

Jonit-Stock Company

"Liepājas metalurģs"

Reg.nr.40003014197

Consolidated Annual Report

2005

for the year ended on 31 December 2005

CONTENT

Company information

Management statement

Auditors report

Profit or Loss statement

Balance sheet

Cash flow statement

Equity capital changes

Enclosures to profit or loss statement

Net turnover by products

Net turnover by geographic markets

Enclosures to Balance sheet

Dedtors

Debts to Creditors

Balance for personnel expenses

ADDENDUM TO JSC “LIEPAJAS METALURGS” CONSOLIDATED ANNUAL REPORT

General information

JSC “Liepajas 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 “Liepajas 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 “Liepajas 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, 2005 to December 31, 2005.

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 “Liepajas port LM”	number of shares	91,6%
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”	90%	
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”	95%	
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”	50%	
Reg.No., date	421030019610, 1998.21.04.	
Address:	Sturmana str. 1, Liepaja.	
In balance produced as associated enterprise.		

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 2005 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.

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 8,4% 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 “Liepajas 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, 2005 to January 31, 2006.

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.

In the Profit or loss calculation there is included all the incomes and expenses related to the review period with respect to the date 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 “Liepājas Metalurgs” Management statement of consolidated annual report 2005.

Company’s development in the year 2005

In the year 2005 Joint-stock company has not changed the aspects of its operation and all the production sites have worked stably on the level of the previous year.

The work on market research and attraction of new customers in the year 2005 was activated.

The technical development within the review period was directed mainly on keeping in working order of equipment park and on change of the shopworn equipment with up-dated one, thus continuing to practice the combining the modernization of equipment with the planned repairs.

LSEZ JSC “Liepājas osta LM” in the year 2005 was acknowledged as acceptable to the requirements of Quality system standard ISO 9001:2000 and certified on June 13. The main task of company was the improvement of the infrastructure – to adjust the site for handling cargoes with area of 5000m² and to cover railway tracks with hard surfacing in area of 1700 m².

“Metalurgs & Duna Ltd.” in the year 2005 went into questions of management and readjustment of buildings owned by them.

“Ledus halle Liepajas metalurgs Ltd.” in the review period launched a new building extension with a room for fitness, rejuvenescence centre, dressing-rooms, storeroom and coffee-bar.

“Futbola hokeja klubs Liepajas metalurģs Ltd.” went on with the work on improvement of professional football and hockey team and development of youth section in mentioned kinds of sport.

Development of company

The main developmental task in the steel making is the coordination of projects of the ladle furnace and electric arc furnace and modernization of the collection area of the rolling-mill.

The task of LSEZ JSC “Liepajas osta LM” is to improve the level of available services at the same time maintaining the leading position in Liepaja’s port.

Usage of profit

The profit of the company will be used for modernization of the equipment and development of the infrastructure.

In order to enable the company to improve its activities it would be necessary:

- Than the consumer prices for natural gas and electricity as well as the railway tariffs should not be increased.

JSC “Liepājas Metalurģs”
Chairmen of Board

V.Terentiev


Rīga, May 15, 2006

AUDITOR'S REPORTTo the management and shareholders of
"Liepājas Metalurgs" JSC

We have audited the consolidated financial statements of "Liepājas Metalurgs" JSC, registration No. 40003014197, and its subsidiaries (hereinafter – Group) as of December 31, 2005. The consolidated financial statement comprises the Balance Sheet as of December 31, 2005, the Profit and Loss Account, the Report on the Changes in Equity, the Cash Flow Statement for the year ended December 31, 2005 and the Appendix. This financial statement is the responsibility of "Liepājas Metalurgs" JSC management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with International Standards on Auditing, issued by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes the assessing the accounting principles used and significant estimates made by the Company's management, as well as evaluating the overall financial statement presentation. In the course of the audit performed we have established that the management report included in the audited annual report in all material aspects corresponds to the audited financial statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statement presents fairly, in all material respects the financial position of the Group as of December 31, 2005, and of the results of its operations and its cash flows for the year 2005 in accordance with the law of the Republic of Latvia "On corporate consolidated annual reports".


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

Consolidated annual report

PROFIT OR LOSS STATEMENT

FOR 12 MONTH OF THE YEAR 2005.

No.	Parameter designation	Line Code	At the end of the period of accountant LVL	At the end of the period of accountant EUR	At the beginning of the period of accountant LVL	At the beginning of the period of accountant EUR
1	2	3	4	5	6	7
1	Net turnover	010	163269451	232311499	153772392	218737400
2	Production costs for sold products	020	-147136547	-209356445	-130565798	-185726597
3	Gross profit or loss (from turnover)	030	16132904	22955054	23206594	33010802
4	Sales expenses	040	-2322723	-3304937	-1559472	-2218310
5	Administration expenses	050	-7715921	-10978766	-5910840	-8408023
6	Other income from economic activities of the enterprise	060	9937993	14140490	6962380	9903812
7	Other expenses from economic activities of the enterprise	070	-12291613	-17489390	-12008491	-17081780
8	Incomes from participation in affiliated enterprises	080	0	0	52753	75040
9	Incomes from securities and loans which formed long-term	090		0	0	0
10	Other incomes	100	198482	282414	115470	164253
11	Long-term financial investments and short-term securities value	110		0	-975034	-1386962
12	Interest payments and similar expenses	120	-329802	-469266	-249758	-355275
13	Profit or loss prior to extraordinary items and taxes	130	3609320	5135600	9633602	13703559
14	Extra incomes	140	122118	173758	53595	76238
15	Extra expenses	150	-354923	-505010	-123355	-175469
16	Profit or loss prior to taxes	160	3376515	4804348	9563842	13604327
17	Profit tax for review period	170	-131785	-187513	-2397942	-3411013
18	Defferred tax		1146667	1631560	-2079000	-2957326
19	Other taxes	180	-375654	-534507	-289958	-412458
20	Review period profit or loss after taxes	190	4015743	5713888	4796942	6823531
21	Including minority shapeholders shappe (-)		-178283	-253674	49567	70508
22	Profit of the review period		4194026	5967561	4747375	6753023

Chairman of Board

V.Terentjev

BALANCE SHEET (consolidated annual report)

FOR 12 MONTH OF THE YEAR 2005

ACTIVE	Line Code	2005.g. LVL	2005 EUR	2004.g. LVL	2004 EUR
I.LONG-TERM INVESTMENTS					
I.Non-material Investments					
1.Research work and enterprise development payments	10				
2.Concessions, patents, licenses, trade marks and similar rights	20	173	246	141808	201718
3.Other non-material investments	21	95245	135521	7897	11233
4.Non-material value of the enterprise	30		0		
5.Advance payments for non-material investments	40		0		
I.TOTAL:	50	95418	135768	149705	212952
II.Capital assets					
1.Land areas, buildings and constructions and long-term sites	60	32704439	46534224	27809023	39557643
2.Long-term investments in rented capital assets	70	4875643	6937415	4695340	6679004
3.Technological equipment and machines	80	23996318	34143684	14730495	20953762
4.Other capital assets and inventory	90	2257764	3212509	2467710	3510256
5.Capital assets formation and payments for uncompleted construction objects	100	1524063	2168546	4784950	6806472
6.Advance payments for capital assets	110	1087857	1547881	1108706	1577107
II.TOTAL:	120	66446084	94544260	55596224	79084245
III.Long-term financial investments					0
1.Participation in the capital of the related enterprises	130		0	0	0
2.Loans to the related enterprises	140		0	0	0
3.Participation in the affiliated enterprises capital	150	445323	633638	464990	661437
4.Loans to the affiliated enterprises	160		0	0	0
5.Other securities and investments	170		0	38084	54174
6.Other loans	180	364639	518835	161204	229309
7.Own shares	190		0		
8.Loans to joint owners of the enterprise and management	200		0		
III.TOTAL:	210	809962	1152472	664278	944919
Section 1 total amount:	220	67351464	95832500	56410207	80242115
2.CURRENT ASSETS					
I.Stock(savings)					
1.Raw materials, basic auxiliary materials	230	10654083	15159394	7810720	11110555
2.Unfinished products,Work in process	240	369284	525444	592396	842669
3.Finished products and goods for sales	250	6821782	9706521	11787295	16767134
4.Uncompleted orders	260	359	511	14127	20095
5.Advance payments for goods	270	2424793	3450170	1373905	1954346
6.Labour animals and productive animals	280		0		
I.TOTAL:	290	20270301	28842040	21578443	30694798
II.Debtors					
1.Buyers and Customers debts	300	2147067	3055001	1624011	2310115
2.Related enterprises debts	310		0	0	0
3.Associated enterprises debts	320	32596	46380	32137	45714
4.Other debtors	330	4255808	6055469	1797265	2556565
5.Unpaid shares of the company capital	340				
6.Short-term loans to joint owners of the enterprise and management	350	30172	42931	0	0
7.Future periods payments	360	303491	431829	181124	257644
II.TOTAL:	370	6769134	9631610	3634537	5170038
III.Securities and participation in capitals					
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		1679596	2389850	14186992	20180643
IV.TOTAL:	420	1679596	2389850	14186992	20180643

JSC LIEPAJAS METALURGS

Section 2 total amount	430	28719031	40863500	39399972	56045479
B A L A N C E	440	96070495	136695999	95810179	136287595

JSC LIEPAJAS METALURGS

PASSIVE	Line Code	2005.g.LVL	2005.g.EUR	2004.g. LVL	2004 EUR
1.OWNER'S EQUITY					
1.Share capital(fixed capital)	450	16981033	24161833	16981033	24155097
2.Share issue extra charge	460				
3.Long-term investments revaluation reserve	470	26145842	37202182	26817656	38147448
4.Reserves:a)reserves stipulated by law	480			30034	42723
4.Reserves:b)reserves for own shares	490				
4.Reserves:c)reserves stipulated in the company Statutes	500	346579	493137	346579	493000
4.Reserves:d)other reserves	510	7987544	11365251	3788898	5389613
4.TOTAL:	520	8334123	11858389	4165511	5925336
5.Undistributed profit a)undistributed profit of the previous years	530	412493	586925	-102315	-145541
5.Undistributed profit b)undistributed profit of the review year	540	4015743	5713888	4796942	6823531
section 1. total amount:	550	55889234	79523216	52658827	74905871
Minority shapeholders shape		524745	746645	482825	686807
Consolidation difference					
2.SAVINGS					
1.Savings for pensions and similar obligations	560				
2.Savings for anticipated taxes	570			2079000	
3.Other savings	580	1474719	2098336	1941560	2761821
section 2. total amount:	590	1474719	2098336	4020560	5719147
3.CREDITORS					
I.Long-term debts.					
1.Loans against bonds(obligations)	600				
2.Loans convertible into shares	610				
3.Loans from credit institutions	620	804023	1144022		
4.Other loans	630	470601	669605		
5.Advance payments received from buyers	640				
6.Debts to suppliers and contractors	650	23053	32801	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 income	710				
13.Review year dividends	720				
14.Unpaid dividends for previous years	730				
I.TOTAL:	740	1297677	1846428	24697	35131
II.Short-term debts.					
1.Loans against bonds(obligations)	750				
2.Share revaluation loans	760				
3.Loans from credit institutions	770	9583966	13636755	4377403	6226747
4.Other loans	780	1619942	2304970	20001	28451
5.Advance payments received from buyers	790	564311	802942	245197	348787
6.Debts to suppliers and contractors	800	20835947	29646882	30859170	43896401
7.Retained liabilities	810	2337773	3326351		
8.Debts to related enterprises	820		0	0	0
9.Debts to associated enterprises	830	19622	27920	20716	29468
10.Taxes and social insurance payments	840	673491	958291	2196425	3124360
11.Other creditors	850	805187	1145678	758830	1079417
12.Future income	860	428735	610035	130382	185465
13.Review year dividends	870		0	0	
14.Unpaid dividends for previous years	880	15146	21551	15146	21545
II.TOTAL:	890	36884120	52481375	38623270	54940640
Section 3. total amount:	900	38181797	54327803	38647967	54975771
B A L A N C E	910	96070495	136695999	95810179	136287595

Consolidated annual report
STATEMENT OF CASH FLOW (LVL) BY DIRECT METHOD
 for 12 Month of the year 2005

	Accounting period		2005 year		2004 g year	
	LVL	EUR	LVL	EUR	LVL	EUR
OPERATING CASH FLOW						
Paid in by buyers and customers	160829262	228839423	178024917	253236013		
Cash received from the other economic activities	522018	742765	330324	469878		
VAT overpayment received from the Budget	6689188	9517857	4757714	6767730		
Cash paid to suppliers and employees	-164221530	-233666186	-155834387	-221670536		
<i>Cash received from the basic activity</i>	3818938	5433859	27278568	38803084		
Paid interest	-386993	-550641	-305362	-434370		
Paid enterprise's incom tax	-184540	-262577	-496020	-705576		
Paid other taxes	-799166	-1137111	-3390507	-4822912		
<i>Cash flow before extraordinary items</i>	2448239	3483530	23086679	32840226		
<i>Net cash from economic activity</i>	2448239	3483530	23086679	32840226		
INVESTMENT CASH FLOW						
Acquisition of subsidiary company in net cash						
Acquisition of fixed assets	-14680537	-20888522	-9212365	-13104360		
Sale of fixed assets	489856	697002	15243	21683		
Long term credit for students of JSC "LM"	-12271	-17460	-16875	-24004		
<i>Investments in allied companies</i>	-123176	-175264	-39	-55		
<i>Net cash flow from investment operations</i>	-14326128	-20384244	-9214036	-13106737		
FINANCING CASH FLOW						
Repayment of long term borrowings						
Long term borrowings	-729606	-1038136	-7830029	-11138021		
Paid liabilities for financial leasing	1459867	2077204	317017	450949		
Repayment of credits and interests	-50261	-71515		0		
Credits to associated and allied companies		0		0		
Short term borrowing in net value (credit line)		0		0		
Other investments (sponsorship)	-1644453	-2339846	4690489	6672104		
Received interests	-1479553	-2105214	-599568	-852871		
Received other financing (and subsidies)	37329	53114	62182	88452		
Received other financing (and subsidies)	1790356	2547447	1161007	1651504		
<i>Net cash from financial activities</i>	-616321	-876946	-2198902	-3127883		
Result of foreign exchange fluctuations	-13186	-18762	324363	461398		
Net growth of cashs and it's equivalent	-12507396	-17796421	11998104	17067004		
Cash and it's equivalent at the:						
beginning of accounting period	14186992	20186271	2188888	3113639		
end of accounting period	1679596	2389850	14186992	20180643		

STATEMENT OF EQUITY CAPITAL CHANGES , LVL

	Fixed capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Undistributed profit of the review year	Undistributed profit for previous years	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 01.01.2004	16981033	15318300	376613	1325429	2472951	-90908	36383418
Minority shareholders						-20889	-20889
Profit 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
As of 01.12.2004	16981033	26817656	376613	3788898	4796942	-102315	52658827
Profit for the previous year			-30034	30034			0
Profit counted in reserves				4168612	-4796942	525404	-102926
Undistributed profit of the review period					4015743		4015743
Minority shareholders						-10596	-10596
Written-off revaluation reserve		-671814					-671814
As of 31.12.2005	16981033	26145842	346579	7987544	4015743	412493	55889234

STATEMENT OF EQUITY CAPITAL CHANGES , EUR

	Fixed capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Undistributed profit of the review year	Undistributed profit for previous years	Equity capital TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 01.01.2004	25194411	22727448	558773	1966512	3669067	-134878	53981333
Minority shareholders						-29714	-29714
Profit in reserves				3504223	-3517711	13488	0
Undistributed profit of the review period					6823531		6823531
Increase of revaluation reserve		16951370					0
Exchange rate difference	-1039314	-937548	-23050	-81122	-151356	-24151	-2256541
Written-off revaluation reserve		-593822					-593822
As of 31.12.2004	24155097	38147448	535723	5389613	6823531	-175255	74876157
Profit for the previous year			-42735	42735			0
Profit in reserves				5931401	-6825434	747582	-146451
Undistributed profit of the review period					5713888		5713888
Minority shareholders						-15077	-15077
Exchange rate difference	6736	10639	149	1502	1903	-39	20890
Written-off revaluation reserve		-955905					-955905
As of 31.12.2005	24161833	37202182	493137	11365251	5713888	557211	79493502

Consolidated annual report
Net turnover by products

Product Description	2005	2005	2004	
	LVL	EUR	LVL	EUR
Rolled steel	144135546	205086405	137558784	195673946
Wire	5064400	7205992	4355779	6195987
Nails	1489485	2119346	2020650	2874324
Consumer goods	12514	17806	11166	15883
Castings	2111668	3004633	1584864	2254430
Industrial services	257123	365853	0	0
Nonindustrial services	19589	27873	62643	89108
Sold steam, gCal	15160	21571	15807	22485
Stevedoring services	3560865	5066654	1228467	1747464
Broker services	1655023	2354886	1311085	1864986
Freightage services	1712352	2436457	1896935	2698343
Forwarder and other services	1957232	2784890	2840182	4040088
Sports	177403	252422	207110	294609
Medical department	546941	778227	388189	552189
Slag	80930	115153	33032	46987
Electricity	91709	130490	93308	132728
Transport services	371329	528354	152356	216723
Other	10182	14488	12035	17119
TOTAL	163269451	232311499	153772392	218737400

JSC "Liepajas Metalurgs"

Consolidated annual report

Breakdown of net turnover by geographical markets

for year 2005

Market	2005 LVL	2005 EUR	2004 LVL	2004 EUR
Latvia	29040724	41321228	16634755	23662525
Lithuania	10986490	15632367	6269691	8918479
Russia	2328206	3312739	316043	449563
Estonia	3647078	5189324	3023070	4300242
European Community's countries	99621161	141748142	91568206	130253494
Other third countries	17645792	25107700	35960627	51153097
TOTAL	163269451	232311499	153772392	218737400

Joint-Stock Company "Liepajas Metalurgs"

DEBTORS

DEBTORS	Amount of 31.12.2005.		Amount of 31.12.2004.	
	LVL	EUR	LVL	EUR
Total Buyers and Customers debts	2179663	3101381	1656148	2355829
Incl. Debts of buyers and customers	2147067	3055001	1624011	2310115
Incl. Debts of the associated enterprises	32596	46380	32137	45714
				0
Other debtors	4255808	6055469	1797265	2556565
Incl. Accounted & not paid VAT	60854	86587	451469	642203
Incl. Advance Settlements	17465	24850	7744	11016
Incl. VAT overpayment to the Budget	1612555	2294459	1237567	1760408
Incl. Various debtors	127193	180979	86050	122404
Incl. Overpaid salaries	450	640	13812	19647
Incl. Overpaid taxes	2383915	3392005	623	886
Incl. security sum in auction	53376	75947	0	0
Short-term loans to employees	30172	42931	0	0
				0
Future periods payments	303491	431829	181124	257644
Incl. Press expenses	9534	13566	6997	9953
Incl. Maintenance expenses	0	0	8285	11785
Incl. Operative leasing	0	0	2503	3560
Incl. Services	202417	288013	68397	97293
Incl. Other	891	1268	61629	87666
Incl. Property insurance	42359	60271	33213	47245
Incl. Sport training camps	48290	68710	0	0
Total Debtors:	6769134	9631610	3634537	5170038

Joint-Stock Company "Liepajas Metalurgs"

DEBTS TO CREDITORS

CREDITORS	Amount of 31.12.2005.		Amount of 31.12.2004.	
	LVL	EUR	LVL	EUR
Long-term borrowings from credit institutions	804023	1144022	0	
Other long borrowing	470600	669603	0	
Long debts to suppliers and contractors	23053	32801	24697	35130.87
Borrowings from credit institutions		0	4377403	6226747
Short - term creditor :	9583966	13636755		
Other Short term debt	1619942	2304970	20001	28451
		0		
Advance payments	564311	802942	245197	348787
		0		
Debts to suppliers and contractors	20835947	29646882	30859170	43896401
Incl. Materials and gas	5106192	7265457	3508475	4990718
Incl. Services	1443689	2054184	1310519	1864181
Incl. Scrap, various services related to scrap delivery, processing	1659540	2361313	1048362	1491269
Incl. Capital assets	262900	374073	223816	318373
Incl. Other creditors	2774	3947	32286	45926
Incl. Settlements with enterprises and other business partners - non-residents	12360852	17587908	24735712	35185935
		0		
Debts to allied enterprises	0.00	0	0	0
		0		
Debts to associated enterprises	19622	27920	20716	29468
		0		
Taxes and social insurance payments	673491	958291	2196425	3124360
Incl. State tax	1121	1595	1055	1501
Incl. Residents' Income tax	309177	439919	290943	413859
Incl. Real estate tax	771	1097	36315	51657
Incl. Social tax	319568	454704	309193	439819
Incl. Land tax	0	0	0	0
Incl. Nature resources tax	25954	36929	13781	19603
Incl. Enterprise's Income tax	15005	21350	1513003	2152209
Incl.VAT	1895	2696	32135	45711
Other creditors	805187	1145678	758830	1079417
Incl. Payments for salaries	748093	1064440	638131	907725
Incl. Deductions from salaries	56234	80014	120134	170888
Incl. Debt to accountable person	860	1224	565	804
Future periods incomes	428736	610036	130382	185465
		0		
Unpaid divvy	15146	21551	15146	21545
		0		
Accrued liabilities	2337773	3326351	0	

		0		
Total Creditors:	38181797	54327803	38647967	54975771

**Information on the consolidated year balance for personnel expenses
year 2005**

	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
1. Average number of employees						
year 2005	2796	232	98	19	4	3149
year 2004	2849	244	88	18	4	3203
2. Personnel expenses, LVL, including salaries						
year 2005	13251030	1081057	197040	43323	10522	14582972
year 2004	12630661	809231	127821	42462	9314	13619489
3. Average salary, LVL						
year 2005	394.94	388.31	167.55	190.01	219.21	385.92
year 2004	369.45	276.38	121.04	196.58	194.04	354.34

