SAF Tehnika A/S
Consolidated Interim Report
for 9 months of financial year 2008/09

(July 1, 2008 – March 31, 2009)

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KEY DATA

SAF Tehnika (The Group) is a telecommunications equipment company engaged in the development, production and distribution of digital microwave radio equipment. SAF Tehnika products provide wireless backhaul solutions for digital voice and data transmission. The Group offers two main product lines: CFM family - low to medium capacity radio links (PDH; up to 34 Mbps), CFQ family - high capacity radio links (SDH; up to 155 Mbps), and the new CFIP product line – 108 Mbps capacity radio equipment (super PDH). The complete product range offers solutions to mobile network operators, data service providers, and government and private companies. Since its establishment in 1999, SAF Tehnika has succeeded in becoming an international player and has been able to compete with such multinational corporations as Nokia Siemens Networks, Ericsson, Alcatel and NEC. From 2004 until late 2008, the Group had a subsidiary in Sweden which worked on CFQ product line development. The subsidiary was bought out by its management.

AS SAF Tehnika is a public joint stock company incorporated under the laws of the Republic of Latvia. The shares of AS SAF Tehnika are quoted on Riga Stock Exchange.

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Aira Loite

Member of the Management Board

May 6, 2009

Share and Shareholdings

SAF Tehnika shareholders (over 5%) as of 25.09.2008

Name	**Ownership interest (%)**
Hansapank AS Clients Account	24.15%
Didzis Liepkalns	17.05%
Andrejs Grišāns	10.03%
Skandinaviska Enskilda Banken AB Clients Account	9.84%
Normunds Bergs	9.74%
Juris Ziema	8.71%
Vents Lācars	6.08%

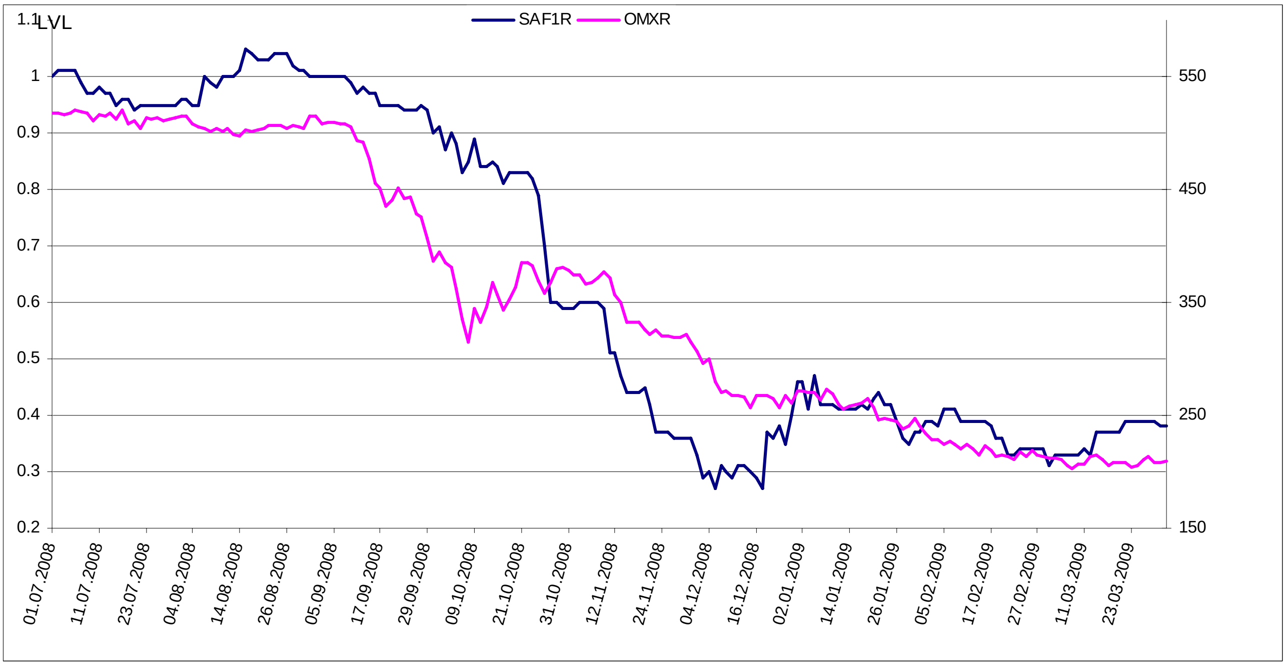
SAF Tehnika share price and OMX Riga index development for the reporting period

SAF Tehnika (**SAF1R**)

Period: July 1, 2008 – March 31, 2009

Currency: **LVL**

Marketplace: **NASDAQ OMX Riga Stock Exchange**



Information on management and supervisory board members

SAF Tehnika Management Board:

Name	Position	Ownership interest (%)
Normunds Bergs	Chairman	owns 9.74% of shares
Didzis Liepkalns	Vice Chairman	owns 17.05% of shares
Jānis Ennitis	Member	
Aira Loite	Member	

SAF Tehnika Supervisory Board:

Name	Position	Ownership interest (%)
Vents Lācars	Chairman	owns 6.08% of shares
Juris Ziema	Vice-Chairman	owns 8.71% of shares
Andrejs Grišāns	Member	owns 10.03% of shares
Ivars Šenbergs	Member	
Jānis Bergs	Member	

Statement of Board's Responsibilities

The Board of SAF Tehnika A/S (hereinafter – the Company) is responsible for preparing the consolidated interim financial statements of the Company and its subsidiary (hereinafter – the Group). Interim financial statements of the Group has not been audited or otherwise checked by auditors.

The consolidated interim financial statements are prepared in accordance with the source documents and present fairly the financial position of the Group as at March 31, 2009 and the results of its operations and cash flows for the 9 month period ended March 31, 2009.

The consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The consolidated interim financial statements have been prepared based on the same accounting principles applied in the Consolidated Financial Statements for the year ended on June 30, 2008. Prudent and reasonable judgments and estimates have been made by the management in the preparation of the consolidated interim financial statements.

The Board of SAF Tehnika A/S is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group. The Board is also responsible for the compliance with the laws of the countries in which the Group's companies operates.

The consolidated interim financial statements have been prepared in Latvian Lats and Euro.

Currency Exchange rate for LVL/EUR is 0.702804

Aira Loite

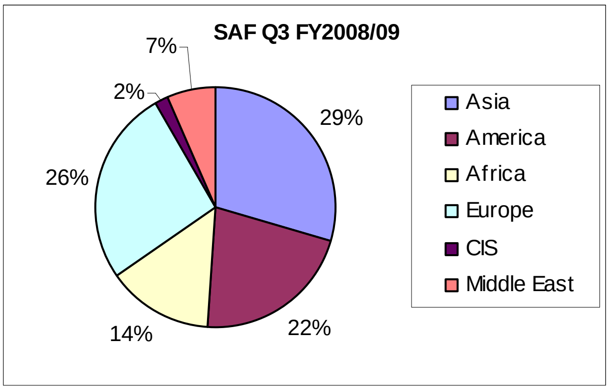
CFO, Member of the Management Board

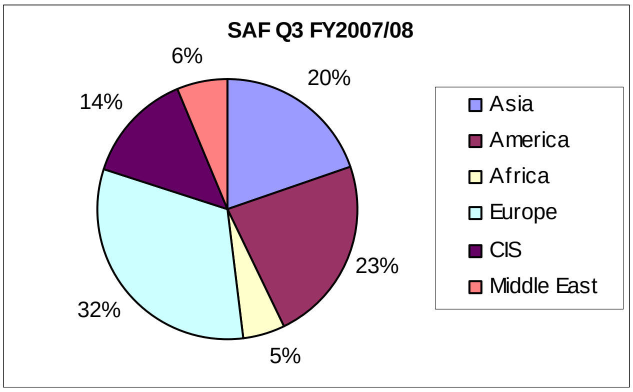
Management Report

The Group's consolidated non-audited net sales for the third quarter of financial year 2008/09 were 2 173 424 (3 092 504 EUR), representing year-on-year revenue growth of 3%.

Good sales results were achieved in Asia, particularly in India and Pakistan, as postponed projects from the previous quarter were commenced in the third quarter. Sales from Asia (29%) represented the largest part of 3rd quarter turnover. There is continued sales growth in Africa, with the contribution rising from 5% in the 3rd quarter of the previous financial year to 18% in the reporting period. Sales in Latin America were at the same level on a year-on-year basis, but substantially more than during the previous quarter of this financial year. Notable projects were commenced in Europe, thus keeping European results stable. Weak results were experienced in the CIS, particularly in Russia and Ukraine due to the general economic slowdown, a sharp devaluation of local currencies, and liquidity problems for some local businesses there. Business activities in North America were re-commenced and sales were recorded in this region. Therefore in sum, the sales strategy of servicing a wider geographical customer base has provided a buffer in the current environment. In order to promote the SAF brand, the Group participated in the international telecommunication and information technology exhibition - "CeBIT 2009" in Hannover, Germany, from the 3rd until 8th March 2009. Participation was co-funded by European Union structural funds.

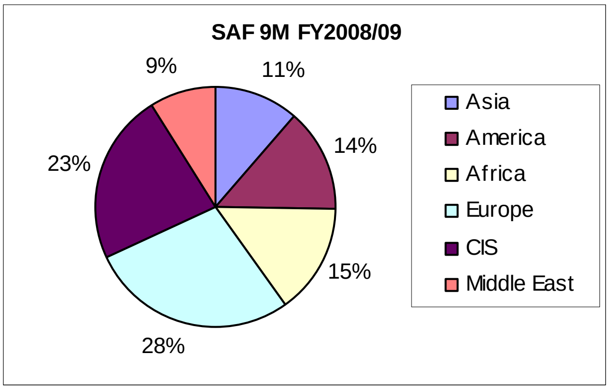
Chart 1. Quarter 3 revenue breakdown comparative charts:

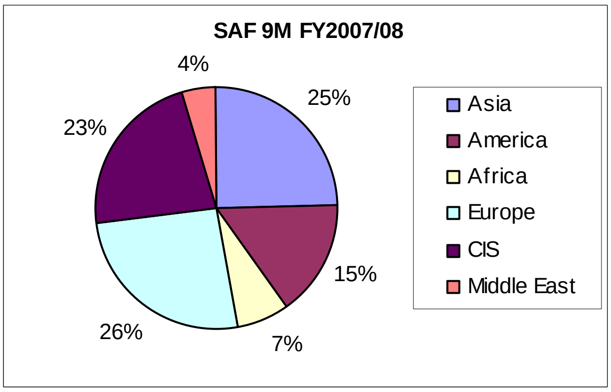




The Group's consolidated non-audited net sales for the 9 months of the financial year 2008/09 were 6 849 486 LVL (9 745 941 EUR) representing 88% of the 9 months of the previous financial year. The main reasons for the decrease were: weakness in Asia where sales during the first 9 months of this financial year amounted to 0.78 million LVL (1.11 million EUR), comprising 40% of the corresponding sales period in FY 2007/08 and slowing sales in Latin America – a decrease of 18%. A lack of sales in Russia during the third quarter resulted in an 11% decrease in the CIS region, although it was partially compensated by great results in Africa showing 85% growth over the year due to more intensive sales efforts and an increase in the Middle East of 82%.

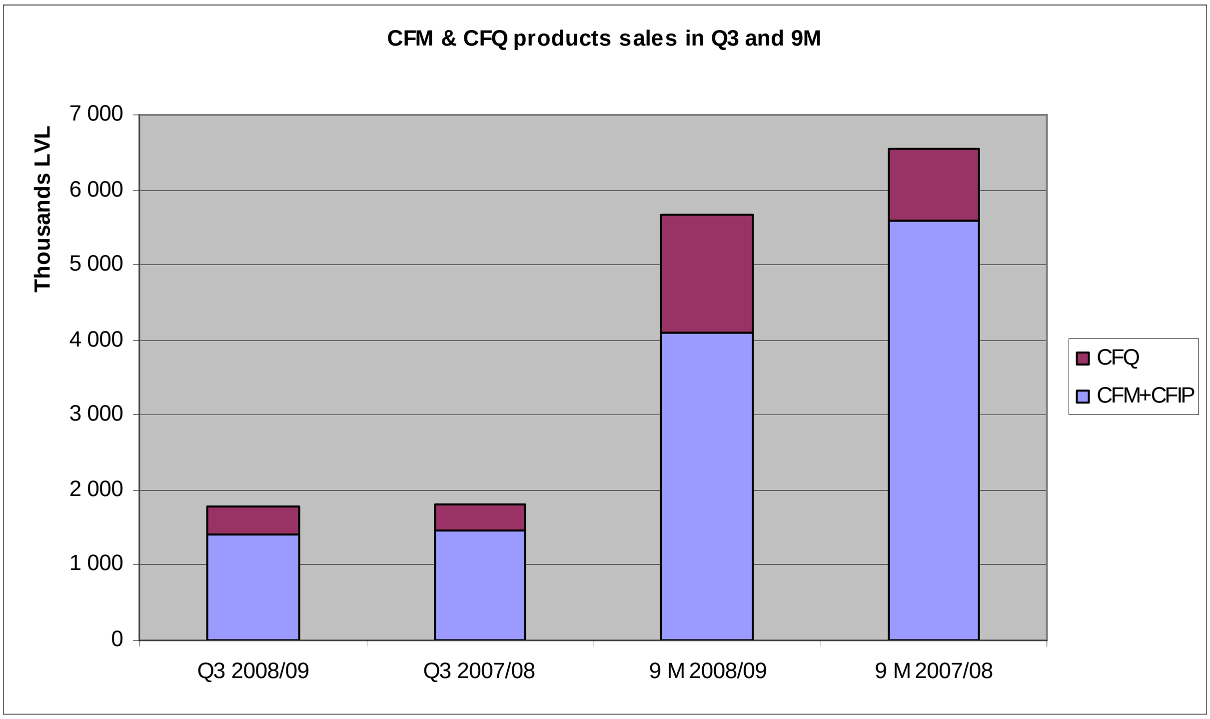
Chart 2. 9 months revenue breakdown comparative charts:





The CFM product line (including a rising share of the new CF IP products) continues to dominate with a 73% share of sales. Further CF IP product growth is expected.

Chart 3. Quarter 3 and 9 month product sales breakdown.



The consolidated net loss of the Group for the third quarter of financial year 2008/09 was 405 298 LVL (576 687 EUR), which is 80 235 LVL (114 164 EUR) more when compared with the same quarter in the previous financial year.

The consolidated net loss of the Group for the 9 months of financial year 2008/09 was 791 679 LVL (1 126 458 EUR). The net loss mainly reflects lower sales and falling margins due to a lack of funding for investments for SAF Tehnika clients, and increasing competition. The loss was notably impacted by allowances recorded for bad and doubtful trade receivables amounting to 245 thousand

LVL (348 thousand EUR), due to information received about significant liquidity problems of the company's clients in Russia (sales were made during the second half of 2008), and an extraordinary item relating to the divestment of SAF Tehnika Sweden amounting to 249 354 LVL (354 799 EUR).

Market overview

The Point to Point (P2P) wireless radio market in which SAF Tehnika operates is experiencing significant investment reductions, similar to the situation in general business conditions. Current information about CIS market development does not allow the Group to expect considerable improvement and will show negative consequences in 2009. Previously CIS countries showed the best results. High price erosion in all markets is primarily attributed to over-estimated end-product demand by manufacturers. Constrained budgets make customers more price focused which greater price pressures. Further business consolidation is expected. There is a trend between focused microwave manufacturers to extend product portfolios moving towards complete solutions - firstly expanding Point to Point (P2P) product portfolios and secondly moving towards Point to Multi-point (P2M) and peripheral products.

Guidance

In 2008/09 there is no change in the Company's main focus on developing the CFIP product line so as to keep up with the latest market trends. There are new products coming in the second part of 2009 which are expected to increase SAF's product portfolio and competitiveness. From a sales perspective further investments are planned in Asia and Africa, while some new approaches are under consideration in North America. SAF expects good results from Asia and Africa and further development in North America during the coming quarter. In order to encourage sales in the CIS and further strengthen our local presence, SAF will participate in the exhibition "Sviaz ExpoComm 2009" in Moscow, Russia, from 12th until 15th May 2009.

The Group's net cash flow for the 9 month period of the financial year was a positive 849 010 LVL (1 208 032 EUR). The Group carried a net cash balance (excluding interest bearing liabilities) of 2 517 078 LVL (3 581 479 EUR) as of March 31, 2009.

On March 31, 2009 the Group employed 144 people. (164 people on March 31, 2008)

Consolidated balance sheet
As of March 31, 2009

ASSETS	Note	31.03.2009	31.03.2008	31.03.2009	31.03.2008
CURRENT ASSETS		**LVL**	**LVL**	**EUR**	**EUR**
Cash and bank		**2 520 188**	**1 682 154**	**3 585 904**	**2 393 490**
Customer receivables	**1**				
Accounts receivable		2 017 331	2 163 898	2 870 403	3 078 949
Allowance for uncollectible receivables		-389 544	-138 454	-554 271	-197 002
Total		**1 627 787**	**2 025 444**	**2 316 132**	**2 881 947**
Other receivables					
Other current receivables		115	1 230	164	1 750
Short-term loans given		885	885	1 259	1 259
Total		**1 000**	**2 115**	**1 423**	**3 009**
Prepaid expenses					
Prepaid taxes	**2**	142 405	163 600	202 624	232 782
Other prepaid expenses		60 653	98 517	86 302	140 177
Total		**203 058**	**262 117**	**288 926**	**372 959**
Inventories	**3**				
Raw materials		542 907	584 272	772 487	831 344
Work-in-progress		1 515 271	2 179 572	2 156 036	3 101 252
Finished goods		684 370	516 111	973 771	734 360
Prepayments to suppliers		42 247	13 723	60 112	19 526
Total		**2 784 795**	**3 293 678**	**3 962 406**	**4 686 482**
TOTAL CURRENT ASSETS		**7 136 828**	**7 265 508**	**10 154 791**	**10 337 887**
NON-CURRENT ASSETS					
Long-term financial assets					
Deffered income tax		48 160	137 227	68 526	195 257
Other long-term receivable		590	590	839	839
Total		**48 750**	**137 817**	**69 365**	**196 096**
NON-CURRENT physical assets	**4**				
Plant and equipment		1 950 635	2 034 872	2 775 504	2 895 362
Other equipment and fixtures		1 168 142	1 168 426	1 662 116	1 662 521
Accumulated depreciation		-2 364 362	-2 110 107	-3 364 184	-3 002 412
Total		**754 415**	**1 093 191**	**1 073 436**	**1 555 471**
Intangible assets	**5**				
Purchased licenses, trademarks etc.		76 634	128 008	109 040	182 139
Goodwill		0	414 058	0	589 151
Prepayments for intangible assets		3 357	14 325	4 777	20 382
Total		**79 991**	**556 391**	**113 817**	**791 672**
TOTAL NON-CURRENT ASSETS		**883 156**	**1 787 399**	**1 256 618**	**2 543 239**
TOTAL ASSETS		**8 019 984**	**9 052 907**	**11 411 409**	**12 881 126**

Consolidated balance sheet
As of March 31, 2009

	Note	31.03.2009	31.03.2008	31.03.2009	31.03.2008
LIABILITIES AND OWNERS' EQUITY		**LVL**	**LVL**	**EUR**	**EUR**
CURRENT LIABILITIES					
Debt obligations					
Short-term loans from financial institutons		3 110	4 584	4 425	6 522
Derivative financial instruments		0	1 379	0	1 962
Total		**3 110**	**5 963**	**4 425**	**8 484**
Customer prepayments for goods and services		81 477	141 646	115 932	201 544
Accounts payable	**6**	615 485	583 891	875 756	830 802
Tax liabilities		101 311	120 745	144 153	171 805
Salary-related accrued expenses	**7**	207 210	315 112	294 833	448 364
Provisions for guarantees		35 237	0	50 138	0
Prepaid revenue		0	39 171	0	55 735
TOTAL CURRENT LIABILITIES		**1 043 830**	**1 206 528**	**1 485 237**	**1 716 734**
OWNERS' EQUITY					
Share capital		2 970 180	2 970 180	4 226 185	4 226 185
Paid in capital over par		2 004 204	2 004 204	2 851 725	2 851 725
Retained earnings		2 793 449	3 390 686	3 974 720	4 824 512
Net profit for the financial year		-791 679	-523 008	-1 126 458	-744 173
Currency translation reserve		0	4 317	0	6 143
TOTAL OWNERS' EQUITY		**6 976 154**	**7 846 379**	**9 926 172**	**11 164 392**
TOTAL LIABILITIES AND OWNERS' EQUITY		**8 019 984**	**9 052 907**	**11 411 409**	**12 881 126**

Consolidated Income Statement for 9 month of the financial year 2008/09

	Note	31.03.2009	31.03.2008	31.03.2009	31.03.2008
		LVL	LVL	EUR	EUR
Net sales	8	6 849 486	7 742 366	9 745 941	11 016 394
Other operating income	9	4 824	146 418	6 864	208 334
Total income		**6 854 310**	**7 888 784**	**9 752 805**	**11 224 728**
Direct cost of goods sold or services rendered		-4 592 099	-4 864 393	-6 533 969	-6 921 407
Marketing, advertising and public relations expenses		-416 597	-323 836	-592 764	-460 777
Bad receivables	10	-243 963	52 984	-347 128	75 389
Operating expenses	11	-515 152	-759 612	-732 995	-1 080 831
Salaries, bonuses and social expenses	12	-1 353 244	-1 894 064	-1 925 493	-2 695 009
Depreciation expense		-327 355	-470 608	-465 784	-669 615
Amortization of product Prototypes		0	-34 767	0	-49 469
Other expenses		-69 882	-14 855	-99 433	-21 137
Operating expenses		**-7 518 292**	**-8 309 151**	**-10 697 566**	**-11 822 856**
EBIT		**-663 982**	**-420 367**	**-944 761**	**-598 128**
Financial income (except ForEx rate difference)		55 353	10 639	78 760	15 138
Financial costs (except ForEx rate difference)		-3 732	-24 054	-5 310	-34 226
Foreign exchange +gain/(loss)		70 036	-89 226	99 652	-126 957
Financial items		**121 657**	**-102 641**	**173 102**	**-146 045**
EBT		**-542 325**	**-523 008**	**-771 659**	**-744 173**
Write-off due to elamination of long-term investment	13	**-249 354**	**0**	**-354 799**	**0**
Net profit		**-791 679**	**-523 008**	**-1 126 458**	**-744 173**

*Earnings per share

EPS 31.03.2009. = -0.27 LVL (-0.38 EUR)

EPS 31.03.2008. = -0.18 LVL (-0.25 EUR)

Consolidated Income Statement for Q3 of the financial year 2008/09

	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	LVL	LVL	EUR	EUR
Net sales	2 173 424	2 104 280	3 092 504	2 994 121
Other operating income	4 628	6 461	6 585	9 193
Total income	**2 178 052**	**2 110 741**	**3 099 089**	**3 003 314**
Direct cost of goods sold or services rendered	-1 457 260	-1 254 847	-2 073 494	-1 785 486
Marketing, advertising and public relations expenses	-222 070	-141 839	-315 977	-201 819
Bad receivables	-141 673	82 541	-201 583	117 445
Operating expenses	-168 608	-239 448	-239 908	-340 704
Salaries, bonuses and social expenses	-478 361	-663 560	-680 646	-944 161
Depreciation expense	-108 634	-172 125	-154 572	-244 912
Amortization of product Prototypes	0	-11 487	0	-16 345
Other expenses	-60 122	-2 269	-85 546	-3 228
Operating expenses	**-2 636 728**	**-2 403 034**	**-3 751 726**	**-3 419 209**
EBIT	**-458 676**	**-292 293**	**-652 637**	**-415 895**
Financial income (except ForEx rate difference)	13 929	3 593	19 819	5 112
Financial costs (except ForEx rate difference)	0	-346	0	-492
Foreign exchange +gain/(loss)	39 449	-36 017	56 132	-51 247
Financial items	**53 378**	**-32 770**	**75 951**	**-46 627**
EBT	**-405 298**	**-325 063**	**-576 687**	**-462 523**
Net profit	**-405 298**	**-325 063**	**-576 687**	**-462 523**

*Earnings per share

EPS 31.03.2009. = -0.14 LVL (-0.20 EUR)

EPS 31.03.2008. = -0.11 LVL (-0.16 EUR)

Consolidated cash flow statement for 9 months of the financial year 2008/09

	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	LVL	LVL	EUR	EUR
CASH GENERATED FROM OPERATIONS (of which)	**768 662**	**2 429 120**	**1 093 706**	**3 456 327**
Cash received from customers	7 591 523	8 109 371	10 801 764	11 538 595
Cash paid to suppliers and employees	-6 991 647	-5 966 402	-9 948 219	-8 489 424
Repaid taxes	168 786	286 151	240 161	407 156
NET CASH USED IN INVESTING ACTIVITIES (of which)	**86 129**	**-172 080**	**122 551**	**-244 848**
Cash paid for purchasing non-current physical assets	-43 704	-195 499	-62 185	-278 170
Cash received from the sale of non-current physical assets	0	16 889	0	24 031
Cash received from other long-term investments	74 481	0	105 977	0
Interest received	55 352	6 530	78 759	9 291
NET CASH USED IN FINANCING ACTIVITIES (of which)	**-5 781**	**-865 883**	**-8 225**	**-1 232 040**
Repayment of long-term loans	-2 049	-1 176 936	-2 915	-1 674 629
Paid interest	-3 732	-24 001	-5 310	-34 150
Cash received from state	0	335 054	0	476 739
Effects of exchange rate changes	**0**	**-8 591**	**0**	**-12 224**
TOTAL CASH FLOW:	**849 010**	**1 382 566**	**1 208 032**	**1 967 215**
Cash and cash equivalents as at the beginning of period	1 671 178	299 588	2 377 872	426 275
Cash and cash equivalents as at the end of period	2 520 188	1 682 154	3 585 904	2 393 490
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	**849 010**	**1 382 566**	**1 208 032**	**1 967 215**

Statement of changes in consolidated equity for the 9 months period ended March 31 2009

	Share capital LVL	Share premium LVL	Currency translation rezerves LVL	Retained earnings LVL	Total LVL
As at 30 June 2007	**2 970 180**	**2 004 204**	**15 968**	**3 390 686**	**8 381 038**
Currency translation difference	-	-	-10 862	-	**-10 862**
Profit for the year	-	-	-	-472 492	**-472 492**
As at 30 June 2008	**2 970 180**	**2 004 204**	**5 106**	**2 918 194**	**7 897 684**
Write-off due to elamination of long-term investment	-	-	-	-124 745	-124 745
Currency translation difference	-	-	-5 106	-	**-5 106**
Profit for the year	-	-	-	-791 679	**-791 679**
As at 31 March 2009	**2 970 180**	**2 004 204**	**0**	**2 001 770**	**6 976 154**

Statement of changes in consolidated equity for the 9 months period ended March 31 2009

	Share capital EUR	Share premium EUR	Currency translation rezerves EUR	Retained earnings EUR	Total EUR
As at 30 June 2007	**4 226 185**	**2 851 725**	**22 720**	**4 824 512**	**11 925 143**
Currency translation difference	-	-	-15 455	-	**-15 455**
Profit for the year	-	-	-	-672 296	**-672 296**
As at 30 June 2008	**4 226 185**	**2 851 725**	**7 265**	**4 152 216**	**11 237 392**
Write-off due to elamination of long-term investment	-	-	-	-177 496	-177 496
Currency translation difference	-	-	-7 265	-	**-7 265**
Profit for the year	-	-	-	-1 126 458	**-1 126 458**
As at 31 March 2009	**4 226 185**	**2 851 725**	**-0**	**2 848 262**	**9 926 172**

Notes for consolidated interim report

Note 1 Customer receivables

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Accounts receivables	2 017 331	2 163 898	2 870 403	3 078 949
Provisions for bad and doubtful accounts receivable	(389 544)	(138 454)	(554 271)	(197 002)
	1 627 787	**2 025 444**	**2 316 132**	**2 881 947**

Additional allowances were recorded for bad and doubtful trade receivables amounting to 245 thousand LVL (348 thousand EUR) due to information received about client liquidity problems in Russia. The sales were made in the second half of 2008.

Note 2 Prepaid taxes

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Prepaid taxes	**142 405**	**163 600**	**202 624**	**232 782**

Prepaid taxes have decreased by LVL 21 thousand (EUR 30 thousand) due to less paid advance VAT.

Note 3 Inventories

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Raw materials	717 310	1 036 576	1 020 640	1 474 915
Allowance for slow-moving items	(174 403)	(452 304)	(248 153)	(643 571)
Work-in- progress	1 515 271	2 179 572	2 156 036	3 101 252
Finished goods	684 370	516 111	973 771	734 360
Prepayments to suppliers	42 247	13 723	60 112	19 526
	2 784 795	**3 293 678**	**3 962 406**	**4 686 482**

Inventories in comparison with the 9 month period of the previous financial year 2007/08 decreased by 15%. Current stock levels are deemed appropriate to present production volumes. Effective stock management impacted the level of allowance for slow-moving items which was reduced substantially.

Note 4 Non-current physical assets

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Plant and equipment	1 950 635	2 034 872	2 775 504	2 895 362
Other equipment and fixtures	1 168 142	1 168 426	1 662 116	1 662 521
Accumulated depreciation	(2 364 362)	(2 110 107)	(3 364 184)	(3 002 412)
	754 415	**1 093 191**	**1 073 436**	**1 555 471**

Decrease of the balance value of non current physical assets, in comparison with the 9 month period of the previous financial year 2007/08, is mainly due to accumulated depreciation.

Note 5 Intangible assets

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Purchased licences, trademarks etc.	76 634	128 008	109 040	182 139
Goodwill	-	414 058	-	589 151
Prepayments for intangible assets	3 357	14 325	4 777	20 382
	79 991	**556 391**	**113 817**	**791 672**

There is no goodwill in the balance sheet as the Swedish subsidiary SAF Sweden was sold in November 2008.

Note 6 Accounts payable

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Accounts payable	**615 485**	**583 891**	**875 756**	**830 802**

Note 7 Salary-ralated accrued expenses

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Salary-related accrued expenses	**207 210**	**315 112**	**294 833**	**448 364**

Salary related accrued expenses were lower as the number of employees has decreased. This is mainly due to the sale of the subsidiary SAF Sweden in November, 2008.

Note 8 Segment information

a) The Group’s operations may currently be divided into two major structural units by product type – CFM (PDH) and CFQ (SDH) product lines. The new CFIP products belong to the CFM product type (super PDH). The structural units are used as a basis for providing information about the primary segments of the Group, i.e. business segments. Production, as well as research and development are organised and managed for each product line (CFM, CFQ) separately.

The CFM product line, or plesiochronous digital hierarchy radio equipment, is offered as a digital microwave radio communications system operating over 7, 8, 13, 15, 18, 23, 26, and 38 GHz frequency bands, as well as ensuring wireless point-to-point channels for digitalised voice and data transmission. CFM is available with 4, 8, 16, or 34 Mbps full-duplex data transmission rate.

CFIP radio is capable to provide up to 108Mbps of bit rate to all interfaces combined. This product family provides a perfect solution for a user looking for higher than PDH E3 capacity without need for STM-1 capacity. Apart from the full system capacity of 108Mbps, it is possible to configure the radio to any of 7 MHz, 14 MHz and 28MHz channel bandwidths.

The CFQ product line, or synchronous digital hierarchy radio equipment, is a digital point-to-point radio system providing high capacity (up to 155 Mbps) data transmission over frequency bands from 7 to 38 GHz. The product is generally exported to developed European countries where the demand for high capacity data transmission possibilities dominates.

This note provides information about division of the Group's turnover and balance items by structural units by product type for 9 month of the financial year 2008/09 and financial year 2007/08.

	CFQ		CFM		Other		Total	
	2008/9	2007/8	2008/9	2007/8	2008/9	2007/8	2008/9	2007/8
	LVL	LVL	LVL	LVL	LVL	LVL	LVL	LVL
Segment assets	**1 502 411**	**1 301 902**	**3 303 903**	**5 267 890**	**463 716**	**611 928**	**5 270 030**	**7 181 720**
Undivided assets							**2 749 954**	**1 871 187**
Total assets							**8 019 984**	**9 052 907**
Segment liabilities	**220 073**	**213 652**	**564 826**	**694 314**	**126 495**	**131 903**	**911 394**	**1 039 869**
Undivided liabilities							**132 436**	**166 659**
Total liabilities							**1 043 830**	**1 206 528**
Net sales	1 695 504	964 208	4 088 572	5 573 106	1 065 410	1 205 052	6 849 486	7 742 366
Segment results	**234 833**	**-254 107**	**603 530**	**916 758**	**206 562**	**279 648**	**1 044 925**	**942 299**
Undivided expenses							-1 713 731	-1 509 084
Profit from operations							**-668 806**	**-566 785**
Other income							4 824	146 418
Financial expenses, net							121 657	-102 641
Write-off due to elamination of long-term investment							-249 354	0
Profit before taxes							**-791 679**	**-523 008**
Corporate income tax							0	0
Net profit							**-791 679**	**-523 008**
Other information								
intangible asets	24 746	1 303	23 955	93 914	0	1 855	48 701	97 072
Undivided additions							31 823	115 628
Total additions of property plant and equipment and intangible asets							**80 524**	**212 700**
Depreciation and amortization	18 040	76 448	177 798	275 701	1 268	6 097	197 106	358 246
Undivided depreciation							130 249	147 129
Total depreciation and amortization							**327 355**	**505 375**

	CFQ		CFM		Other		Total	
	2008/9	2007/8	2008/9	2007/8	2008/9	2007/8	2008/9	2007/8
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Segment assets	2 137 738	1 852 440	4 701 030	7 495 532	659 807	870 695	7 498 575	10 218 667
Undivided assets							3 912 834	2 662 459
Total assets							**11 411 409**	**12 881 126**
Segment liabilities	313 136	303 999	803 675	987 920	179 986	187 681	1 296 797	1 479 600
Undivided liabilities							188 440	237 134
Total liabilities							**1 485 237**	**1 716 734**
Net sales	2 412 485	1 371 944	5 817 514	7 929 815	1 515 942	1 714 635	9 745 941	11 016 394
Segment results	**334 137**	**-361 562**	**858 746**	**1 304 429**	**293 911**	**397 904**	**1 486 794**	**1 340 771**
Undivided expenses							-2 438 419	-2 147 233
Profit from operations							**-951 625**	**-806 462**
Other income							6 864	208 334
Financial expenses, net							173 102	-146 045
Write-off due to elamination of long-term investment							-354 799	0
Profit before taxes							**-1 126 458**	**-744 173**
Corporate income tax							0	0
Net profit							**-1 126 458**	**-744 173**
Other information								
Additions of property plant and equipment and intangible asets	35 210	1 854	34 085	133 628	0	2 639	69 295	138 121
Undivided additions							45 280	164 524
Total additions of property plant and equipment and intangible asets							**114 575**	**302 645**
Depreciation and amortization	25 669	108 776	252 984	392 287	1 804	8 675	280 457	509 738
Undivided depreciation							185 327	209 346
Total depreciation and amortization							**465 784**	**719 084**

b) This note provides information about division of the Group's turnover and assets by geographical regions (customer location) for 9 month of the financial year 2008/09 and financial year 2007/08.

	Net sales		Assets		Net sales		Assets	
	2008/9 LVL	2007/8 LVL	31.03.2009 LVL	31.03.2008 LVL	2008/9 EUR	2007/8 EUR	31.03.2009 EUR	31.03.2008 EUR
Asia	776 787	1 918 638	343 377	639 948	1 105 268	2 729 976	488 581	910 564
America	962 656	1 178 315	454 073	449 404	1 369 736	1 676 591	646 088	639 444
Africa	1 008 373	546 106	115 304	57 469	1 434 785	777 039	164 063	81 771
Europe	1 908 363	1 990 446	467 757	412 910	2 715 356	2 832 150	665 558	587 518
CIS	1 577 777	1 771 477	56 924	223 981	2 244 974	2 520 585	80 996	318 696
Middle East	615 530	337 385	190 352	241 731	875 821	480 056	270 846	343 953
	6 849 486	**7 742 366**	**1 627 787**	**2 025 444**	**9 745 941**	**11 016 394**	**2 316 132**	**2 881 947**
Unallocatted assets	-	-	6 392 197	7 027 463	-	-	9 095 277	9 999 179
	6 849 486	**7 742 366**	**8 019 984**	**9 052 907**	**9 745 941**	**11 016 394**	**11 411 409**	**12 881 126**

Note 9 Other operating income

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Other operating income	**4 824**	**146 418**	**6 864**	**208 334**

JSC "SAF Tehnika" and the state institution "The Investment and Development Agency of Latvia" has signed three agreements in FY 2008/09 for co-financing from EU Structural funds for several activities related to employee training, participation in exhibitions and support for development of new products. Co-financing will be received when projects are completed – scheduled to be during 2009.

Note 10 Bad receivables

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Bad receivables	**(243 963)**	**52 984**	**(347 128)**	**75 389**

See Note 1.

Note 11 Operating expenses

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Operating expenses	**(515 152)**	**(759 612)**	**(732 995)**	**(1 080 831)**

The main decrease in operating expenses, in comparison with the 9 month period of the previous financial year 2007/08, is due to the sale of SAF Tehnika Sweden in November 2008 and decreased travel, IT, and office –related expenses.

Note 12 Salaries, bonuses and social expenses

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Salaries, bonuses and social expenses	**(1 353 244)**	**(1 894 064)**	**(1 925 493)**	**(2 695 009)**

Salaries, bonuses and social expenses, in comparison with the 9 month period of the previous financial year 2007/08 have decreased by 29% mainly due to decreased employee headcount and decreased bonus amounts.

Note 13 Write-off due to elimination of long-term investment

	31.03.2009 LVL	31.03.2008 LVL	31.03.2009 EUR	31.03.2008 EUR
Write-off due to elimination of long-term investment	**(249 354)**	**-**	**(354 799)**	**-**

The impact on the Parent company's Income Statement from the divestment of SAF Tehnika Sweden is a LVL 249 354 (354 799 EUR) loss.