Joint Stock Company "Grindeks"

Non-audited consolidated financial statements
for the periods ended 31 March 2010 and
ended 31 March 2009
prepared in accordance with International
Financial Reporting Standards

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ANCILLARY INFORMATION

Name	"GRINDEKS"
Legal status	Joint Stock Company since 25 August 1997
Number, place and date of registration	40003034935, Riga, Republic of Latvia, 11 October 1991
Business activities	Production of pharmaceutical, medical and phyto-chemical medicines
Legal address	53 Krustpils Street Riga, LV – 1057 Latvia
Subsidiaries	JSC "Tallinn Pharmaceutical Plant" Tondi 33 11316, Tallinn, Estonia JSC "Kalceks" 53 Krustpils str. Riga, LV - 1057, Latvia "Namu apsaimniekosanas projekti" Ltd. 53 Krustpils str. Riga, LV - 1057, Latvia "Grindeks Rus" Ltd. 74/3 Warsaw str. 117556, Moscow, Russia
Associate	Biznesa centrs „Zakusala"SIA (22%)
Reporting period	1 January 2010 – 31 March 2010
Previous reporting period	1 January 2009 – 31 March 2009

THE BOARD AND THE SUPERVISORY COUNCIL

Board of the Company

(In compliance with the election/dismissal dates)

Since 13 October 2008 to the date of issuing the financial statements:

Name	*Position*	*Ownership interest (%)**
Janis Romanovskis	Chairman of the Board	0.03
Vadims Rabsa	Board member	0.00
Lipmans Zeligmans	Board member	0.00

**Latvian Central Depository data as of 17 May 2010*

Supervisory Council of the Company

(In compliance with the election/dismissal dates)

Since 22 February 2008 to 13 April 2010

Name	*Position*	*Ownership interest (%)**
Kirovs Lipmans	Chairman of the Supervisory Council	33.29
Vitalijs Gavrilovs	Vice-Chairman of the Supervisory Council	11.30
Uldis Osis	Member of the Supervisory Council	0.00
Janis Naglis	Member of the Supervisory Council	0.00
Anna Lipmane	Member of the Supervisory Council	16.69

**Latvian Central Depository data as of 25 May 2009*

Since 13 April 2010 to 25 May 2010:

Name	*Position*	*Ownership interest (%)**
Kirovs Lipmans	Chairman of the Supervisory Council	33.29
Uldis Osis	Member of the Supervisory Council	0.00
Janis Naglis	Member of the Supervisory Council	0.00
Anna Lipmane	Member of the Supervisory Council	16.69

**Latvian Central Depository data as of 17 May 2010*

Since 25 May 2010 to the date of issuing the financial statements:

Name	*Position*	*Ownership interest (%)**
Kirovs Lipmans	Chairman of the Supervisory Council	33.29
Anna Lipmane	Vice-Chairman of the Supervisory Council	16.69
Uldis Osis	Member of the Supervisory Council	0.00
Janis Naglis	Member of the Supervisory Council	0.00
Ivars Kalvins	Member of the Supervisory Council	0.18

**Latvian Central Depository data as of 17 May 2010*

MAJOR SHAREHOLDERS

The shareholders as of 15 April 2010 and 17 May 2010 were as follows (*Latvian central Depository* data):

	Percentage holding (%) 15.04.2010	**Percentage holding (%) 17.05.2010**
Kirovs Lipmans	33.29	33.29
Anna Lipmane	16.69	16.69
OJSC *Pharmstandard*	11.30	11.38
Skandinaviska Enskilda banken (nominal holder)	10.22	10.22
Swedbank AS Clients Account (nominal holder)	6.22	6.17
Other shareholders	22.28	22.25
Total	**100.00**	**100.00**

MANAGEMENT REPORT

Mode of activity
In the accounting period the "Grindeks" Group consisted of JSC "Grindeks" and its four subsidiaries: JSC "Tallinn Pharmaceutical Plant" in Estonia, JSC "Kalceks", "Namu Apsaimniekošanas projekti" Ltd. in Latvia and "Grindeks RUS" Ltd. in Russia (altogether hereinafter referred to as "the Group"). Main activity of the Group is research, development, manufacturing and sales of original products, generics and active pharmaceutical ingredients.

Group's activity during accounting period
In the first quarter of 2010 turnover of the Group amounted to 13.45 million lats, which is by 0.7 million lats or 4.9% less than during the first three months of 2009. In its turn, net profit of the Group, related to the shareholders of the holding company, amounted to 1.4 million lats in the accounting period, which is by 0.2 million lats or 16.7% more in comparison with the first quarter of 2009.

In the first three months of 2010 gross profit margin of the Group was 52.0%, whereas, net profit margin comprised 10.4%. Products of the Group, manufactured during the accounting period, were exported to 39 states worldwide for the total amount of 12.6 million lats.

Sales of final dosage forms
Group's sales volume of the final dosage forms was 12.28 million lats in the first quarter of 2010, which is by 0.72 million lats or 5.5%less compared with the first three months of 2009. In the first quarter of 2010 the sales volume of final dosage forms to Russia, other CIS countries and Georgia, which are the main markets of the final dosage forms, comprised 10.55 million lats. In its turn, the turnover of final dosage forms to the Baltic States and other European countries comprised 1.73 million lats.

Sales of active pharmaceutical ingredients
Main export markets for active pharmaceutical ingredients (hereinafter referred to as "APIs") produced by the Group are Europe, Japan, the USA, Australia, Pakistan and India. Overall APIs export amounted to 1.17 million lats in the first three months of 2009, which is by 0.03 million lats or 2.6% more than in the same period of 2009.

Investment program
In order to ensure regular development and manufacturing of the UDCA API, "Grindeks" has started construction of a new manufacturing unit in the middle of 2009. For the implementation of the project "Grindeks" has signed agreement with the Investment and Development Agency of Latvia on co-financing of 2.8 million lats from the European Regional Development Fund. It is planned to invest almost 6 million lats in the project in total.

Quality and environment protection
In the first quarter of 2010 "Grindeks" successfully passed several significant inspections and audits by clients and institutions, including, the inspection of food supplement production by the Belarus State Food and Veterinary Service, audits of the API production by clients from several European Union countries and Japan. In its turn, "Grindeks" specialists audited and participated in the technology implementation process in Lithuania, Germany and Slovakia.

Development of "Grindeks" share price in the first quarter of 2010 (Data of "NASDAQ OMX Riga")
Since 2 January 2006 "Grindeks" shares are listed in the Official list of "NASDAQ OMX Riga". Fluctuation of "Grindeks" share price on "NASDAQ OMX Riga" during the accounting period was within the limits from 3.69 lats to 5.36 lats per share. In the first quarter of 2010 the average price of "Grindeks" shares was 5.04 lats. Total quantity of "Grindeks" shares, traded in "NASDAQ OMX Riga" during the accounting period, was 163 034 shares, whereas turnover amounted to 0.822 million lats. As of 31 March 2010 the capitalization of "Grindeks" reached 50.7 million lats.

Profit per share for the first quarter of 2010 amounted to 0.14 lats as compared to 0.13 lats during the same period in 2009.

Future expectations

In 2010 "Grindeks" plans to regain the increment rate of the previous years. Therefore, to organize effectively the diverse pharmaceutical business and to achieve the business goals, "Grindeks" tactics will be:

- flexible approach in the changing market situation;
- cooperation with the secure business partners in every separate market;
- strict control of expenses, as well as optimization of manufacturing and resources;
- determined diversification of business actions:
  - introduction of new products;
  - entrance into new markets;
  - increase of production capacity, offering manufacturing services to other companies;
- investments for future – new business projects, research, development of medications.

"Grindeks" main markets are the Baltic states, Russia and the other CIS countries, however "Grindeks" purposefully extends its activities in the regions of Eastern Europe, the Balkans, and the Scandinavia and has started to export the final dosage forms to Romania, Slovakia, Albania, Kosovo, Sweden and Finland.

On behalf of the Group Management:

Janis Romanovskis
Chairman of the Board
27 May 2010

STATEMENT OF BOARD`S RESPONSIBILITIES

The Board of JSC "Grindeks" (hereinafter - the Company) is bearing the responsibility for preparation of the consolidated interim financial statements of the Company and its subsidiaries (hereinafter the Group). Independent auditors have not audited interim financial statements of the Group.

The consolidated interim financial statements, enclosed from the page 9 to the page 17, are prepared in accordance with the accounting records and source documents, presenting fairly the financial position of the Group as of 31 March 2010 and the results of its operations and cash flows for the period of three-month ended 31 March 2010.

Above mentioned consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards, reposing on the principle of business activities continuation. Appropriate accounting policies have been applied on a consistent basis. The management in preparation of the consolidated interim financial statements has made prudent and reasonable judgments and estimates.

The Board of the Company is responsible for providing accounting records, preservation of the Group's assets and the prevention and disclosure of fraud and other irregularities of the Group. The Board is responsible for the compliance with the existing legislation in the countries in which the Group's companies are operating (Latvia, Russia and Estonia).

On behalf of the Board:

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Janis Romanovskis
Chairman of the Board

27 May 2010

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BALANCE SHEET

	31.03.2010. LVL	31.03.2009. LVL	31.03.2010. EUR	31.03.2009. EUR
ASSETS				
Non-current assets				
Intangible assets				
Software, patents, licenses, trademarks and other rights	443,944	398,820	631,675	567,470
Advance payments for intangible assets	295,177	119,707	419,999	170,327
Total intangible assets	**739,121**	**518,527**	**1,051,674**	**737,797**
Tangible fixed assets				
Land, buildings and constructions	16,322,570	12,851,237	23,224,925	18,285,663
Equipment and machinery	9,831,428	10,518,310	13,988,862	14,966,207
Other fixed assets	805,117	809,343	1,145,578	1,151,591
Advance payments for fixed assets	2,059,728	950,285	2,930,729	1,352,134
Construktion in progress	5,917,557	5,789,146	8,419,925	8,237,213
Total tangible fixed assets	**34,936,400**	**30,918,321**	**49,710,019**	**43,992,808**
Investment property	**5,045,531**	**4,763,966**	**7,179,144**	**6,778,513**
Non current financial investments				
Investment in associates	25,500	22,000	36,283	31,303
Other investments	710,335	1,349,165	1,010,716	1,919,689
Total long term financial investments	**735,835**	**1,371,165**	**1,046,999**	**1,950,992**
Total non current financial assets	**41,456,887**	**37,571,979**	**58,987,836**	**53,460,110**
Current assets				
Inventories				
Raw materials	2,848,089	2,986,532	4,052,466	4,249,452
Unfinished goods	2,198,803	1,637,784	3,128,614	2,330,357
Finished goods and goods for resale	5,977,392	3,050,585	8,505,063	4,340,591
Total inventories	**11,024,284**	**7,674,901**	**15,686,143**	**10,920,400**
Debtors				
Trade receivables	21,540,769	17,901,276	30,649,753	25,471,221
Other debtors	4,079,587	2,758,187	5,804,729	3,924,546
Other investments	741,893	-	1,055,619	-
Deferred expenses	83,032	203,748	118,144	289,907
Total debtors	**26,445,281**	**20,863,211**	**37,628,245**	**29,685,674**
Cash and cash equivalents	**350,218**	**234,096**	**498,315**	**333,089**
Total current assets	**37,819,783**	**28,772,208**	**53,812,703**	**40,939,163**
TOTAL ASSETS	**79,276,670**	**66,344,187**	**112,800,539**	**94,399,273**

EQUITY AND LIABILITIES	31.03.2010. LVL	31.03.2009. LVL	31.03.2010. EUR	31.03.2009. EUR
EQUITY				
Share capital	9,585,000	9,585,000	13,638,226	13,638,226
Share premium	15,687,750	15,687,750	22,321,657	22,321,657
Other reserves	464,905	464,905	661,500	661,500
(Accumulated loss) / retained profit:				
a) prior year accumulated profit/loss	25,580,132	22,012,072	36,397,249	31,320,357
b) foreign currency revaluation	(131,269)	37,356	(186,779)	53,153
c) current year profit	1,385,917	1,242,649	1,971,982	1,768,130
Equity attributable to equity holders of the parent	**52,572,435**	**49,029,732**	**74,803,836**	**69,763,023**
Minority interest	55,689	54,380	79,238	77,376
Total equity	**52,628,124**	**49,084,112**	**74,883,074**	**69,840,399**
LIABILITIES				
Long-term liabilities				
Loans from credit institutions	6,645,807	4,471,843	9,456,131	6,362,859
Finance lease liabilities	1,076,080	1,309,398	1,531,124	1,863,106
Deferred income	1,084,826	1,209,953	1,543,568	1,721,608
Deferred tax liabilities	1,811,931	1,509,328	2,578,146	2,147,580
Total non-current liabilities	**10,618,644**	**8,500,522**	**15,108,969**	**12,095,153**
Current liabilities				
Loans from credit institutions	6,379,359	4,305,590	9,077,010	6,126,303
Finance lease liabilities	325,861	203,788	463,658	289,964
Advances from customers	31,246	5,764	44,459	8,201
Trade accounts payable	6,779,401	2,266,419	9,646,219	3,224,824
Taxes and social security liabilities	389,737	278,237	554,546	395,896
Other payables	1,775,969	1,115,268	2,526,977	1,586,883
Deferred income	258,890	93,913	368,367	133,626
Accrued liabilities	89,439	490,574	127,260	698,024
Total current liabilities	**16,029,902**	**8,759,553**	**22,808,496**	**12,463,721**
Total liabilities	**26,648,546**	**17,260,075**	**37,917,465**	**24,558,874**
TOTAL EQUITY AND LIABILITIES	**79,276,670**	**66,344,187**	**112,800,539**	**94,399,273**

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STATEMENTS OF PROFIT AND LOSS

	2010 January-March LVL	2009 January-March LVL	2010 January-March EUR	2009 January-March EUR
Net sales	13,448,301	14,135,331	19,135,208	20,112,764
Cost of goods sold	(6,405,119)	(7,031,147)	(9,113,663)	(10,004,421)
Gross profit	**7,043,182**	**7,104,184**	**10,021,545**	**10,108,343**
Selling expenses	(4,107,891)	(3,476,136)	(5,845,002)	(4,946,096)
Administrative expenses	(1,637,512)	(1,590,329)	(2,329,970)	(2,262,834)
Other operating income	1,643,584	548,684	2,338,609	780,707
Other operating expenses	(1,208,276)	(904,104)	(1,719,222)	(1,286,424)
Interest income and similar income	1,158	2,798	1,648	3,981
Interest expense and similar expense	(72,830)	(43,797)	(103,628)	(62,318)
Real estate tax	(20,648)	(20,521)	(29,379)	(29,199)
Profit before taxation	**1,640,767**	**1,620,779**	**2,334,601**	**2,306,160**
Corporate income tax	(254,623)	(377,860)	(362,296)	(537,646)
NET PROFIT FOR THE PERIOD	**1,386,144**	**1,242,919**	**1,972,305**	**1,768,514**
Attributable to:				
Equity holders of the parent	**1,385,917**	**1,242,649**	**1,971,982**	**1,768,130**
Minority interest	**227**	**270**	**323**	**384**
TOTAL	**1,386,144**	**1,242,919**	**1,972,305**	**1,768,514**
Earnings per share attributable equity holders of the parent (LVL per share)				
- Basic earnings per share	0.14	0.13	0.21	0.18
- Diluted earnings per share	0.14	0.13	0.21	0.18

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Accumu-lated profit	Foreign currency trans-lation reserve	Equity attributable to equity holders of the parent	Mino-rity Inte-rest	Total
	LVL	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 31.12.2009	**9,585,000**	**15,687,750**	**464,905**	**25,580,132**	**(117,972)**	**51,199,815**	**55,462**	**51,255,277**
Profit for the period	-	-	-	1,385,917	-	**1,385,917**	**227**	**1,386,144**
Foreign currency revaluation	-	-	-	-	(13,297)	(13,297)	-	**(13,297)**
As of 31.03.2010	**9,585,000**	**15,687,750**	**464,905**	**26,966,049**	**(131,269)**	**52,572,435**	**55,689**	**52,628,124**

	Share capital	Share premium	Other reserves	Accumu-lated profit	Foreign currency trans-lation reserve	Equity attributable to equity holders of the parent	Mino-rity Inte-rest	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 31.12.2009	**13,638,226**	**22,321,657**	**661,500**	**36,397,249**	**(167,859)**	**72,850,773**	**78,915**	**72,929,689**
Profit for the period	-	-	-	1,971,982	-	**1,971,982**	**323**	**1,972,305**
Foreign currency revaluation	-	-	-	-	(18,920)	(18,920)	-	**(18,920)**
As of 31.03.2010	**13,638,226**	**22,321,657**	**661,500**	**38,369,231**	**(186,779)**	**74,803,836**	**79,238**	**74,883,074**

STATEMENTS OF CASH FLOWS

	2010 January-March LVL	2009 January-March LVL	2010 January-March EUR	2009 January-March EUR
OPERATING ACTIVITIES				
Net profit before taxation	1,640,767	1,620,779	2,334,601	2,306,160
Adjustments to reconcile net profit to net cash provided by operating activities:				
Depreciation and amortisation	699,103	578,790	994,734	823,544
Loss / (gain) on disposal of fixed assets and intangible assets	(36)	1,341	(51)	1,908
Income from EU funding	(31,077)	(31,077)	(44,219)	(44,219)
Interest income	(1,158)	(2,798)	(1,648)	(3,982)
Interest expense	72,830	43,797	103,628	62,318
Changes in operating assets and liabilities:				
Inventory	(460,435)	517,713	(655,140)	736,640
Debtors	(2,947,100)	(1,290,276)	(4,193,346)	(1,835,897)
Creditors	2,683,867	(1,820,573)	3,818,800	(2,590,442)
Gross cash provided by operating activities	**1,656,761**	**(382,304)**	**2,357,359**	**(543,970)**
Corporate income tax paid	(353,176)	(360,900)	(502,525)	(513,514)
Net cash provided by (used in) operating activities	**1,303,585**	**(743,204)**	**1,854,834**	**(1,057,484)**
INVESTING ACTIVITIES				
Purchase of fixed assets and intangible assets	(3,462,706)	(767,274)	(4,926,986)	(1,091,732)
Proceeds from disposal of fixed assets	10,375	-	14,762	-
Other investments	(3,500)	(1,265,047)	(4,980)	(1,800,000)
Net cash used in investing activities	**(3,455,831)**	**(2,032,321)**	**(4,917,204)**	**(2,891,732)**
FINANCING ACTIVITIES				
Received loans from credit institutions	3,323,938	2,489,348	4,729,538	3,542,023
Repaid loans to credit institutions	(865,056)	(306,774)	(1,230,864)	(436,500)
Interest income received	-	2,048	-	2,915
Interest paid	(72,830)	(43,797)	(103,628)	(62,318)
Net cash provided by financing activities	**2,386,052**	**2,140,825**	**3,395,046**	**3,046,120**
Net (decrease)/ increase in cash and cash equivalents	**233,806**	**(634,700)**	**332,676**	**(903,096)**
Cash and cash equivalents at the beginning of the year	**116,412**	**868,796**	**165,639**	**1,236,185**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**350,218**	**234,096**	**498,315**	**333,089**

NOTES

OTHER DEBTORS

	31.03.2010. LVL	31.03.2009. LVL	31.03.2010. EUR	31.03.2009. EUR
Tax receivables	1,915,024	560,800	2,724,834	797,947
Other	2,164,563	2,197,387	3,079,895	3,126,599
Total	**4,079,587**	**2,758,187**	**5,804,729**	**3,924,546**

CASH AND CASH EQUIVALENTS

	31.03.2010. LVL	31.03.2009. LVL	31.03.2010. EUR	31.03.2009. EUR
Cash in bank	343,029	228,904	488,086	325,701
Cash on hand	7,189	5,192	10,229	7,388
Total	**350,218**	**234,096**	**498,315**	**333,089**

LOANS FROM CREDIT INSTITUTIONS

	31.03.2010. LVL	31.03.2009. LVL	31.03.2010. EUR	31.03.2009. EUR
Credit line from JSC “Swedbank”, Latvia	2,931,064	2,290,583	4,170,528	3,259,207
Credit line from JSC “SEB Bank”, Latvia	2,562,925	-	3,646,714	-
JSC “ Swedbank”, Latvia	477,393	474,393	679,269	675,000
JSC “ Swedbank”, Latvia	265,660	265,660	378,000	378,000
JSC “ Swedbank”, Latvia	142,317	180,269	202,499	256,500
Credit line from JSC “UnicreditBank Latvia”	-	1,094,685	-	1,557,596
Current loans from credit institutions	**6,379,359**	**4,305,590**	**9,077,010**	**6,126,303**
JSC “ Swedbank”, Latvia	3,323,938	-	4,729,538	-
JSC “ SEB Bank”, Latvia	1,325,611	1,325,611	1,886,175	1,886,175
JSC “ Swedbank”, Latvia	1,103,916	1,739,440	1,570,731	2,475,000
JSC “ Swedbank”, Latvia	569,364	923,576	810,132	1,314,130
JSC “ Swedbank”, Latvia	322,978	483,216	459,555	687,554
Non-current loans from credit institutions	**6,645,807**	**4,471,843**	**9,456,131**	**6,362,859**
Total	**13,025,166**	**8,777,433**	**18,533,141**	**12,489,162**

TAX LIABILITIES

	31.03.2010. LVL	31.03.2009. LVL	31.03.2010. EUR	31.03.2009. EUR
Social security payments	194,569	44,519	276,847	63,345
Personal income tax	181,588	134,687	258,376	191,642
Corporate income tax	-	89,864	-	127,865
Other	13,580	9,167	19,323	13,044
Total	**389,737**	**278,237**	**554,546**	**395,896**

NET SALES

	2010 January-March LVL	2009 January-March LVL	2010 January-March EUR	2009 January-March EUR
Russia	7,805,662	8,136,243	11,106,456	11,576,831
Other CIS countries	4,909,621	5,254,611	6,985,761	7,476,638
Other countries	1,378,064	1,313,845	1,960,808	1,869,433
Latvia	823,280	718,907	1,171,422	1,022,913
Lithuania	440,137	362,947	626,259	516,427
Estonia	270,482	283,147	384,861	402,882
Other income	2,044	4,746	2,909	6,752
Gross sales	**15,629,290**	**16,074,446**	**22,238,476**	**22,871,876**
Less discounts				
Russia	(1,398,274)	(1,470,609)	(1,989,565)	(2,092,488)
Other CIS countries	(731,074)	(410,996)	(1,040,225)	(584,795)
Other countries	(6,903)	(4,256)	(9,822)	(6,054)
Latvia	(19,249)	(28,355)	(27,389)	(40,346)
Lithuania	(19,080)	(6,897)	(27,148)	(9,814)
Estonia	(6,409)	(18,002)	(9,119)	(25,615)
Discounts total	(2,180,989)	(1,939,115)	(3,103,268)	(2,759,112)
Total, net	**13,448,301**	**14,135,331**	**19,135,208**	**20,112,764**

COST OF GOODS SOLD

	2010 January-March LVL	2009 January-March LVL	2010 January-March EUR	2009 January-March EUR
Goods purchased for resale and contract manufacturing	2,116,299	1,477,229	3,011,222	2,101,908
Raw materials and packing	2,089,714	2,384,739	2,973,395	3,393,178
Direct labour and social security payments	1,314,777	1,948,492	1,870,759	2,772,454
Research costs	567,518	525,220	807,505	747,321
Depreciation of fixed assets and amortization of intangible assets	524,939	424,493	746,921	603,999
Electricity resource expenses	308,541	359,900	439,014	512,092
Machinery, buildings and equipment repairs	100,800	171,296	143,425	243,732
Household expenses	49,582	51,327	70,549	73,032
Transport	26,512	75,815	37,723	107,875
Rent of work clothing	16,168	27,034	23,005	38,466
Waste disposal	14,252	19,670	20,279	27,988
Other	139,076	321,437	197,888	457,363
Internal turnover of self-manufactured raw materials	(863,059)	(755,505)	(1,228,022)	(1,074,987)
Total	**6,405,119**	**7,031,147**	**9,113,663**	**10,004,421**

COST OF GOODS SOLD

	2010 January-March LVL	2009 January-March LVL	2010 January-March EUR	2009 January-March EUR
Advertising	2,473,504	2,050,850	3,519,479	2,918,097
Expenses of representative offices	484,550	511,908	689,453	728,379
Salaries and social security payments	389,123	264,266	553,672	376,017
Distribution expenses for goods	107,841	120,585	153,444	171,577
Patents	100,640	127,155	143,198	180,925
Registration costs for medicine	77,271	105,380	109,947	149,942
Depreciation of fixed assets and amortisation of intangible assets	69,421	56,350	98,777	80,179
Commissions	26,941	20,881	38,334	29,711
Freight insurance	7,301	10,874	10,388	15,472
Other	371,299	207,887	528,310	295,797
Total	**4,107,891**	**3,476,136**	**5,845,002**	**4,946,096**

ADMINISTRATIVE EXPENSES

	2010 January-March LVL	2009 January-March LVL	2010 January-March EUR	2009 January-March EUR
Salaries and social security payments	796,032	664,057	1,132,651	944,868
Depreciation of fixed assets and amortisation of intangible assets	92,403	97,947	131,478	139,366
Personnel training and hiring expenses	74,678	95,169	106,257	135,413
Professional services	61,720	19,517	87,820	27,770
Security costs	51,950	67,628	73,918	96,226
Employee insurance	39,858	52,257	56,713	74,355
Transport	36,506	44,941	51,943	63,945
Electricity	30,333	67,530	43,160	96,087
Computers maintenance	23,006	35,373	32,735	50,331
Bank charges	22,368	16,307	31,827	23,203
Business trips	20,975	18,908	29,845	26,904
Property and liability insurance	9,093	6,688	12,938	9,516
Communication expense	8,371	9,222	11,911	13,122
Other	370,219	394,785	526,774	561,728
Total	**1,637,512**	**1,590,329**	**2,329,970**	**2,262,834**

Currency exchange for the EUR – 0.702804

JSC "Grindeks" hereby informs that there were no changes made in its accounting policy in January-March 2010. In non-audited financial accounts for the period January- March 2010 the Group has employed the same Accounting and Consolidation Principles as in the audited consolidated financial accounts for the year 2009, released on April 27, 2010.

Chairman of the Board Janis Romanovskis