	22 797	32 437
TOTAL:	**269 892**	**384 021**	**353 623**	**503 160**

8. Staff costs and number of employees

	2009 II.quarter		2008 II.quarter	
	LVL	EUR	LVL	EUR
Wages and salaries	2 830 911	4 028 023	3 587 868	5 105 076
Statutory social insurance contributions	638 065	907 885	788 876	1 122 469
TOTAL:	**3 468 976**	**4 935 908**	**4 376 744**	**6 227 546**

	2009 II.quarter		2008 II.quarter	
	LVL	EUR	LVL	EUR
Management of the Group				
Wages and salaries	197 615	281 180	280 215	398 711
Statutory social insurance contributions	47 501	67 589	66 946	95 255
Board Members				
Wages and salaries	188 700	268 496	203 632	289 743
Statutory social insurance contributions	26 636	37 900	11 025	15 687
Council Members				
Wages and salaries	41 650	59 263	74 755	106 366
Statutory social insurance contributions	8 852	12 595	14 393	20 479
TOTAL:	**510 955**	**727 024**	**650 966**	**926 241**

	30/06/2009	30/06/2008
Average number of employees during the reporting year	772	994

9. Basic and diluted earnings per share

Earnings per share are calculated by dividing the net result for the year after taxation attributable to shareholders by the weighted average number of shares in issue during the year. The table below presents the income and share data used in the computations of basic earnings per share:

	2009 II.quarter		2008 II.quarter	
	LVL	EUR	LVL	EUR
Net result attributable to shareholders	824 707	1 173 452	(735 000)	(1 045 811)
Weighted average number of ordinary shares*	14 085 078	14 085 078	14 085 078	14 085 078
Earnings per share	**0.059**	**0.083**	**(0.052)**	**(0.074)**

The Parent Company has no potential dilutive ordinary shares and therefore diluted earnings per share are the same as the basic earnings per share.

10. Intangible assets

		Goodwill		Patents		Other intangible assets		TOTAL	
		LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Acquisition value as at 31/12/2007		**-**	**-**	**950 000**	**1 351 728**	**375 480**	**534 260**	**3 036 376**	**4 320 374**
2008. II	Additions	-	-	1 900 000	2 703 456	36 425	51 828	1 936 425	2 755 285
quarter	Disposals	-	-	-	-	(27 950)	(39 769)	(27 950)	(39 769)
Acquisition value as at 30/06/2008		**-**	**-**	**2 850 000**	**4 055 185**	**383 955**	**546 319**	**4 944 851**	**7 035 889**
Accumulated amortisation as at 31/12/2007		**-**	**-**	**-**	**-**	**185 147**	**263 440**	**1 355 585**	**1 928 824**
2008. II	Amortisation	-	-	69 643	99 093	34 961	49 745	273 513	389 174
quarter	Amortisation of disposals	-	-	-	-	(27 950)	(39 769)	(27 950)	(39 769)
Accumulated amortisation as at 30/06/2008		**-**	**-**	**69 643**	**99 093**	**192 158**	**273 416**	**1 601 148**	**2 278 228**
Net carrying amount as at 31/12/2007		**-**	**-**	**950 000**	**1 351 728**	**190 333**	**270 819**	**1 680 791**	**2 391 550**
Net carrying amount as at 30/06/2008		**-**	**-**	**2 780 357**	**3 956 092**	**191 797**	**272 903**	**3 343 703**	**4 757 661**

		Goodwill		Patents		Other intangible assets		TOTAL	
		LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Acquisition value as at 31/12/2008		**503 930**	**717 028**	**6 209 531**	**8 835 367**	**818 783**	**1 165 023**	**7 532 244**	**10 717 418**
2009. II	Additions	-	-	-	-	42 475	60 436	42 475	60 436
quarter	Disposals	-	-	-	-	(20 330)	(28 927)	(20 330)	(28 927)
Acquisition value as at 30/06/2009		**503 930**	**717 028**	**6 209 531**	**8 835 367**	**840 928**	**1 196 533**	**7 554 389**	**10 748 927**
Accumulated amortisation as at 31/12/2008		**-**	**-**	**148 018**	**210 611**	**419 672**	**597 139**	**567 690**	**807 750**
2009. II	Amortisation	-	-	78 376	111 519	80 001	113 832	158 377	225 351
quarter	Amortisation of disposals	-	-	-	-	(20 187)	(28 724)	(20 187)	(28 724)
Accumulated amortisation as at 30/06/2009		**-**	**-**	**226 394**	**322 130**	**479 486**	**682 247**	**705 880**	**1 004 377**
Net carrying amount as at 31/12/2008		**503 930**	**717 028**	**6 061 513**	**8 624 756**	**399 113**	**567 887**	**6 964 556**	**9 909 670**
Net carrying amount as at 30/06/2009		**503 930**	**717 028**	**5 983 137**	**8 513 236**	**361 442**	**514 286**	**6 848 509**	**9 744 550**

11. Property, plant and equipment

LVL

		Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2007		**55 928**	**10 562 122**	**11 286 226**	**652 428**	**1 187 133**	**23 743 837**
2008. II quarter	Additions	-	695 745	802 991	55 180	378 574	1 932 490
	Liquidation	-	(41 708)	(233 883)	(6 319)	-	(281 910)
	Reclassification	-	-	111 387	(111 387)	-	-
Acquisition value as at 30/06/2008		**55 928**	**11 216 159**	**11 966 721**	**589 902**	**1 565 707**	**25 394 417**
Accumulated depreciation as at 31/12/2007		**-**	**5 857 445**	**6 926 328**	**277 799**	**-**	**13 061 572**
2008. II quarter	Depreciation	-	187 749	758 075	41 494	-	987 318
	Depreciation of disposals	-	(23 697)	(233 104)	(6 203)	-	(263 004)
	Reclassification	-	-	6 568	(6 568)	-	-
Accumulated depreciation as at 30/06/2008		**-**	**6 021 497**	**7 457 867**	**306 522**	**-**	**13 785 886**
Net carrying amount as at 31/12/2007		**55 928**	**4 704 678**	**4 359 898**	**374 630**	**1 187 132**	**10 682 266**
Net carrying amount as at 30/06/2008		**55 928**	**5 194 662**	**4 508 854**	**283 380**	**1 565 707**	**11 608 531**

		Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2008		**55 928**	**13 023 139**	**12 264 667**	**602 694**	**88 779**	**26 035 207**
2009. II quarter	Additions	-	-	65 329	1 793	23 678	90 800
	Disposals	-	(30 745)	(63 357)	(2 530)	(1 652)	(98 284)
	Reclassification	-	-	(207)	207	-	-
Acquisition value as at 30/06/2009		**55 928**	**12 992 394**	**12 266 432**	**602 164**	**110 805**	**26 027 723**
Accumulated depreciation as at 31/12/2008		**-**	**6 098 312**	**8 212 375**	**339 756**	**-**	**14 650 443**
2009. II quarter	Depreciation	-	264 922	785 334	44 090	-	1 094 346
	Depreciation of disposals	-	(22 016)	(57 600)	(2 408)	-	(82 024)
	Reversed impairment	-	-	(681)	-	-	(681)
Accumulated depreciation as at 30/06/2009		**-**	**6 341 218**	**8 939 428**	**381 438**	**-**	**15 662 084**
Net carrying amount as at 31/12/2008		**55 928**	**6 924 828**	**4 052 292**	**262 939**	**88 779**	**11 384 766**
Net carrying amount as at 30/06/2009		**55 928**	**6 651 177**	**3 327 004**	**220 726**	**110 805**	**10 365 640**

11. Property, plant and equipment (cont'd)

EUR

		Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2007		**79 578**	**15 028 546**	**16 058 853**	**928 322**	**1 689 138**	**33 784 437**
2008. II quarter	Additions	-	989 956	1 142 553	78 514	538 662	2 749 686
	Liquidation	-	(59 345)	(332 786)	(8 991)	-	(401 122)
	Reclassification	-	-	158 489	(158 489)	-	-
Acquisition value as at 30/06/2008		**79 578**	**15 959 156**	**17 027 110**	**839 355**	**2 227 800**	**36 133 000**
Accumulated depreciation as at 31/12/2007		**-**	**8 334 393**	**9 855 277**	**395 272**	**-**	**18 584 942**
2008. II quarter	Izslēgšana	-	-	-	-	-	-
	Depreciation	-	267 143	1 078 644	59 041	-	1 404 827
	Depreciation of disposals	-	(33 718)	(331 677)	(8 826)	-	(374 221)
	Reclassification	-	-	9 345	(9 345)	-	-
Accumulated depreciation as at 30/06/2008		**-**	**8 567 818**	**10 611 589**	**436 141**	**-**	**19 615 548**
Net carrying amount as at 31/12/2007		**79 578**	**6 694 154**	**6 203 576**	**533 050**	**1 689 137**	**15 199 495**
Net carrying amount as at 30/06/2008		**79 578**	**7 391 338**	**6 415 521**	**403 213**	**2 227 800**	**16 517 452**

		Land	Buildings and constructions	Equipment and machinery	Other tangible assets	Construction in progress	TOTAL
Acquisition value as at 31/12/2008		**79 578**	**18 530 257**	**17 451 049**	**857 556**	**126 321**	**37 044 762**
2009.II quarter	Additions	-	-	92 955	2 551	33 691	129 197
	Disposals	-	(43 746)	(90 149)	(3 600)	(2 351)	(139 846)
	Reclassification	-	-	(295)	295	-	-
Acquisition value as at 30/06/2009		**79 578**	**18 486 511**	**17 453 560**	**856 802**	**157 661**	**37 034 113**
Accumulated depreciation as at 31/12/2008		**-**	**8 677 116**	**11 685 157**	**483 429**	**-**	**20 845 702**
2009.II quarter	Depreciation	-	376 950	1 117 430	62 735	-	1 557 114
	Depreciation of disposals	-	(31 326)	(81 957)	(3 426)	-	(116 710)
	Reversed impairment	-	-	(969)	-	-	(969)
Accumulated depreciation as at 30/06/2009		**-**	**9 022 740**	**12 719 660**	**542 737**	**-**	**22 285 138**
Net carrying amount as at 31/12/2008		**79 578**	**9 853 143**	**5 765 892**	**374 128**	**126 321**	**16 199 063**
Net carrying amount as at 30/06/2009		**79 578**	**9 463 773**	**4 733 900**	**314 065**	**157 661**	**14 748 977**

There is a difference of LVL 4 757 between total depreciation and amortisation under the income statement and the total depreciation and amortisation stated in Notes 10 and 11. Difference is explained as depreciation of the property, plant and equipment in the cafe and the canteen – LVL 2 844 which was disclosed in the income statement as other operating expense and 1 913 LVL depreciation and amortization expenses included in other operating expense.

12. Inventories

	30.06.2009.		30.06.2008.	
	LVL	EUR	LVL	EUR
Raw materials (at cost)	985 463	1 402 188	1 331 333	1 894 316
Work in progress (at cost)	4 369 079	6 216 639	3 313 834	4 715 161
Finished goods and goods for resale (at cost)*	2 763 578	3 932 217	2 787 279	3 965 941
Goods in transit	-	-	-	-
Prepayments for goods	15 543	22 116	78 576	111 804
TOTAL:	8 133 662	11 573 159	7 511 022	10 687 221
Allowances for raw materials	(120 456)	(171 393)	(111 509)	(158 662)
Allowances for work in progress	(331 131)	(471 157)	(141 679)	(201 591)
Allowances for finished goods and goods for resale	(242 001)	(344 337)	(58 017)	(82 551)
TOTAL:	(693 588)	(986 886)	(311 205)	(442 804)
TOTAL:	**7 440 075**	**10 586 273**	**7 199 817**	**10 244 418**

* As at 30 June 2009, the Group's inventories comprised goods on consignment in the amount of LVL 231 052 (30/06/2008: LVL 266 452).

13. Trade receivables

	30.06.2009.		30.06.2008.	
	LVL	EUR	LVL	EUR
Trade receivables	5 398 210	7 680 961	4 596 010	6 539 533
Allowances for doubtful trade receivables	(20 788)	(29 579)	(6 300)	(8 964)
TOTAL:	**5 377 422**	**7 651 382**	**4 589 710**	**6 530 569**

14. Cash and short term deposits

	30.06.2009.		30.06.2008.	
	LVL	EUR	LVL	EUR
Cash at banks and on hand	121 694	173 154	81 068	115 349
Short-term deposits	500 396	712 000	-	-
	622 090	885 154	81 068	115 349

On March 23, 2009, the Company entered into a Deposit agreement with AS SEB Banka, whereby it deposited 712 000 euros for 6 months. Thereby the Bank undertook to pay an interest of 3.35% per annum.

	30.06.2009.		30.06.2008.	
Cash by currency profile:	Foreign currency	LVL	Foreign currency	LVL
RUB	39	1	-	-
LVL	-	59 518	-	28 177
EUR	798 988	561 532	56 880	39 975
USD	2 074	1 039	28 895	12 916
KOPĀ:	**-**	**622 090**	**-**	**81 068**

Cash at banks earns interest at average 0.25% based on bank account service agreement.

15. Share capital

The share capital of the Parent Company on 30.06.2009 is LVL 14 085 078 (30/06/2008: LVL 14 085 078) and consists of 14 085 078 (2008: 14 085 078) shares. The par value of each share is LVL 1.

All 14 085 078 shares are ordinary publicly traded dematerialized voting shares to bearer.

16. Loans from credit institutions

Non-current:			Interest rate (%) as at 30/06/2009	Maturity	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
Loan from AS SEB banka	6 950 000	EUR	EUR LIBOR (3-month)+1.3%	08.12.2011.	1 847 245	2 628 393	2 387 902	3 397 678
Loan from AS SEB banka	4 000 000	EUR	EURIBOR (3-month)+1.3%	23.05.2013.	1 385 811	1 971 831	1 860 946	2 647 888
Loan from AS SEB banka	2 000 000	EUR	EURIBOR (3-month)+1.3%	10.10.2012.	771 706	1 098 039	1 267 803	1 803 921
Loan from AS SEB banka	445 000	EUR	EURIBOR (3-month)+1.3%	30.01.2015.	249 650	355 220	266 511	379 211
				TOTAL:	**4 254 412**	**6 053 483**	**5 783 162**	**8 228 698**

Current:			Interest rate (%) as at 30/06/2009	Maturity	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
Loan from AS SEB banka	6 950 000	EUR	EUR LIBOR (3-month)+1.3%	08.12.2011.	540 657	769 286	540 657	769 286
Loan from AS SEB banka	4 000 000	EUR	EURIBOR (3-month)+1.3%	23.05.2013.	475 135	676 056	475 135	676 056
Loan from AS SEB banka	2 000 000	EUR	EURIBOR (3-month)+1.3%	10.10.2012.	330 731	470 588	137 805	196 078
Loan from AS SEB banka	445 000	EUR	EURIBOR (3-month)+1.3%	30.01.2015.	32 921	46 842	46 237	65 789
Credit line from AS SEB banka *	2 200 000	EUR	EURIBOR (3-month)+2.9%	31.12.2009.	2 088 430	2 971 568	1 797 348	2 557 396
				TOTAL:	**3 467 874**	**4 934 340**	**2 997 182**	**4 264 606**

On March 27, 2009 amendments were signed to the Credit line Agreement with JSC SEB Banka, providing that the new due date of the credit line is June 30, 2009 and the limit of the credit line is to be reduced to 2 200 000 Euro (Ls 1 546 169) by May 31, 2009. The new interest rate of the credit line was set at Euribor 3m +2,9%. On July 14, 2009 new amendments to the Credit Line Agreement with JSC SEB Banka were signed, providing the new due date of the credit line to be on December 31, 2009 and the reduction of the credit limit to 2 200 000 Euro (Ls 1 546 169) by August 31, 2009. On May 22, 2009 Olainfarm signed a Factoring agreement with SIA „SEB Lizings" about factoring services with the total limit of EUR 800 000 (LVL 562 243). The Concern has put a deposit of 712 000 Euro (Ls 500 996) as aan additional financial collateral to secure its obligations towards SEB Banka

17. Finance lease liabilities

	30.06.2009. LVL		30.06.2009. EUR		30.06.2008. LVL		30.06.2008. EUR	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Finance lease liabilities to SIA SEB Unilīzings, EUR	146 202	149 794	208 027	213 138	276 080	178 400	392 826	253 840
Finance lease liabilities to SIA Hanza Līzings, EUR	-	-	-	-	-	14 605	-	20 781
Finance lease liabilities to SIA SEB Unilīzings, LVL	-	1 048	-	1 491	852	1 945	1 212	2 767
Finance lease liabilities to SIA Parex Līzings, EUR	-	-	-	-	-	10 736	-	15 276
TOTAL:	**146 202**	**150 842**	**208 027**	**214 629**	**276 932**	**205 686**	**394 039**	**292 665**

Future minimum lease payments for the above finance leases can be specified as follows:

	30.06.2009.		30.06.2009.		30.06.2008.		30.06.2008.	
	Minimum payments LVL	Present value of payments LVL	Minimum payments EUR	Present value of payments EUR	Minimum payments LVL	Present value of payments LVL	Minimum payments EUR	Present value of payments EUR
Within one year	161 700	150 842	230 078	214 629	222 495	205 686	316 582	292 665
Between one and five years	153 638	146 202	218 607	208 027	292 190	276 932	415 749	394 039
Total minimum lease payments	315 338	297 044	448 686	422 656	514 685	482 618	732 331	686 704
Less amounts representing finance charges	(18 294)	-	(26 030)	-	(32 067)	-	(45 627)	-
Present value of minimum lease payments	**297 044**	**297 044**	**422 656**	**422 656**	**482 618**	**482 618**	**686 704**	**686 704**

18. Taxes payable/ receivable

	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
Personal income tax *	(789 963)	(1 124 016)	(505 373)	(719 081)
Statutory social insurance contributions *	(836 446)	(1 190 155)	(475 287)	(676 272)
Real estate tax *	(52 024)	(74 023)	(53 348)	(75 908)
Natural resource tax	(7 053)	(10 035)	(4 274)	(6 082)
Corporate income tax	164 069	233 450	10 068	14 325
Value added tax	103 329	147 024	82 022	116 706
TOTAL:	**(1 418 087)**	**(2 017 756)**	**(946 193)**	**(1 346 312)**
Total liabilities:	**(1 685 494)**	**(2 398 242)**	**(1 038 578)**	**(1 477 764)**
Total assets:	**267 406**	**380 484**	**82 317**	**117 127**

19. Accrued liabilities

	30.06.2009.		30.06.2008.	
	LVL	EUR	LVL	EUR
Vacation pay reserve	378 833	539 031	402 500	572 706
Accruals for electricity and gas	98 526	140 190	-	-
Provisions for penalties related to taxes	50 525	71 890	70 470	100 270
Accruals for marketing services	248 354	353 376	-	-
Accrued interest for purchase of long term investment	34 062	48 466	-	-
Other accrued liabilities	13 582	19 326	96 298	137 020
TOTAL:	**823 882**	**1 172 278**	**569 267**	**809 994**

20. Trade and other payables

	30.06.2009.		30.06.2008.	
	LVL	EUR	LVL	EUR
Liability for long term investment	2 453 050	3 490 376	-	-
Trade and other payables	1 627 441	2 315 640	1 390 659	1 978 729
Wages and salaries	391 447	556 979	436 971	621 754
Other paybles	13 387	19 048	11 890	16 918
TOTAL:	**4 485 325**	**6 382 043**	**1 839 520**	**2 617 401**

21. Segment information

For management purposes group is organized into business units based on its products, and has two reportable operating segments as follows:

The finished form medicine segment represents tablets, capsules, ampoules and sachets, namely the products ready for final consumption by end users.

The chemicals segment is sales of chemicals to the clients of the Group for further processing, eventually into finished form medicines. Production of both segments is separated.

Under the segment „Chemicals" the Group has stated revenues from sale of chemical and pharmaceutical substances only to customers outside the Group. However, most of the chemicals are used to produce the final dosage forms within the Group and revenues generated by them do cover the resources invested into fixed assets used for chemical production. The Group does not keep separate books by segments.

21. Segment information (cont'd)

LVL

	Finished form medicine		Chemicals		Unallocated		Total	
	30.06.2009.	30.06.2008.	30.06.2009.	30.06.2008.	30.06.2009.	30.06.2008.	30.06.2009.	30.06.2008.
Assets								
Intangible assets	4 161 854	2 764 673	2 625 117	758 686	372 735	89 133	7 159 706	3 612 492
Tangible assets	7 284 790	8 479 826	2 324 483	2 488 776	954 205	1 028 114	10 563 478	11 996 716
Financial assets	-	540 950	-	-	1 036	386	1 036	541 336
Inventories	5 640 064	5 505 431	1 799 672	1 615 810	339	78 576	7 440 075	7 199 817
Receivables	5 681 041	4 515 727	350 250	68 126	460 636	819 467	6 491 926	5 403 320
Cash	-	-	-	-	622 090	81 068	622 090	81 068
Total assets	**22 767 749**	**21 806 607**	**7 099 522**	**4 931 398**	**2 411 041**	**2 096 744**	**32 278 311**	**28 834 749**
Equity and liabilities								
Total equity	-	-	-	-	15 573 240	15 460 061	15 573 240	15 460 061
Deffered income tax liability	-	-	-	-	718 164	309 800	718 164	309 800
Loans from credit institution	5 854 265	6 788 084	1 868 021	1 992 260	-	-	7 722 286	8 780 344
Other loans	682 352	373 112	217 730	109 506	-	-	900 082	482 618
Taxes payable	1 277 553	802 925	407 651	235 653	289	-	1 685 494	1 038 578
Prepayments received from customers	90 162	185 156	29 289	29 289	-	-	119 451	214 445
Trade payables	910 179	1 192 397	730 649	647 123	2 844 497	-	4 485 325	1 839 520
Payables to related companies	189 818	140 116	60 569	-	-	-	250 387	140 116
Accrued liabilities	-	-	-	-	823 882	569 267	823 882	569 267
Total equity and liabilities	**9 004 330**	**9 481 790**	**3 313 909**	**3 013 831**	**19 960 072**	**16 339 128**	**32 278 311**	**28 834 749**
Income statement								
Net turnover	10 049 721	9 271 440	631 896	762 618	-	247 337	10 681 616	10 281 395
Changes in stock of finished goods and work in progress	645 212	436 081	205 879	127 987	-	-	851 091	564 068
Other operating income	-	-	-	-	241 137	287 961	241 137	287 961
Cost of materials	(1 726 047)	(2 025 056)	(550 759)	(594 341)	(3 309)	(196 595)	(2 280 115)	(2 815 992)
Staff costs	(2 629 831)	(3 342 260)	(839 145)	(980 932)	-	(53 552)	(3 468 976)	(4 376 744)
Depreciation/ amortisation and write-offs	(907 011)	(940 146)	(289 415)	(275 927)	(51 540)	(45 540)	(1 247 966)	(1 261 613)
Other operating expense	(2 813 261)	(2 327 202)	(897 675)	(683 019)	(37 515)	(45 540)	(3 748 451)	(3 077 027)
Income from investments in subsidiaries	-	-	-	-	-	32 631	-	32 631
Financial income	-	-	-	-	70 993	88 348	70 993	88 348
Financial expenses	-	-	-	-	(269 892)	(418 283)	(269 892)	(418 283)
Taxes	-	-	-	-	(4 730)	(39 744)	(4 730)	(39 744)
Net profit/ (loss) for the year	**2 618 784**	**1 072 857**	**(1 739 221)**	**(1 643 613)**	**(54 856)**	**(164 243)**	**824 707**	**(735 000)**

21. Segment information (cont'd)

EUR

	Finished form medicine		Chemicals		Unallocated		Total	
	30.06.2009.	30.06.2008.	30.06.2009.	30.06.2008.	30.06.2009.	30.06.2008.	30.06.2009.	30.06.2008.
Assets								
Intangible assets	5 921 785	3 933 775	3 735 205	1 079 513	530 354	126 825	10 187 344	5 140 113
Tangible assets	10 365 322	12 065 705	3 307 442	3 541 209	1 357 712	1 462 874	15 030 475	17 069 789
Financial assets	-	769 703	-	-	1 474	549	1 474	770 252
Inventories	8 025 088	7 833 523	2 560 703	2 299 091	482	111 804	10 586 273	10 244 418
Receivables	8 083 393	6 425 301	498 360	96 935	655 425	1 165 996	9 237 179	7 688 231
Cash	-	-	-	-	885 154	115 349	885 154	115 349
Total assets	**32 395 588**	**31 028 006**	**10 101 710**	**7 016 747**	**3 430 602**	**2 983 397**	**45 927 899**	**41 028 152**
Equity and liabilities								
Total equity	-	-	-	-	22 158 724	21 997 685	22 158 724	21 997 685
Deffered income tax liability	-	-	-	-	1 021 855	440 806	1 021 855	440 806
Loans from credit institution	8 329 869	9 658 573	2 657 954	2 834 731	-	-	10 987 823	12 493 304
Other loans	970 900	530 891	309 802	155 813	-	-	1 280 701	686 704
Taxes payable	1 817 794	1 142 459	580 035	335 304	411	-	2 398 242	1 477 763
Prepayments received from customers	128 289	263 453	41 674	41 674	-	-	169 964	305 128
Trade payables	1 295 068	1 696 628	1 039 620	920 773	4 047 355	-	6 382 043	2 617 401
Payables to related companies	270 087	199 367	86 181	-	-	-	356 269	199 367
Accrued liabilities	-	-	-	-	1 172 278	809 994	1 172 278	809 994
Total equity and liabilities	**12 812 007**	**13 491 372**	**4 715 267**	**4 288 295**	**28 400 624**	**23 248 485**	**45 927 899**	**41 028 152**
Income statement								
Net turnover	14 299 465	13 192 071	899 105	1 085 108	-	351 929	15 198 570	14 629 107
Changes in stock of finished goods and work in progress	918 054	620 487	292 939	182 109	-	-	1 210 993	802 596
Other operating income	-	-	-	-	343 107	409 732	343 107	409 732
Cost of materials	(2 455 943)	(2 881 395)	(783 660)	(845 671)	(4 708)	(279 729)	(3 244 311)	(4 006 796)
Staff costs	(3 741 912)	(4 755 608)	(1 193 996)	(1 395 740)	-	(76 198)	(4 935 908)	(6 227 546)
Depreciation/ amortisation and write-offs	(1 290 560)	(1 337 707)	(411 801)	(392 609)	(73 335)	(64 798)	(1 775 696)	(1 795 114)
Other operating expense	(4 002 909)	(3 311 310)	(1 277 277)	(971 848)	(53 379)	(64 798)	(5 333 565)	(4 378 215)
Income from investments in subsidiaries	-	-	-	-	-	46 430	-	46 430
Financial income	-	-	-	-	101 015	125 708	101 015	125 708
Financial expenses	-	-	-	-	(384 021)	(595 163)	(384 021)	(595 163)
Taxes	-	-	-	-	(6 730)	(56 551)	(6 730)	(56 551)
Net profit/ (loss) for the year	**3 726 195**	**1 526 538**	**(2 474 689)**	**(2 338 651)**	**(78 053)**	**(233 697)**	**1 173 452**	**(1 045 811)**

Secondary information is reported geographically. The geographical segments, based on location of the Group's assets, are not presented, as major part of the Group assets (approx. 92%) are located in Latvia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers, see Note 3.