

JSC “Liepajas metalurgs”

Reg. No.40003014197

93 Brivibas str., Liepaja

B A L A N C E

for 9 month of year 2004

CALCULATION OF PROFIT OR LOSS

FOR 9 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
1	Net turnover	010	106188715	158254419	70600930	109289365
2	Production costs for sold products	020	-83315983	-124166890	-61911691	-95838531
3	Gross profit or loss (from turnover)	030	22872732	34087529	8689239	13450834
4	Sales expenses	040	-2181039	-3250431	-1580818	-2447087
5	Administration expenses	050	-3612407	-5383617	-2280365	-3529977
6	Other income from economic activities of the enterprise	060	3558129	5302726	3083585	4773351
7	Other expenses from economic activities of the enterprise	070	-14983791	-22330538	-2474246	-3830102
8	Incomes from participation in daughter or associated enterprises	080	0	0	-	
9	Incomes from securities and loans which formed long-term	090	0	0	-	
10	Other interest incomes and similar incomes	100	90755	135253	72023	111491
11	Long-term financial investments and short-term securities value	110	0	0	-	
12	Interest payments and similar expenses	120	-124674	-185803	-314721	-487184
13	Profit or loss prior to extraordinary items and taxes	130	5619706	8375121	5194698	8041328
14	Extra incomes	140	199536	297371	317118	490895
15	Extra expenses	150	-364379	-543039	-728467	-1127658
16	Profit or loss prior to taxes	160	5454863	8129453	4783349	7404565
17	Profit tax for review period	170	-601351	-896201	-	
18	Other taxes	180	-198399	-295677	-175160	-271146
19	Review period profit or loss after taxes	190	4655112	6937574	4608189	7133420

Executive Director:

L.Ptichkin.

JSC LIEPAJAS METALURGS

BALANCE

FOR 9 MONTH OF THE YEAR 2004.

ACTIVE	Line Code	2004.g.	EUR	2003.g.	EUR
I.LONG-TERM INVESTMENTS					
I.Non-material Investments					0
1.Research work and enterprise development payments	10				
2.Concessions, patents, licenses, trade marks and similar rights	20	130330	194232	35865	55519
3.Other non-material investments	21				
4.Non-material value of the enterprise	30				
5.Advance payments for non-material investments	40				
I.TOTAL:	50	130330	194232	35865	55519
II.Capital assets			0		0
1.Land areas, buildings and constructions and long-term sites	60	18275876	27236775	18586622	28771861
2.Long-term investments in rented capital assets	70				
3.Technological equipment and machines	80	12031847	17931218	13279040	20555789
4.Other capital assets and inventory	90	1710225	2548770	1703020	2636254
5.Capital assets formation and payments for uncompleted construction objects	100	3780632	5634325	1671752	2587851
6.Advance payments for capital assets	110	587654	875788	386803	598766
II.TOTAL:	120	36386234	54226876	35627238	55150523
III.Long-term financial investments			0		0
1.Participation in the capital of the related enterprises	130	4169284	6213538	4168471	6452741
2.Loans to the related enterprises	140	4620572	6886098		
3.Participation in the affiliated enterprises capital	150	579281	863310	535194	828474
4.Loans to the associated enterprises	160	591886	882095	612524	948180
5.Other securities and investments	170			38949	60293
6.Other loans	180	83770	124844	1766403	2734370
7.Own shares	190				
8.Loans to joint owners of the enterprise and management	200				
III.TOTAL:	210	10044793	14969885	7121541	11024057
Section 1 total amount:	220	46561357	69390994	42784644	66230099
2.CURRENT ASSETS			0		0
I.Stock(savings)			0		0
1.Raw materials, basic auxiliary materials	230	9286847	13840308	7266596	11248601
2.Uncompleted products	240	2321278	3459431	477285	738831
3.Completed products and goods for sales	250	13766085	20515775	3846484	5954310
4.Uncompleted orders	260	436	650	887	1373
5.Advance payments for goods	270	926918	1381398	2278640	3527307
6.Labour animals and productive animals	280				
I.TOTAL:	290	26301564	39197562	13869893	21470423
II.Debtors			0		0
1.Buyers and Customers debts	300	1436833	2141331	731934	1133025
2.Related enterprises debts	310	481871	718139	388068	600724
3.Associated enterprises debts	320	33115	49352	123376	190985
4.Other debtors	330	2486289	3705349	1519732	2352526
5.Unpaid shares of the company capital	340				
6.Short-term loans to joint owners of the enterprise and management	350				
7.Future periods payments	360	11133	16592	27130	41997
II.TOTAL:	370	4449241	6630762	2790240	4319257
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				
III.TOTAL:	410				
IV.Funds			0		0
IV.TOTAL:	420	10399048	15497836	1955331	3026828
Section 2 total amount	430	41149854	61326161	18615463	28816506
B A L A N C E	440	87711211	130717155	61400107	95046605

JSC LIEPAJAS METALURGS

PASSIVE	Line Code	2004.g.	EUR	2003.g.	EUR
1.OWN CAPITAL					
1.Share capital(fixed capital)	450	16981033	25307054	16981033	26286429
2.Share issue extra charge	460				
3.Long-term investments revaluation reserve	470	15303305	22806714	15341627	23748649
4.Reserves:a)reserves stipulated by law	480				
4.Reserves:b)reserves for own shares	490				
4.Reserves:c)reserves stipulated in the company Statutes	500	400603	597024	346579	536500
4.Reserves:d)other reserves	510	3788898	5646644	1325429	2051748
4.TOTAL:	520	4189501	6243668	1672008	2588248
5.Undistributed profit a)undistributed profit of the previous years	530				
5.Undistributed profit b)undistributed profit of the review year	540	4655112	6937574	4608189	7133420
section 1. total amount:	550	41128951	61295009	38602857	59756745
2.SAVINGS			0		0
1.Savings for pensions and similar obligations	560				
2.Savings for anticipated taxes	570				
3.Other savings	580	12012045	17901706	1855152	2871752
section 2. total amount:	590	12012045	17901706	1855152	2871752
3.CREDITORS			0		0
I.Long-term debts.			0		0
1.Loans against bonds(obligations)	600				
2.Share revaluation loans	610				
3.Loans from credit institutions	620			3105127	4806698
4.Other loans	630	20970	31252		0
5.Advance payments received from buyers	640				
6.Debts to suppliers and contractors	650				
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				
I.TOTAL:	740	20970	31252	3105127	4806698
II.Short-term debts.			0		0
1.Loans against bonds(obligations)	750				
2.Share revaluation loans	760				
3.Loans from credit institutions	770	3904489	5818911	457061	707525
4.Other loans	780	7675	11438		0
5.Advance payments received from buyers	790	753265	1122601	125650	194505
6.Debts to suppliers and contractors	800	28297176	42171648	16065611	24869367
7.Payable bills of exchange	810				
8.Debts to related enterprises	820	44268	65973	61741	95574
9.Debts to associated enterprises	830	20003	29811	18615	28816
10.Taxes and social insurance payments	840	582319	867838	451782	699353
11.Other creditors	850	696479	1037972	412939	639224
12.Future periods income	860	243571	362997	243571	377045
13.Review year dividends	870				
14.Unpaid dividends for previous years	880				
II.TOTAL:	890	34549246	51489189	17836971	27611410
Section 3. total amount:	900	34570216	51520441	20942098	32418108
B A L A N C E	910	87711211	130717155	61400107	95046605

Executive director:

L.Ptichkin

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DEBTORS

DEBTORS	Amount at 30.09.2004 in LVL	Amount at 30.09.2004 in EUR
Total Buyers and Customers debts	1951818,78	2908820,83
Incl.		
Debts of buyers and customers	1436832,82	2141330,58
Debts of the allied enterprises	481870,56	718137,94
Debts of the associated enterprises	33115,40	49352,31
Other debtors	2486289,06	3705348,82
Incl.		
Accounted & not paid VAT	761429,60	1134768,41
Advance Settlements	12098,05	18029,88
VAT overpayment to the Budget	1704819,47	2540714,56
Debt for caused damages to the enterprise	-	-
Various debtors	7246,31	10799,27
Overpaid salaries	695,63	1036,71
Overpaid taxes	0	0
Unpaid part of capital	-	-
Short-term loans to employees	-	-
Future periods payments	11132,96	16591,59
Incl.		
Press expenses	4138,33	6167,41
Other	108,91	162,31
Property insurance	2854,20	4253,65
Training fees	4031,52	6008,23
TOTAL DEBTORS	4449240,80	6630761,25

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DEBTS TO CREDITORS

CREDITORS	Amount at 30.09.2004 in LVL	Amount at 30.09.2004 in EUR
Long-term borrowings from credit institutions	0	0
Hanza leasing	20970,06	31251,95
Borrowings from credit institutions	3904489,-	5818910,58
Short term debt to "Hanza leasing"	7675,31	11438,61
Advance payments	753265,37	1122601,15
Debts to suppliers and contractors	28297175,86	42171648,08
Incl. Materials, stock	3019994,60	4500737,11
services	837265,42	1247787,51
Incl. Scrap, various services related to scrap delivery, processing	3146756,53	4689652,06
Incl. Capital assets	98481,22	146767,84
Incl. for Medical department creditor	1510,87	2251,67
Incl. Settlements with enterprises and other business partners – non-residents	21193149,73	31584425,83
Other creditors	17,49	26,07
Debts to associated enterprises	20003,14	29810,94
Debts to allied enterprises	44267,84	65972,94
Taxes and social insurance payments	582319,03	867837,60
Incl. Residents' Income tax	267130,06	398107,39
Incl. Social tax	279458,20	416480,18
Incl. Nature resources taz	13606,16	20277,44
Incl. Enterprise's Income tax	-	-
Incl. Real estate tax	19110,31	28480,34
Incl. State tax	1014,30	1511,62
Incl. VAT	-	-
Land tax	2000,-	2980,63
Other creditors	696479,-	1037971,68
Incl. Payments for salaries	670084,36	998635,41
Incl. Deductions from salaries	26394,64	39336,27
Future periods incomes	243571,18	362997,29
Unpaid dividends for previous years	0	0
TOTAL CREDITORS	34570215,79	51520440,82

JSC "Liepajas Metalurgs"

STATEMENT OF CASH FLOW (EUR) BY DIRECT METHOD
for 9 month of year 2004

	Received	Paid out
ECONOMIC ACTIVITY		
Paid in by buyers and customers	229145996	
Paid for goods and services		190732604
Salaries and payments for social taxes (deduction from salary)	411	9531228
Various taxes	7387	3277511
TOTAL:	229153794	203541343
<i>Net cash from economic activity</i>		25612452
INVESTMENTS		
Acquired long-term securities	0	0
Received dividends	-	-
Received from sale of fixed assets	-	-
Acquired fixed assets and establishment of fixed assets	0	7550869
Expenses of the future periods (studies)	975	17346
TOTAL:	975	7568215
<i>Net cash from investment operations</i>	-	-7567240
FINANCIAL ACTIVITIES		
Reserves	x	x
Deposits in fixed capital	x	x
Obtained credit	0	x
Repaid credit	x	5064393
Credit interest (%)	x	12098
Payments for leasing	x	164644
Interest for bank accounts	38556	0
Loans	x	0
Repaid loan	122376	x
Sponsorship and other payments	0	172845
TOTAL:	160931	5413981
<i>Net cast from financial activities</i>		-5253049
Cash balance at the end of the period		2705674
Cash balance at the beginning of the period		15497836
Cash increase for 9 month of year 2004		12792162

JSC "Liepajas metalurgs"

**Survey of equity capital changes
for 9 month of the year 2004**

EUR

	Fixed capital	Revaluation reserve of long-term investments	Other reserves	Reserves stated by the Law and Statutes	Undistributed profit of the previous years	Undistributed profit of the review year	Equity capital TOTAL
As at 01.01. 2004	25194411	22727448	2046666	514212		3654999	54137736
Profit of year 2003 counted in reserves or transmitted from other reserves			3572187	82812		-3654999	0
Dividends for year 2003							0
Undistributed profit of the review period					6937574		6937574
Fixed capital decreased for the unpaid share							0
The losses covered from reserves							0
Decrease of revaluation reserve		-22348					-22348
Incomes from participation in daughter or associated enterprises							
Exchange rate difference	112643	101613	27791				242047
As at 30.09.2004	25307054	22806714	5646644	597024	6937574	0	61295009

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**Survey of equity capital changes
for 9 month of the year 2004**

LVL

	Fixed capital	Revaluation reserve of long-term investments	Other reserves	Reserves stated by the Law and Statutes	Undistributed profit of the previous years	Undistributed profit of the review year	Equity capital TOTAL
As at 01.01. 2004	16981033	15318300	1379453	346579		2463469	36488834
Profit of year 2003 counted in reserves or transmitted from other reserves			2409445	54024		-2463469	0
Dividends for year 2003							0
Undistributed profit of the review period					4655112		4655112
Fixed capital decreased for the unpaid share							0
The losses covered from reserves							0
Decrease of revaluation reserve		-14945					-14995
Incomes from participation in daughter or associated enterprises							
As at 30.09.2004	16981033	15303305	3788898	400603	4655112	0	41128951