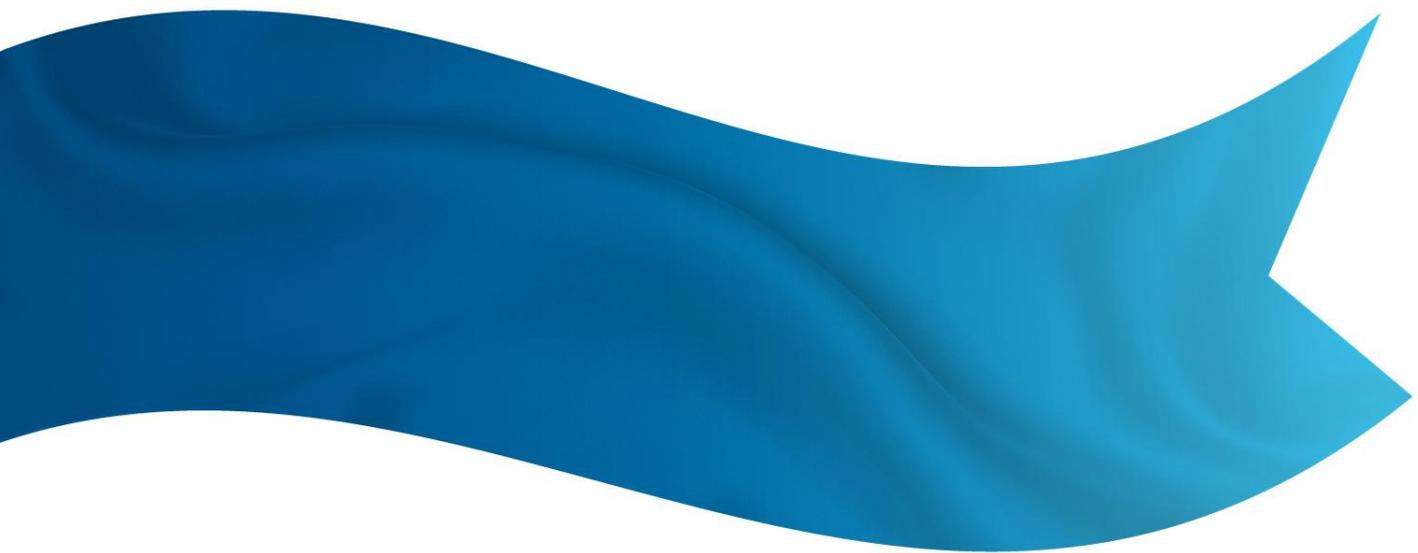


SANITAS GROUP

PUBLIC LIMITED LIABILITY COMPANY „SANITAS“

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 MARCH 2011**

PREPARED ACCORDING TO INTERNATIONAL
FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION



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Public limited liability company „SANITAS“
UNAUDITED INTERIM CONDENSED CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2011

Confirmation of Responsible Persons

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we Saulius Jurgelenas, General Manager of public limited liability company „SANITAS“ (hereinafter SANITAS) and Nerijus Drobavicius, Chief Financial Officer of SANITAS hereby confirm that, to the best of our knowledge, the attached unaudited interim condensed consolidated and separate financial statements for the period ended 31 March 2011, prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of SANITAS group and SANITAS.

General Manager

Saulius Jurgelenas

Chief Financial Officer

Nerijus Drobavicius

General Information

Board of Directors

Mr. Ashwin Roy (Chairman of the Board)
Mr. Martynas Cesnavicius
Mr. Tomas Nauseda
Mr. Martin Oxley
Mr. Darius Sulnis

Management

Mr. Saulius Jurgelenas (General Manager)
Mr. Nerijus Drobavicius (Chief Financial Officer)

Registered office and company code

Veiveriu str. 134 B,
LT-46352 Kaunas, Lithuania
Company code 1341 36296

Bankers

Bank PEKAO S.A.
Bank Zachodni WBK S.A.
Danske Bank A/S Lithuania Branch
Deutsche Bank PBC S.A.
Dom Maklerski BZWBK
Fortis Bank Polska S.A.
Wniesztorgbank, OAO
Orszagos Takarekpenztar es Kereskedelmi Bank
PKO Bank Polski S.A.
Raiffeisenbank a.s.
„Swedbank”, AB
Tatra banka a.s.
Unikredit Bank sp. z o.o.
Unikredit Bulbank

The financial statements were approved and signed by the management on 22 April 2011.

Management:



Mr. Saulius Jurgelenas
General Manager



Mr. Nerijus Drobavicius
Chief Financial Officer

Statements of Comprehensive Income

	Notes	Group		Company	
		January – March 2011	January – March 2010	January – March 2011	January – March 2010
Revenue	3	89,714	80,235	4,828	3,936
Cost of sales		(32,185)	(35,840)	(2,821)	(2,427)
Gross profit		57,529	44,395	2,007	1,509
Other income		384	1,137	892	1,031
Selling and distribution expenses		(20,072)	(19,722)	(841)	(812)
Regulatory affairs expenses		(3,149)	(2,593)	(247)	(210)
Research and development expenses		(1,263)	(588)	(31)	(46)
Administrative expenses		(7,232)	(6,575)	(2,998)	(2,198)
Other expenses		(260)	(797)	(2)	(6)
Operating profit (loss)		25,937	15,257	(1,220)	(732)
Finance income	4	59	9,823	50	-
Finance costs	4	(5,514)	(8,219)	(242)	(989)
Profit (loss) before tax		20,482	16,861	(1,412)	(1,721)
Income tax benefit (expense)	5	(4,767)	(1,613)	109	236
Profit (loss) for the period		15,715	15,248	(1,303)	(1,485)
Other comprehensive income (expense):					
Exchange differences on translating foreign operation		(2,822)	21,304	-	-
Cash flow hedges		1,684	786	-	-
Income tax (expense) relating to components of other comprehensive income		(320)	(149)	-	-
Other comprehensive income for the period, net of tax		(1,458)	21,941	-	-
Total comprehensive income (expense) for the period, net of tax		14,257	37,189	(1,303)	(1,485)
Basic and diluted earnings per share (in LTL)		0.51	0.49	-	-

The notes on pages 11 to 17 are an integral part of these financial statements.

Balance Sheets

	Notes	Group		Company	
		As at 31 March 2011	As at 31 December 2010	As at 31 March 2011	As at 31 December 2010
ASSETS					
Non-current assets					
Property, plant and equipment	6	210,248	215,249	61,522	62,434
Intangible assets	7	302,324	304,199	1,496	1,425
Investments in subsidiaries		-	-	292,704	292,704
Other non-current financial assets		8	17	-	-
Deferred tax asset		19,863	23,548	2,832	2,726
Total non-current assets		532,443	543,013	358,554	359,289
Current assets					
Inventories		38,000	35,609	5,549	5,149
Prepaid income tax		169	170	-	-
Trade receivables		61,264	55,372	9,858	9,613
Other receivables		1,934	2,492	3,066	2,219
Prepayments and deferred expenses		3,518	2,230	263	226
Cash and cash equivalents		3,259	2,475	153	119
Total current assets		108,144	98,348	18,889	17,326
Total assets		640,587	641,361	377,443	376,615

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Balance Sheets (cont'd)

	Notes	Group		Company	
		As at 31 March 2011	As at 31 December 2010	As at 31 March 2011	As at 31 December 2010
EQUITY AND LIABILITIES					
Equity					
Share capital		31,106	31,106	31,106	31,106
Share premium		248,086	248,086	248,086	248,086
Legal reserve		3,111	3,111	3,111	3,111
Fair value reserve		(2,193)	(3,557)	-	-
Translation reserve		(6,192)	(3,370)	-	-
Retained earnings		118,791	103,076	16,581	17,884
Total equity		392,709	378,452	298,884	300,187
Non-current liabilities					
Non-current loans	8	96,207	106,252	-	-
Financial lease obligations		2,086	2,119	87	57
Deferred tax liability		14,960	15,339	255	258
Deferred income from subsidies		14,068	14,274	14,068	14,274
Employee benefit liability		4,065	4,139	-	-
Total non-current liabilities		131,386	142,123	14,410	14,589
Current liabilities					
Current portion of non-current loans	8	64,003	65,049	20,885	22,029
Current portion of non-current financial lease obligations		1,227	1,254	165	223
Current loans	8	15,451	17,171	-	-
Trade payables		16,631	18,441	39,692	36,288
Advances received		254	255	2	2
Income tax payable		2,402	742	-	-
Other current financial liabilities		2,707	4,391	-	-
Other current liabilities		13,145	12,830	3,405	3,297
Employee benefit liability		488	467	-	-
Provisions		184	186	-	-
Total current liabilities		116,492	120,786	64,149	61,839
Total equity and liabilities		640,587	641,361	377,443	376,615

The notes on pages 11 to 17 are an integral part of these financial statements.

Statements of Changes in Equity

							Group
	Share capital	Share premium	Legal reserve	Fair value reserve	Translation reserve	Retained earnings	Total
Balance as at 31 December 2009	31,106	248,086	3,111	(8,662)	(5,324)	49,762	318,079
Other comprehensive income	-	-	-	637	21,304	-	21,941
Net profit for the period	-	-	-	-	-	15,248	15,248
Total comprehensive income for the period	-	-	-	637	21,304	15,248	37,189
Balance as at 31 March 2010	31,106	248,086	3,111	(8,025)	15,980	65,010	355,268
Balance as at 31 December 2010	31,106	248,086	3,111	(3,557)	(3,370)	103,076	378,452
Other comprehensive income (expense)	-	-	-	1,364	(2,822)	-	(1,458)
Net profit for the period	-	-	-	-	-	15,715	15,715
Total comprehensive income for the period	-	-	-	1,364	(2,822)	15,715	14,257
Balance as at 31 March 2011	31,106	248,086	3,111	(2,193)	(6,192)	118,791	392,709

						Company
	Share capital	Share premium	Legal reserve	Retained earnings	Total	
Balance as at 31 December 2009	31,106	248,086	3,111	19,725	302,028	
Net (loss) for the period	-	-	-	(1,485)	(1,485)	
Total comprehensive (expense) for the period	-	-	-	(1,485)	(1,485)	
Balance as at 31 March 2010	31,106	248,086	3,111	18,240	300,543	
Balance as at 31 December 2010	31,106	248,086	3,111	17,884	300,187	
Net (loss) for the period	-	-	-	(1,303)	(1,303)	
Total comprehensive (expense) for the period	-	-	-	(1,303)	(1,303)	
Balance as at 31 March 2011	31,106	248,086	3,111	16,581	298,884	

The notes on pages 11 to 17 are an integral part of these financial statements.

Cash Flow Statements

	Group		Company	
	January – March 2011	January – March 2010	January – March 2011	January – March 2010
Cash flows from (to) operating activities				
Profit (loss) before tax	20,482	16,861	(1,412)	(1,721)
Adjustments for non-cash items:				
Depreciation and amortisation	6,815	8,820	873	909
Loss (gain) from disposal, write-off and impairment of non-current assets	26	198	(7)	1
Change in value of financial instruments	-	2,617	-	-
Change in allowance and write-off of trade and other receivables	(2)	(1,842)	-	-
Change in allowance and write-off of inventories	593	566	259	(108)
Unrealised foreign currency exchange (gain) loss	1,712	(11,294)	(50)	180
Interest expenses	2,247	3,391	240	705
Interest (income)	(9)	(27)	-	-
Financial instruments settlement	1,499	-	-	-
Other non cash items	(369)	230	2	-
	32,994	19,520	(95)	(34)
Change in working capital:				
(Increase) in inventories	(3,236)	(7,983)	(659)	(3,554)
(Increase) decrease in trade and other receivables and deferred charges	(8,125)	15,738	(1,129)	(1,359)
Increase in trade and other payables and advances received	(260)	(498)	3,615	9,076
(Decrease) in employee benefits	(108)	(111)	-	-
Income tax (paid) received	(104)	(90)	-	-
Net cash flows from operating activities	21,161	26,576	1,732	4,129
Cash flows from (to) investing activities				
(Acquisition) of non-current tangible assets	(719)	(715)	(43)	(67)
(Acquisition) of non-current intangible assets	(2,050)	(1,205)	(163)	(32)
Proceeds from sale of non-current assets	18	3	17	-
(Settlement) of financial instruments	(1,499)	(1,249)	-	-
Interest received	9	27	-	-
Net cash flows (to) from investing activities	(4,241)	(3,139)	(189)	(99)

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Cash Flow Statements (cont'd)

	Group		Company	
	January – March 2011	January – March 2010	January – March 2011	January – March 2010
Cash flows from (to) financing activities				
Proceeds from loans	225	4,172	-	5,943
(Repayments) of loans	(13,516)	(20,955)	(1,144)	(8,639)
(Payment) of finance lease liabilities	(434)	(825)	(125)	(138)
Interest (paid)	(2,411)	(3,231)	(240)	(427)
Dividends (paid)	-	(1)	-	(1)
Net cash flows (to) financial activities	(16,136)	(20,840)	(1,509)	(3,262)
Net increase (decrease) in cash and cash equivalents	784	2,597	34	768
Cash and cash equivalents at the beginning of the period	2,475	3,417	119	177
Cash and cash equivalents at the end of the period	3,259	6,014	153	945
Supplemental information of cash flows:				
Property, plant and equipment acquisition financed by finance lease	396	-	97	-

The notes on pages 11 to 17 are an integral part of these financial statements.

Notes to the Financial Statements

1. General information

Public limited liability company „SANITAS” (hereinafter the Company) is a public limited liability company registered in the Republic of Lithuania on 30 June 1994. The address of its registered office is as follows:

Veiveriu str. 134 B,
LT-46352 Kaunas, Lithuania.

The Company is involved in production and trade of generic medicines, namely injection preparations, tablets, capsules and ointments. The Company's shares are listed in the Baltic Main List on AB NASDAQ OMX Vilnius.

As at 31 March 2011 and 31 December 2010 the shareholders of the Company were:

	31 March 2011		31 December 2010	
	Number of shares held (thousand)	Percentage	Number of shares held (thousand)	Percentage
Invalda, AB	8,254	26.54%	8,254	26.54%
Baltic Pharma Limited	6,315	20.30%	6,315	20.30%
Citigroup Venture Capital International Jersey Limited	5,461	17.56%	5,461	17.56%
Amber Trust II	4,003	12.87%	4,003	12.87%
Other	7,073	22.73%	7,073	22.73%
Total	31,106	100.00%	31,106	100.00%

The interim condensed consolidated financial statements include the financial statements of public limited liability company „SANITAS” and the subsidiaries listed in the following table (hereinafter – the Group):

Name	Main activities	Country of incorporation	% of equity interest	
			January – March 2011	January – March 2010
Jelfa S.A.	Production and trade of medicines	Poland	100	100
HBM Pharma s.r.o.	Production and trade of medicines	Slovakia	-	100
Laboratorium Farmaceutyczne Homeofarm sp. z.o.o	Production and trade of medicines	Poland	100	100
Sanitas Pharma a.s.	Marketing, sales and regulatory affairs services	Slovakia	100	-

On 17 May 2010 HBM Pharma s.r.o established a new subsidiary Sanitas Pharma a.s. Marketing, sales and regulatory affairs activities located in Bratislava and Prague were separated from HBM Pharma s.r.o. and transferred to newly established subsidiary. On 17 June 2010 Sanitas Pharma a.s. was sold to the other Group company Jelfa S.A. These changes were performed due to the fact, that in July 2010 HBM Pharma s.r.o. was sold to Latvian company SIA Liplats 2000.

As at 31 March 2011 the number of employees of the Group was 1,117 (as at 31 December 2010 – 1,108). As at 31 March 2010 the number of employees of the Company was 126 (as at 31 December 2010 – 130).

The interim condensed financial statements were approved and signed by the Management on 22 April 2011.

2. Accounting principles

The principal accounting policies adopted in preparing the Group's and the Company's interim condensed financial statements for the period ended 31 March 2011 are as follows:

Basis of preparation

The interim condensed consolidated and separate financial statements for the period ended 31 March 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated and separate financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2010.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated and separate financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2010, except for the adoption of new Standards and Interpretations as of 1 January 2011, noted below. The adoption of the following revised and amended standards and interpretations resulted in changes to accounting policies but did not have any impact of the financial position or performance of the Group and the Company.

- IAS 24 "Related party disclosures" (revised in 2009) – modifies the definition of a related party and simplifies disclosures for government-related entities (effective for annual periods beginning on or after 1 January 2011).
- Amendments to IAS 32 "Financial Instruments: Presentation" – Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010) address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability.
- Amendments to IFRS 1 "First-time Adoption of IFRS"- Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (effective for annual periods beginning on or after 1 July 2010).
- Amendments to IFRIC 14 "Prepayments of a Minimum Funding Requirement" – provides guidance on assessing the recoverable amount of a net pension asset (effective for annual periods beginning on or after 1 January 2011). The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" – provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments (effective for annual periods beginning on or after 1 July 2010).

3. Segment information

For management purposes, the Group is organised into business units on their products, and has four reportable operating segments: injectables, tablets, ointments and eye drops and pre-filled syringes. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Operating expenses, which are directly related to the operating segments, are allocated to the particular segments. Other operating expenses, related to the ordinary activities are indirectly allocated to the operating segments – pro rata production volumes in the period. One-off operating expenses are not allocated to the segments. Financial activities and income taxes are managed on a Group level and are not allocated to the operating segments as well. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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The table below present revenue and profit information regarding the Group's operating segments for the period ended 31 March 2011 and 2010, respectively:

	Group											
	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010
Toll manufacturing sales	3,103	7,908	2,135	6,645	221	399	57	-	-	6	5,516	14,958
Own products sales	12,161	8,674	29,674	26,530	41,273	28,724	324	78	766	1,271	84,198	65,277
Total revenue	15,264	16,582	31,809	33,175	41,494	29,123	381	78	766	1,277	89,714	80,235
Profit (loss) before taxes*	1,904	1,865	7,221	1,032	18,510	13,787	(281)	(272)	(6,872)	449	20,482	16,861

* Profit (loss) before taxes include gross profit less operating expenses.

The table below present revenue and profit information regarding the Company's operating segments for the period ended 31 March 2011 and 2010, respectively:

	Company											
	Injectables		Tablets		Ointments		Eye drops, syringe		Unallocated		Total	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010
Toll manufacturing sales	443	398	186	-	-	-	57	-	-	-	686	398
Own products sales	2,005	1,897	1,384	1,109	468	435	406	97	(121)	-	4,142	3,538
Total revenue	2,448	2,295	1,570	1,109	468	435	463	97	(121)	-	4,828	3,936
Profit (loss) before taxes*	(1,240)	(938)	(209)	(669)	(81)	144	(321)	(263)	439	5	(1,412)	(1,721)

* Profit (loss) before taxes include gross profit less operating expenses.

Revenue reported above represents revenue generated from external customers. There were no intersegment sales in the year 2011 and 2010. There are no significant seasonality fluctuations in the Group's and the Company's operational business. Unallocated sales mainly include sales of syrups and suspensions, which can not be attributed to the other segments.

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The Group's and Company's revenue from external customers by geographical location for the period ended 31 March 2011 and 2010 detailed below:

Group						
	Toll manufacturing sales		Own products sales		Total	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010
Poland	226	469	48,723	42,454	48,949	42,923
Russia	-	-	21,178	10,382	21,178	10,382
Lithuania	-	-	3,887	3,342	3,887	3,342
Latvia	2,941	4,512	173	149	3,114	4,661
Ukraine	-	-	2,773	2,257	2,773	2,257
Bulgaria	-	-	1,992	911	1,992	911
Germany	1,941	4,448	-	-	1,941	4,448
Czech Republic	-	439	1,346	1,775	1,346	2,214
Slovakia	-	3,418	1,062	1,219	1,062	4,637
Georgia	-	-	758	336	758	336
Kazakhstan	-	-	694	440	694	440
Hungary	-	1,063	681	861	681	1,924
Belarus	-	-	619	203	619	203
Great Britain	203	73	-	-	203	73
USA	161	-	-	-	161	-
Moldova	-	-	129	61	129	61
Vietnam	-	-	128	765	128	765
Kyrgyzstan	-	-	55	9	55	9
Switzerland	44	463	-	-	44	463
Unallocated	-	73	-	113	-	186
	5,516	14,958	84,198	65,277	89,714	80,235

Company						
	Toll manufacturing sales		Own products sales		Total	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010	1Q 2011	1Q 2010
Lithuania	-	-	3,887	3,342	3,887	3,342
Latvia	443	398	173	149	616	547
Germany	243	-	-	-	243	-
Poland	-	-	82	47	82	47
	686	398	4,142	3,538	4,828	3,936

Own products sales in Poland market

Sales in Poland grew 14% in the first quarter of 2011 compared to the same period in 2010. The growth was resulted by increasing sales of both – old products and higher contribution of new products, which were launched in 2010. Strong sales growth was also supported by increased sales and marketing team that started since 1st January 2011.

Own products sales in Russia market

During the first quarter of 2011 the sales to Russia more than doubled compared to the same period in 2010. Organic growth of sales to this market was additionally fuelled by sales in March 2011, which represent one-time action coming as a result of changing legislation in Russia. The estimated level of the above mentioned sales was LTL 7,800 thousand. It is expected that the effect will fade out during the second quarter of 2011.

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Own products sales in Lithuania market

Sales in Lithuanian market showed healthy 16% growth during the first quarter of 2011 compared to the same period in 2010, coming from both market growth and better positioning of products.

Own products sales in other markets

Sales in other countries followed the same pattern demonstrating 14% growth in the first quarter of 2011 compared to the same period in 2010. The strongest growth came from Georgia and Bulgaria.

4. Financial activity, net

	Group		Company	
	January – March 2011	January – March 2010	January – March 2011	January – March 2010
Foreign currency exchange gain, net	50	8,908	50	-
Interest income	9	27	-	-
Cash income from financial instruments	-	888	-	-
	59	9,823	50	-
Interest (expenses)	(2,247)	(3,391)	(240)	(705)
Foreign currency exchange (loss), net	(1,762)	-	-	(180)
Cash outflows for financial instruments	(1,499)	(2,107)	-	-
Fair value (loss) from derivatives	-	(2,617)	-	-
Other financial (expenses)	(6)	(104)	(2)	(104)
	(5,514)	(8,219)	(242)	(989)

5. Income tax benefit (expenses)

	Group		Company	
	January – March 2011	January – March 2010	January – March 2011	January – March 2010
Current year income tax	(2,426)	(152)	-	-
Prior year current income tax correction	640	-	-	-
Deferred tax income (expenses)	(2,981)	(1,461)	108	236
Income tax (expenses) benefit charged to the profit and loss	(4,767)	(1,613)	109	236

6. Property, plant and equipment

During the period ended 31 March 2011, the Group acquired non-current fixed assets with a cost of LTL 1,216 thousand (for the period ended 31 March 2010 – LTL 854 thousand). Assets with a net book value of LTL 34 thousand were disposed and written off by the Group during the first quarter of the year 2011 (for the period ended 31 March 2010 – LTL 211 thousand), resulting in a net loss on disposal and write-off of LTL 16 thousand (for the period ended 31 March 2010 net loss of LTL 198 thousand).

During the period ended 31 March 2011, the Company acquired non-current fixed assets with a cost of LTL 139 thousand (for the period ended 31 March 2010 the Company did not acquire non-current fixed assets). Assets with a net book value of LTL 0 thousand were disposed and written off by the Company during the period ended 31 March 2011 (for the period ended 31 March 2010 – LTL 1 thousand), resulting in a net gain on disposal and write-off of LTL 17 thousand (for the period ended 31 March 2010 – net loss of LTL 1 thousand).

7. Intangible assets

During the period ended 31 March 2011 the Group acquired non-current intangible assets with a cost of LTL 2,158 thousand (for the period ended 31 March 2010 – LTL 1,336 thousand). Assets with a net book value of LTL 10 thousand were written off by the Group during the period ended 31 March 2011 (for the period ended 31 March 2010 the Group written off fully amortised non-current intangible assets), resulting in a net loss on write-off of LTL 10 thousand.

During the period ended 31 March 2011 the Company acquired non-current intangible assets with a cost of LTL 109 thousand (for the period ended 31 March 2010 – LTL 32 thousand). Assets with a net book value of LTL 10 thousand were written off by the Company during the period ended 31 March 2011 (for the period ended 31 March 2010 the Company has written-off fully amortised intangible assets), resulting in a net loss on write-off of LTL 10 thousand.

8. Loans

As at 31 March 2011 and 31 December 2010 the Company did not comply with the financial indebtedness to EBITDA and interest service coverage ratio covenants, which should not be higher than 4.5 and not be lower than 2.5, respectively and the requirement for minimum value of inventories, which should be not less than LTL 6,000 thousand which are set out in the loan agreement with „Swedbank”, AB. Due to this reason the non-current bank loan portion in the amount of LTL 15,033 thousand as at 31 March 2011 and LTL 16,177 thousand as at 31 December 2010 has been presented as current liabilities in the Group’s and the Company’s balance sheets. The Group management has informed „Swedbank”, AB about this situation and is renegotiating the terms of this long term loan agreement. The mutual consensus is expected to be reached in the nearest future.

9. Related party transactions

In the period ended 31 March 2011 and 2010 the Group and the Company had transactions and balances with the following related parties:

- Amber Trust II (the shareholder of the Company);
- Citigroup Venture Capital International Jersey Limited (the shareholder of the Company);
- Invalda, AB (the shareholder of the Company);
- Natural persons (the shareholders of the Company);
- HBM Pharma s.r.o. (the ex-subsiidiary of the Company);
- Jelfa S.A. (the subsidiary of the Company);
- Laboratorium Farmaceutyczne Homeofarm sp. z o.o. (the subsidiary of the Company);
- Sanitas Pharma a.s. (the subsidiary of the Company);
- Acena, UAB (the affiliate of Invalda, AB).

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The Group's and the Company's transactions with related parties in the period ended 31 March 2011 and related balances as at 31 March 2011 were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's transactions				
Jelfa S.A.	1,031	3,186	2,560	36,939
Laboratorium Farmaceutyczne Homeofarm sp. z o.o.	-	-	-	17
Sanitas Pharma a.s.	4	130	-	181
The Company's and the Group's transactions				
Amber Trust II	-	-	-	260
Citigroup Venture Capital International Jersey Limited	-	-	-	345
Invalda, AB	-	-	-	870
Natural persons	-	-	-	147
Acena, UAB	-	28	-	-

The Group's and the Company's transactions with related parties in the period ended 31 March 2010 and related balances as at 31 March 2010 were as follows:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
The Company's transactions				
HBM Pharma s.r.o.	185	610	16	18,591
Jelfa S.A.	917	4,617	94	26,461
Laboratorium Farmaceutyczne Homeofarm sp. Z.o.o	-	20	-	20
The Company's and the Group's transactions				
Amber Trust II	-	38	-	2,550
Invalda, AB	-	128	-	8,624
Natural persons	-	24	-	1,584
Acena, UAB	-	26	-	-