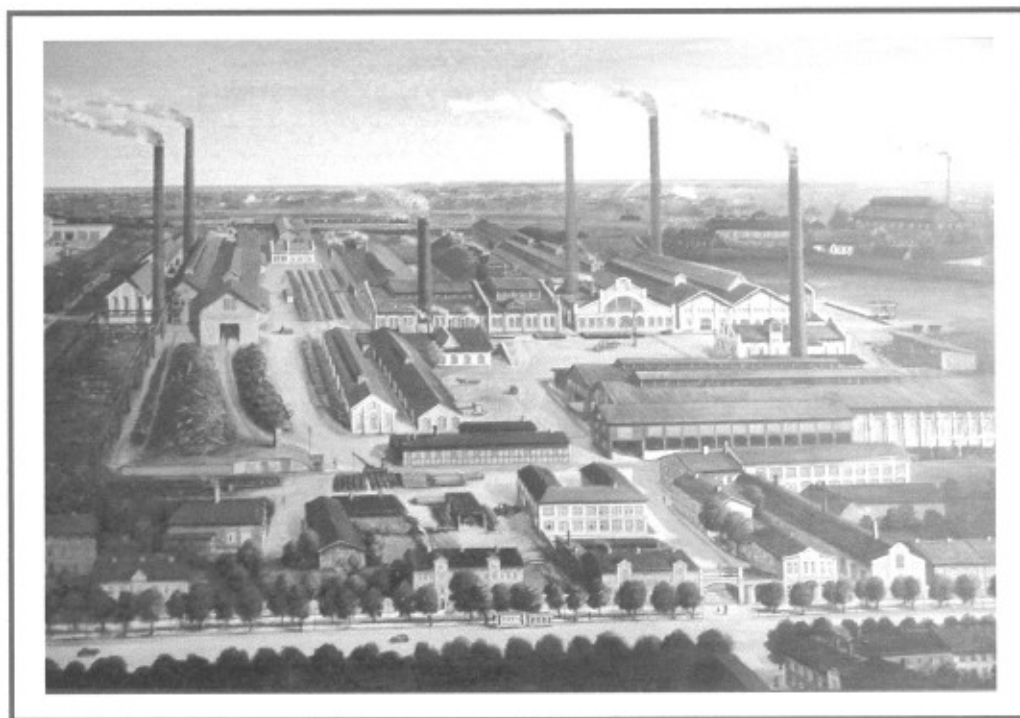


**JSC "LIEPAJAS METALURGS"**



**CONSOLIDATED  
ANNUAL REPORT**

**2004**


Rīga, June 3, 2005

**AUDITOR'S REPORT**To the management and shareholders of  
"Liepājas Metalurgs" JSC

We have performed the audit of the consolidated financial statement of "Liepājas Metalurgs" JSC, registration No. 40003014197, as of December 31, 2004. The consolidated financial statement comprises the Balance Sheet as of December 31, 2004, the Profit and Loss Account, the Report on the Changes in Equity, the Cash Flow Statement for the year ended December 31, 2004 and the Appendix. The management of the company is responsible for the presentation of the financial statement. We are responsible for the presentation, on the basis of the audit performed, of the Auditor's Report on the financial statement.

The audit was conducted according to the International Audit Standards, issued by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statement does not contain any material misstatement. The audit included examining, on a test basis, of the substantiation of the amounts presented in the reports and explanatory notes. The audit also included the valuation of the accounting principles practiced, as well as evaluating the over-roll Annual Report presentation. The duly authorized representatives of the company have provided the auditors with the information requested and have supplied all the necessary explanations. We consider that the audit provides us with sufficient ground for expressing our opinion.

In our opinion, the consolidated financial statement for the year ended December 31, 2004 presents a fair view, in all its material aspects, of the Concern's financial state at the end of the accounting year, as well as of the performance results and cash flow in the accounting year, and has been presented in accordance with the provisions stipulated by the law of the Republic of Latvia "On corporate consolidated annual reports" and "On accounting".

  
D. Tunsts  
Partner  
"BDO Invest Rīga" JSC  
Commercial Company Licence No. 112  
A. Putniņš  
Sworn Auditor  
Certificate No. 123

LATVIAN REPUBLIC

JOINT-STOCK COMPANY

 **LIEPĀJAS METALURĢIS**

REGISTRATION NO. 000301419

93, BRIVIBAS STR., LIEPAJA, LV-3401, TEL. +371 3455921, FAX +371 3455044

## **Joint-stock company "Liepājas Metalurģis" Council and Board's dispatch of consolidated annual report 2004.**

On the year 2004 the company's steel and rolled metal scale of production increased, it is 5,1% more than on year 2003.

The work on development of production departments is in progress and although work on use of production departments technological waste are in progress. All these directions include the measures of environmental protection.

On reporting year are in progress preparing works for construction of new continuous casting equipment. In experimental way was taken perfection measures of steel-melting equipments and technologies.

L SEZ JSC "Liepājas osta LM" engages mainly with stevedore services – freightage and cargo keeping. Although the activities of logistic department are remarkable enlarged. At the same time in progress are reconstruction and modernization of reloading complex.

### **Development of company.**

In steel making the main attention will be paid on construction and commissioning of new continuous casting equipment. Together are initiating the development project preparation of modernization for the self-steel-melting shop and its concerned process. The project will be finished with participation of several foreign companies.

Production of rolled metal. According to company's attested development plan, there are start the preliminary works on construction of new rolling stage. The company "VAI POMINI" is involved in this work.

L SEZ JSC "Liepājas osta LM" on year 2005 plan to put in to operation the terminal of hailing cargos and although the company plans raise a new territory in Liepāja O.Kalpaka street 115/119, which is planed to use in long-term development and it is tailored to development of company's infrastructure.

**Use of profit.**

The profit of company will be spent for equipment renovation and modernization and although for development of infrastructure.

For successful work and development of company are necessary the following:

- Chance to increase the electric power supply;
- To hold a constant price of natural gas;
- To get a beneficial result in matter of transit cargo;
- To organize more international sport and cultural entertainments.

JSC "Liepājas Metalurgs"  
Chairman of Council

  
S.Zaharjins

JSC "Liepājas Metalurgs"  
Chairman of Board

  
V.Terentjevs

## ADDENDUM TO JSC "LIEPAJAS METALURGS" CONSOLIDATED ANNUAL REPORT

### General information

JSC "Liepjas metalurgs" was entered in Latvia Republic Enterprise Register on August 6, 1991. On August 7, 2003 it was entered in Commercial Register with the unified register No.40003014197. Joint Stock Company "Liepjas metalurgs" is a public joint stock company. The main activities of the company are production of steel, rolled products and hardware, commerce and mediatory activity, transport services, medical services and other kind of entrepreneur ship that is not prohibited by the laws in force. During the review period the economic activity of joint stock company has not changed. JSC "Liepjas metalurgs" has acquired shares of several companies. At the same time the company is not registered as concern. The review period is from January 1, 2004 to December 31, 2004.

### Companies involved in consolidation

On the basis of the law "About consolidated annual reports", item 1 of clause 4, consolidated annual report includes the companies that correspond to this item (more than 50% suffrage). The included companies are:

LSEZ JSC "Liepjas port LM"	number of shares	<b>89%</b>
Reg.No., date	40003154754, 2001.31.07	
Address:	7/1 Sliezu str., Liepaja.	
Core business:	freight acceptance, processing and reloading, ship freightage and brokerage.	

Non-profit organization Ltd. "Olympic center ice-hockey hall Liepajas metalurgs"	<b>90%</b>	
Reg.No., date	40003421648, 1998.03.12., Riga	
Address:	93 Brivibas str., Liepaja.	
Core business:	activities of sports arenas and stadiums.	

Non-profit Ltd. "Football hockey club Liepajas metalurgs"	<b>95%</b>	
Reg.No., date	40003348213, 1997.26.07.	
Address:	93 Brivibas str., Liepaja.	
Core business:	organization of sport events, propaganda of healthy way of living, organization of recreation events, tourism services.	

Ltd. "Metalurgs and Duna"	<b>50%</b>	
Reg.No., date	421030019610, 1998.21.04.	
Address:	Sturmana str. 1, Liepaja.	
In balance produced as associated enterprise. First time incorporate in consolidation.		

Mutual exclusion is done on the basis of the value of shares of the companies involved in consolidation on the date of acquisition (clause 19, item 2.(2)) or there is applied a purchase method.

**In the consolidation there are not involved the associated companies.**

Ltd. "Elme-Messer-Metalurgs" number of shares **49%**  
Reg.No., date 40003461570, 1997.27.09.  
Address: 93 Brivibas str., Liepaja.  
Core business: production of industrial gas, storage and trade.

JSC "Liepajas power station" **89,7%**  
Reg.No., date 210302358, 2000.10.05.  
Address: 93 Brivibas str., Liepaja.  
Core business: production and distribution of electricity.  
JSC has not yet started it's economic activity.

JSC "Liepajas tranzita ekspresis"  
Reg.No., date 42103021668, 1999.16.07.  
Address: 7/1 Sliezu str., Liepaja.  
JSC "Liepajas metalurgs" and JSC "Liepajas port LM" each owns 24% of this joint stock company.  
In year 2004 the company had not taken any economic activity, in the State Revenue Service Liepaja tax authority there is submitted a letter informing that economic activity of the company is stopped pro tem.

Ltd. "LM Tranzits"  
Reg.No., date 210302801, 2001.21.12.  
Address: 93 Brivibas str., Liepaja.  
Core business: railage brokers a.o. activities.  
JSC "Liepajas metalurgs" possess 95% and JSC "Liepajas port LM" 5% shares of this company.  
In year 2004 the company had not taken any economic activity.

JSC "Liepajas siltums" number of shares **3,5%**  
Reg.No., date 40003211845, 1994.24.08  
Address: 15 Ludvika str., Liepaja.  
Core business: production and realization of heat energy.  
The company is insolvent.

**Minority shareholders**

Minority shareholders of the companies involved in consolidation are:

- 5% shares of non-profit organization Ltd. "Football Hockey club Liepajas metalurgs" belong to Ltd. "Perle" Reg.No.42103031401;
- 5% of non-profit organization Ltd. "Olympic center ice-hockey hall Liepajas metalurgs" belongs to Liepaja City Council reg.No.000006318; 5%-to Latvian Olympic committee reg.No.000802242.

The minority shareholders have investments in non-profit company.

The minority shareholder of LSEZ JSC "Liepajas port LM" with 11,01% shares is a physical person Andrejs Makarenko.

### **General principles of annual report compilation.**

Annual report is prepared in accordance with the law "About book-keeping" and the law "About annual reports for enterprises", and in accordance with the standards of Latvia's book-keeping.

The synthetic register of book-keeping is the ledger, report of accounts circulations.

For compilation of book-keeping registers JSC "Lepajas metalurģs" uses computers and programs created by the joint stock company itself. The other companies, involved in consolidated annual report, uses ready-made computer programs for purposes of book-keeping.

Profit or loss re-calculation is compiled by the method of turnover expenses. Until the compilation of consolidated annual report the involved companies had eliminated their different book-keeping methods used for calculation of profit or loss.

The remains of assets are audited during the inventory from October 1, 2004 to January 31, 2005.

With the assumption that these companies are going to act also hereafter the evaluation is accomplished for:

- stock in processing section by the average weighted price;
- purchased storage goods by their purchase value, by applying FIFO method;
- remains of finished products by the actual prime cost;
- fixed assets by their purchase price and additional expenses related to importation and installation.

Wear of fixed assets is calculated by the linear method with applying rates of fixed assets wear under the regulation approved by the company, which on year 2004 was revise. In Balance all the fixed assets are reflected as their purchase prices minus wear.

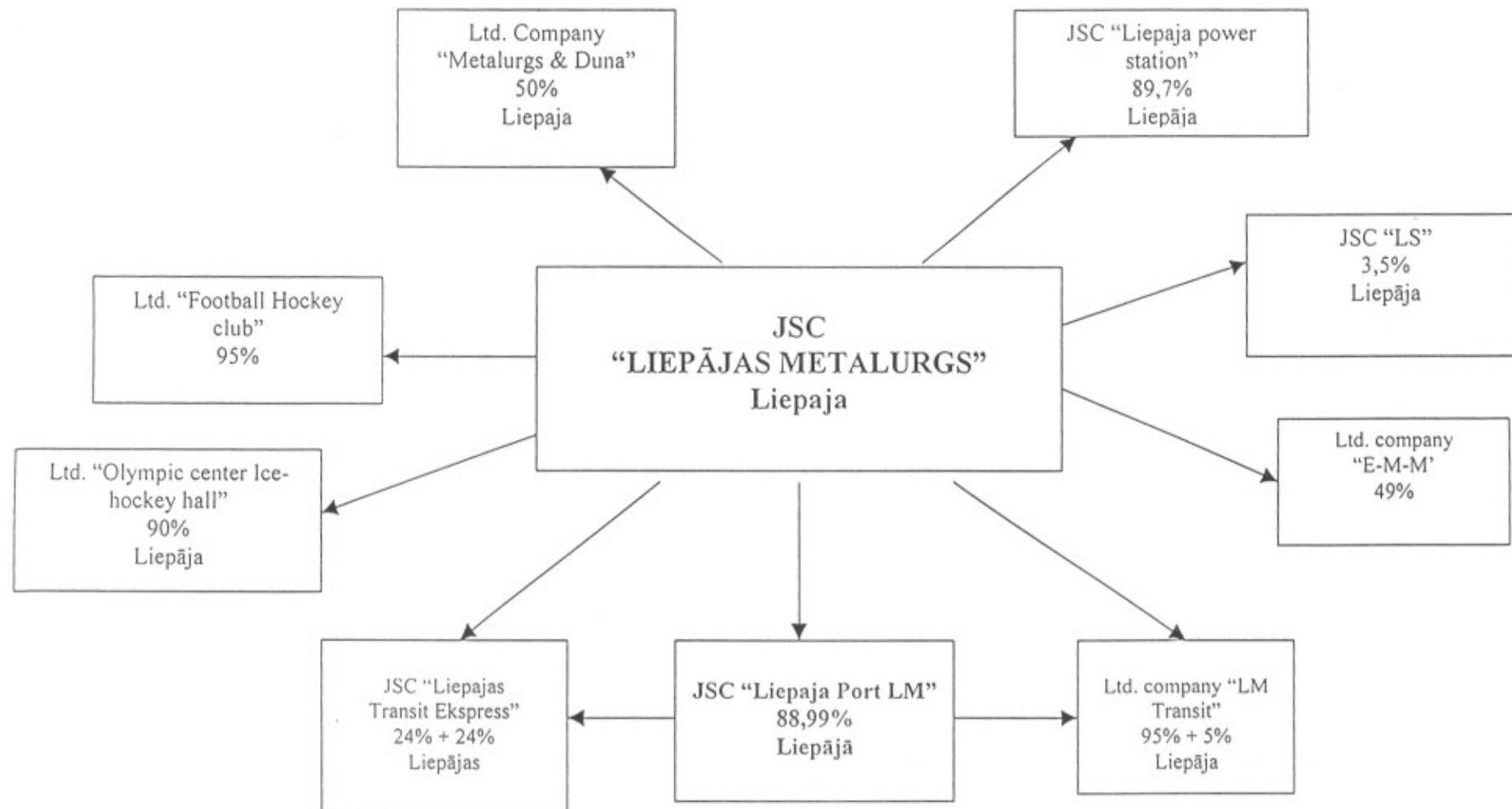
Wear is not being calculated for land.

In year 2004 jointly with Invest Riga on December 31 there was made a revaluation of fixed in JSC "Liepajas metalurģs".

In the Profit or loss calculation there is included all the incomes and expenses related to the review period with respect to the date of payment.

In the annual report and book-keeping there is being used currency unit of Latvia Republic – Ls (LVL). Cash consists of cash in cashier's desk and balances of bank accounts. All the items of assets and liabilities are recalculated to lats by the exchange rate stated by Latvia Bank on the last day of the review period.

Destors are disclosed without reserves for unreliable debts. Supplier's and other debts are given in their cost price.





JOINT STOCK COMPANY LIEPAJAS METALURGS  
40003014197  
93, Brivibas str., Liepaja, LV-3401 Latvia

Consolidated annual report

## CALCULATION OF PROFIT OR LOSS

FOR 12 MONTH OF THE YEAR 2004.

No.	Parameter designation	Line Code	At the end of the period of accountant Ls	At the end of the period of accountant EUR	At the beginning of the period of accountant Ls	At the beginning of the period of accountant EUR
1	2	3	4	5	6	7
1	Net turnover	010	153772392	218737400	97191953	144201711
2	Production costs for sold products	020	-130565798	-185726597	-87210851	-129392954
3	Gross profit or loss (from turnover)	030	23206594	33010802	-921783	-1367631
4	Sales expenses	040	-1559472	-2218310	-921783	-1367631
5	Administration expenses	050	-5910840	-8408023	-3275881	-4860358
6	Other income from economic activities of the enterprise	060	6962380	9903812	4533486	6726240
7	Other expenses from economic activities of the enterprise	070	-12008491	-17081780	-5905960	-8762552
8	Incomes from participation in daughter or associated enterprises	080	52753	75040	0	0
9	Incomes from securities and loans which formed long-term	090	0	0	0	0
10	Other interest incomes and similar incomes	100	115470	164253	77505	114993
11	Long-term financial investments and short-term securities value	110	-975034	-1386962	-127953	-189841
12	Interest payments and similar expenses	120	-249758	-355275	-674621	-1000921
13	Profit or loss prior to extraordinary items and taxes	130	9633602	13703559	3685895	5468687
14	Extra incomes	140	53595	76238	136179	202046
15	Extra expenses	150	-123355	-175469	-244226	-362353
16	Profit or loss prior to taxes	160	9563842	13604327	3578035	5308657
17	Profit tax for review period	170	-4476942	-6368339	-909004	-1348671
18	Other taxes	180	-289958	-412458	-250104	-371074
19	Review period profit or loss after taxes	190	4796942	6823531	2418927	3588912
20	Including minority shareholders shappe		49567	70508	1606	2383
21	Profit of the review period		4747375	6753023	2417321	3586530

Chairman of Council



S. Zaharjin

Chairman of Board



V. Terentjev

JSC "Liepajas Metalurgs"

Consolidated annual report

**Net turnover by geographical markets**

	2004 LVL	2004 EUR	2003 LVL	2003 EUR
Western market	0		81574218	121029997
Lithuania	6269691	8918479	1605593	2382185
Byelorussia	0	0	16731	24823
Russia	316043	449563	70885	105171
Estonia	3023070	4300242	5843776	8670291
Domestic market	16634755	23662525	8080750	11989243
Market of European	91568206	130253494	0	0
Third countries	35960627	51153097	0	0
<b>TOTAL</b>	<b>153772392</b>	<b>218737400</b>	<b>97191953</b>	<b>144201711</b>

Consolidated annual report  
**Net turnover by products**

Kind of production	2004	2004	2003	
	LVL	EUR	LVL	EUR
Rolled steel	137558784	195673946	87038618	129137415
Wire	4355779	6195987	3122780	4633205
Nails	2020650	2874324	1291228	1915769
Consumer goods	11166	15883	48128	71407
Castings	1584864	2254430	659923	979114
Industrial services	0	0	86838	128840
Nonindustrial services	62643	89108	186484	276682
Sold steam, gCal	15807	22485	15239	22610
Stevedoring services	1228467	1747464	1101758	1634656
Broker services	1311085	1864986	1202997	1784862
Freightage services	1896935	2698343	360444	534783
Forwarder and other services	2840182	4040088	1699645	2521728
Sports	207110	294609	87234	129427
Medical department	388189	552189	290637	431212
Flinders	33032	46987	0	0
Electricity	93308	132728	0	0
Transport services	152356	216723	0	0
Other	12035	17119	0	0
<b>TOTAL</b>	<b>153772392</b>	<b>218737400</b>	<b>97191953</b>	<b>144201711</b>

## BALANCE (consolidated annual report)

FOR 12 MONTH OF THE YEAR 2004

ACTIVE	Line Code	2004.g. LVL	EUR	2003.g. LVL	EUR
<b>I LONG-TERM INVESTMENTS</b>					
I. Non-material investments					
1. Research work and enterprise development payments	10				
2. Concessions, patents, licenses, trade marks and similar rights	20	141808	201718	111090	164822
3. Other non-material investments	21	7897	11233	8250	12240
4. Non-material value of the enterprise	30				
5. Advance payments for non-material investments	40				
I.TOTAL:	50	149705	212952	119340	177062
II. Capital assets			0		0
1. Land areas, buildings and constructions and long-term sites	60	27809023	39557643	24683223	36621993
2. Long-term investments in rented capital assets	70	4695340	6679004	10103408	14990220
3. Technological equipment and machines	80	14730495	20953762	15492291	22985595
4. Other capital assets and inventory	90	2467710	3510256	2112062	3133623
5. Capital assets formation and payments for uncompleted construction objects	100	4784950	6806472	1809047	2684046
6. Advance payments for capital assets	110	1108706	1577107	468291	694794
II.TOTAL:	120	55596224	79084245	54668322	81110270
III. Long-term financial investments			0		0
1. Participation in the capital of the related enterprises	130	0	0	46757	69372
2. Loans to the related enterprises	140	0	0	0	0
3. Participation in the affiliated enterprises capital	150	464990	661437	586322	869914
4. Loans to the associated enterprises	160	0	0	674000	1000000
5. Other securities and investments	170	38084	54174	106481	157984
6. Other loans	180	161204	229309	166048	246362
7. Own shares	190				
8. Loans to joint owners of the enterprise and management	200				
III.TOTAL:	210	664278	944919	1579608	2343632
Section 1 total amount:	220	56410207	80242115	56367270	83630964
<b>2. CURRENT ASSETS</b>			0		0
I. Stock (savings)			0		0
1. Raw materials, basic auxiliary materials	230	7810720	11110555	7759914	11513226
2. Uncompleted products	240	592396	842669	1041684	1545525
3. Completed products and goods for sales	250	11787295	16767134	7542382	11190478
4. Uncompleted orders	260	14127	20095	0	0
5. Advance payments for goods	270	1373905	1954346	1469815	2180734
6. Labour animals and productive animals	280				
I.TOTAL:	290	21578443	30694798	17813795	26429963
II. Debtors			0		0
1. Buyers and Customers debts	300	1624011	2310115	1165234	1728834
2. Related enterprises debts	310	0	0	0	0
3. Associated enterprises debts	320	32137	45714	32329	47966
4. Other debtors	330	1797265	2556565	864492	1282629
5. Unpaid shares of the company capital	340	0	0	0	0
6. Short-term loans to joint owners of the enterprise and management	350	0	0	0	0
7. Future periods payments	360	181124	257644	240301	356530
II.TOTAL:	370	3634537	5170038	2302356	3415958
III. Securities and participation in capitals			0		0
1. Participation in the related enterprises capital	380				
2. Own shares	390				
3. Other securities and participation in capitals	400	0	0	0	0
III.TOTAL:	410	0	0	0	0
IV. Funds		14186992	20180643	2139263	3173981
IV.TOTAL:	420	14186992	20180643	2139263	3173981
Section 2 total amount	430	39399972	56045479	22255414	33019902
<b>BALANCE</b>	440	95810179	136287595	78622684	116650866

## JSC LIEPAJAS METALURGS

PASSIVE	Line Code	2005.g.	EUR	2004.g.	EUR
<b>1.OWN CAPITAL</b>					
1.Share capital(fixed capital)	450	16981033	24155097	16981033	25194411
2.Share issue extra charge	460				
3.Long-term investments revaluation reserve	470	26817656	38147448	15318300	22727448
4.Reserves:a)reserves stipulated by law	480	30034	42723	30034	44561
4.Reserves:b)reserves for own shares	490	0	0	0	0
4.Reserves:c)reserves stipulated in the company Statutes	500	346579	493000	346579	514212
4.Reserves:d)other reserves	510	3788898	5389613	1325429	1966512
4.TOTAL:	520	4165511	5925336	1702042	2525285
5.Undistributed profit a)undistributed profit of the previous years	530	-102315	-145541	-90908	-134878
5.Undistributed profit b)undistributed profit of the review year	540	4796942	6823531	2472951	3669067
section 1. total amount:	550	52658827	74905871	36383418	53981332
Minority shareholders share		482825	686807	1659272	2461828
Consolidation difference		0	0	9486009	14074197
<b>2.SAVINGS</b>			0		0
1.Savings for pensions and similar obligations	560				
2.Savings for anticipated taxes	570	2079000		0	
3.Other savings	580	1941560	2761821	1016055	1507500
section 2. total amount:	590	4020560	5719147	1016055	1507500
<b>3.CREDITORS</b>			0		0
<b>I.Long-term debts.</b>			0		0
1.Loans against bonds(obligations)	600				
2.Share revaluation loans	610				
3.Loans from credit institutions	620			3388621	5027628
4.Other loans	630			3259994	4836786
5.Advance payments received from buyers	640				
6.Debts to suppliers and contractors	650	24697	35131		
7.Payable bills of exchange	660				
8.Debts to related enterprises	670				
9.Debts to associated enterprises	680				
10.Taxes and social insurance payments	690				
11.Other creditors	700				
12.Future periods income	710				
13.Review year dividends	720				
14.Unpaid dividends for previous years	730				
<b>I.TOTAL:</b>	740	24697	35131	6648615	9864414
<b>II.Short-term debts.</b>			0		0
1.Loans against bonds(obligations)	750				
2.Share revaluation loans	760				
3.Loans from credit institutions	770	4377403	6226747	750949	1114168
4.Other loans	780	20001	28451	958755	1422485
5.Advance payments received from buyers	790	245197	348787	277171	411233
6.Debts to suppliers and contractors	800	30859170	43896401	19635080	29132166
7.Payable bills of exchange	810				
8.Debts to related enterprises	820	0	0	0	0
9.Debts to associated enterprises	830	20716	29468	20495	30408
10.Taxes and social insurance payments	840	2196425	3124360	960833	1425568
11.Other creditors	850	758830	1079417	501593	744203
12.Future periods income	860	130382	185465	309293	458892
13.Review year dividends	870	0		0	
14.Unpaid dividends for previous years	880	15146	21545	15146	22472
<b>II.TOTAL:</b>	890	38623270	54940640	23429315	34761595
<b>Section 3. total amount:</b>	900	38647967	54975771	30077930	44626009
<b>BALANCE</b>	910	95810179	136287595	78622684	116650866

Chairman of Council

S.Zaharjin

Chairman of Board

V.Terentjev

Joint-Stock Company "Liepajas Metalurgs"

**DEBTORS**

DEBTORS	Amount at 31.12.2004.		Amount at 31.12.2003.	
	LVL	EUR	LVL	EUR
<b>Total Buyers and Customers debts</b>	<b>1656148,00</b>	<b>2355829</b>	<b>1197563</b>	<b>1776800</b>
Incl. Debts of buyers and customers	1624011,00	2310115	1165234	1728834
Incl. Debts of the allied enterprises	0,00	0	0	0
Incl. Debts of the associated enterprises	32137,00	45714	32329	47966
		0		0
<b>Other debtors</b>	<b>1797265,00</b>	<b>2556565</b>	<b>864492</b>	<b>1282629</b>
Incl. Accounted & not paid VAT	451469,00	642203	357230	530015
Incl. Advance Settlements	7744,00	11016	45813	67972
Incl. VAT overpayment to the Budget	1237567,00	1760408	406293	602809
Incl. Debt for caused damages to the enterprise	0,00	0	2468	3662
Incl. Various debtors	86050,00	122404	37725	55972
Incl. Overpaid salaries	13812,00	19647	953	1414
Incl. Overpaid taxes	623,00	886	14010	20786
<b>Short-term loans to employees</b>	<b>0,00</b>	<b>0</b>		<b>0</b>
		0		0
<b>Future periods payments</b>	<b>181124,00</b>	<b>257644</b>	<b>240301</b>	<b>356530</b>
Incl. Press expenses	6997,00	9953	4620	6855
Incl. Maintenance expenses	8285,00	11785	33721	50031
Incl. Operative leasing	2503,00	3560	197530	293071
Incl. Services	68397,00	97293	0	0
Incl. Other	94840,00	134908	4430	6573
<b>Total Debtors:</b>	<b>3634537,00</b>	<b>5170038</b>	<b>2302356</b>	<b>3415958</b>

## DEBTS TO CREDITORS

CREDITORS	Amount at 31.12.2004.		Amount at 31.12.2003.	
	LVL	EUR	LVL	EUR
<b>Long-term borrowings from credit institutions</b>	<b>0,00</b>		<b>3388621</b>	<b>5027628</b>
Long-term "Hahza leasing"			3259994	4836786
Long debts to suppliers and contractors	24697,00	35130,87	0	
Borrowings from credit institutions	4377403,00	6226747	750949	1114168
<b>Short - term creditor :</b>				
Short term debt	20001,00	28451	958755	1422485
<b>Advance payments</b>	<b>245197,00</b>	<b>348787</b>	<b>277171</b>	<b>411233</b>
<b>Debts to suppliers and contractors</b>	<b>30859170,00</b>	<b>43896401</b>	<b>19635080</b>	<b>29132166</b>
Incl. Materials and gas	3508475,00	4990718	2918527	4330159
Incl. Services	1310519,00	1864181	1242590	1843605
Incl. Scrap, various services related to scrap delivery, processing	1048362,00	1491269	2026826	3007160
Incl. Capital assets	223816,00	318373	46317	68720
Incl. Other creditors	32286,00	45926	1268	1881
Incl. Settlements with enterprises and other business partners - non-residents	24735712,00	35185935	13399552	19880641
<b>Debts to allied enterprises</b>	<b>0,00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Debts to associated enterprises</b>	<b>20716,00</b>	<b>29468</b>	<b>20495</b>	<b>30408</b>
<b>Taxes and social insurance payments</b>	<b>2196425,00</b>	<b>3124360</b>	<b>960833</b>	<b>1425568</b>
Incl. State tax	1055,00	1501	2243	3328
Incl. Residents' Income tax	290943,00	413859	194626	288763
Incl. Real estate tax	36315,00	51657	34244	50807
Incl. Social tax	309193,00	439819	285500	423591
Incl. Land tax	0,00	0	0	0
Incl. Nature resources tax	13781,00	19603	13383	19856
Incl. Enterprise's Income tax	1513003,00	2152209	374999	556378
Incl. VAT	32135,00	45711	55838	82846
<b>Other creditors</b>	<b>758830,00</b>	<b>1079417</b>	<b>501593</b>	<b>744203</b>
Incl. Payments for salaries	638131,00	907725	431303	639915
Incl. Deductions from salaries	120134,00	170888	66965	99355
Incl. Debt to accountable person	565,00	804	3325	4933
<b>Future periods incomes</b>	<b>130382,00</b>	<b>185465</b>	<b>309293</b>	<b>458892</b>
<b>Unpaid divvy</b>	<b>15146,00</b>	<b>21545</b>	<b>15146</b>	<b>22472</b>
<b>Total Creditors:</b>	<b>38647967,00</b>	<b>54975771</b>	<b>30077930</b>	<b>44626009</b>

## STATEMENT OF EQUITY CAPITAL CHANGES

	Fixed capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Undistributed profit of the review year	Undistributed profit of the previous years	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
<b>As at 31.12.2002</b>	<b>17476033</b>	<b>15371318</b>	<b>435116</b>	<b>0</b>	<b>1246235</b>	<b>-164214</b>	<b>34364488</b>
changes of core capital	-495000						-495000
Profit counted in reserves			-58503	1325429	-1246235	73306	93997
Undistributed profit of the review period					2472951		2472951
Increase of revaluation reserve							0
Written-off revaluation reserve		-53018					-53018
<b>As at 31.12.2003</b>	<b>16981033</b>	<b>15318300</b>	<b>376613</b>	<b>1325429</b>	<b>2472951</b>	<b>-90908</b>	<b>36383418</b>
Profit of for previous year						-20889	-20889
Profit counted in reserves				2463469	-2472951	9482	0
Undistributed profit of the review period					4796942		4796942
Increase of revaluation reserve		11916813					11916813
Written-off revaluation reserve		-417457					-417457
<b>As at 31.12.2004</b>	<b>16981033</b>	<b>26817656</b>	<b>376613</b>	<b>3788898</b>	<b>4796942</b>	<b>-102315</b>	<b>52658827</b>



	Fixed capital	reserve on long-term investments	by Statute	Other reserves	profit of the review year	profit of the previous years	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>As at 31.12.2002</b>	<b>28649234</b>	<b>25198882</b>	<b>713305</b>	<b>0</b>	<b>2043008</b>	<b>-269203</b>	<b>56335226</b>
Changes of core capital	-734421						-734421
Profit counted in reserves			-86800	1966512	-1849013	108763	139462
Undistributed profit of the review period					3669067		3669067
Increase of revaluation reserve							0
Exchange rate difference	-2720402	-2392772	-67732		-193995	25562	-5349339
Written-off revaluation reserve		-78662					-78662
<b>As at 31.12.2003</b>	<b>25194411</b>	<b>22727448</b>	<b>558773</b>	<b>1966512</b>	<b>3669067</b>	<b>-134878</b>	<b>53981333</b>
Profit of for previos year						-29714	-29714
Profit counted in reserves				3504223	-3517711	13488	0
Undistributed profit of the review period					6823531		6823531
Increase of revaluation reserve		16951370					16951370
Exchange rate difference	-1039314	-937548	-23050	-81122	-151356	5563	-2226827
Written-off revaluation reserve		-593822					-593822
<b>As at 31.12.2004</b>	<b>24155097</b>	<b>38147448</b>	<b>535723</b>	<b>5389613</b>	<b>6823531</b>	<b>-145541</b>	<b>74905871</b>

**Information on the consolidated year balance for personnel expenses  
year 2004**

	JSC "Liepajas Metalurgs"	JSC "Port LM"	Ltd. Football - hockey club	Ltd. "Olympic center ice - hockey hall"	Ltd."Metalurgs& Duna"	TOTAL in the consolidated annual report
<b>1. Average number of employees</b>						
year 2004	2849	244	88	18	4	3203
year 2003	2792	266	77	17	0	3152
<b>2. Personnel expenses, LVL, including salaries</b>						
year 2004	12630661	809231	127821	42462	11414	13621589
year 2003	9502634	742320	92796	39136	0	10376886
<b>3. Average salary, LVL</b>						
year 2004	369,45	276,38	121,04	196,58	237,79	354,40
year 2003	283,62	232,55	107,40	191,84	0,00	274,78