

Joint-Stock Company
"Liepājas metalurģs "
Reg.nr. 40003014197

Annual Report

For 12 months of the year 2007

CONTENT

General Information About the Company
Balance Sheet
Profit and Loss Statement
Cash Flow Statement
Statement of Changes in Shareholders' Equity
Enclosures to Balance Sheet
Enclosures to Profit and Loss Statement

INFORMATION ON THE COMPANY

1. Full name of the Company:	Joint-Stock Company "Liepājas metalurģs"
2. Legal status of the Company:	Public Joint-Stock Company
3. Registration number of the State Registration, place, date:	40003014197 The Republic of Latvia Commercial Register, 07-Aug-2003
4. Taxpayer registration number:	40003014197
5. Legal address of the Company	Brīvības street 93, Liepāja LV-3401, LATVIA
6. Office address and phone number:	Brīvības street 93, Liepāja LV-3401, LATVIA Phone: +371 634 55921
7. Type of business activity:	Steel production
8. Year of account:	2007, 12 months
9. Director:	Leons Ptičkins Position: Managing Director and a Member of the Board
10. Information on the major stockholders:	The biggest stockholders are: Sergejs Zaharjins Proportion (%) of stocks (shares) 49% Iļja Segals Proportion (%) of stocks (shares) 20.80% Kirovs Lipmans Proportion (%) of stocks (shares) 17.70%
11. Council:	Sergejs Zaharjins Aleksejs Zaharjins Kirovs Lipmans Māris Pomerancis Guntis Vilnītis
12. Members of the Board:	Valērijs Terentjevs Iļja Segals Leons Ptičkins
13. The name of the bank, code, operating account number:	AS SEB Unibanka Konta Nr.LV96UNLA 0012002467028
14. Chief Accountant:	Ligita Bērzupe
15. Auditor, number of license, address	JSC "BDO Invest Riga" Address: Pulkveža Brieza street 19/1, Riga Aivars Putnins Number of license: 123
16. Average number of employees:	2650

BALANCE SHEET

ASSETS	Enclosure Number	31.12.2007 LVL	31.12.2007 EUR	31.12.2006 LVL	31.12.2006 EUR
1.LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible investments		80845	115032	72625	103336
2. Advance payments for intangible investments		3680	5236		
I. TOTAL:		84525	120268	72625	103336
II. Fixed assets					
1. Land, buildings and constructions and long-term sites		53905970	76701285	26716731	38014483
2. Long-term investments in rented fixed assets		0	0	0	0
3. Technological equipment and machinery		33838138	48147333	20371570	28986133
4. Other fixed assets and inventory		3285291	4674548	2070765	2946433
5. Fixed assets formation and costs of unfinished construction sites		726416	1033597	2080148	2959784
6. Advance payments for fixed assets		363029	516544	698620	994047
II. TOTAL:		92118844	131073306	51937834	73900880
III. Investment properties					
1. Investment properties		3766574	5359352	3718574	5291054
III. TOTAL:					
IV. Long-term financial investments					
1. Share in the related companies (subsidiaries)		9068906	12903891	4930626	7015649
2. Loans to the related companies (subsidiaries)		0	0	3565794	5073668
3. Share in the capital of associated companies		583843	830734	571843	813659
4. Other loans		0	0	125677	178822
IV. TOTAL:	1	9652749	13734624	9193940	13081798
Section 1 total amount:		105622692	150287551	64922973	92377068
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		15702954	22343291	11000259	15651958
2. Unfinished products, Work-in-Process		2884425	4104167	1179043	1677627
3. Finished products and goods for sales		12512515	17803705	9916935	14110527
4. Incompleted orders		2117	3012	1128	1605
5. Advance payments for goods		3517227	5004563	2068409	2943081
6. Labour animals and productive animals			0		0
I. TOTAL:		34619238	49258738	24165774	34384799
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		9246506	13156593	5094786	7249227
2. Debt of related companies (subsidiaries)		319330	454366	924560	1315530
3. Debt of associated enterprises		32101	45676	36984	52623
4. Other debtors (accounts receivable)		3570823	5080823	1781275	2534526
5. Short-term loans		200	285	0	0
6. Prepaid expenses		137696	195924	63905	90929
II. TOTAL:	2	13306656	18933666	7901510	11242836
III. Short-term financial investments			0		0
III. TOTAL:		0	0	0	0
IV. Cash		2717013	3865961	3716089	5287518
IV. TOTAL:		2717013	3865961	3716089	5287518
Section 2 total amount		50642907	72058365	35783373	50915153
TOTAL ASSETS		156265599	222345916	100706346	143292221

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	31.12.2007 LVL	31.12.2007 EUR	31.12. 2006 LVL	31.12. 2006 EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		64243815	91410713	25274484	35962351
3. Reserves: a) reserves stipulated by law			0		0
3. Reserves: b) other reserves		21959004	31244848	12491727	17774126
TOTAL:		21959004	31244848	12491727	17774126
4. Retained earnings a) undistributed profit from the previous years		0	0	0	0
4. Retained earnings b) undistributed profit of the reporting year		14671700	20875948	9467276	13470720
section 1 total amount:		11785552	167693343	64214520	91369030
2. PROVISIONS					
1. Provisions for anticipated taxes		1383940	1969169	1411009	2007685
2. Other provisions		1907030	2713459	4893992	6963523
section 2 total amount:	3	3290970	4682628	6305001	8971208
3. LIABILITIES (Accounts Payable)					
I. Long-term Creditors (Accounts Payable).					
I. TOTAL:		0	0	0	0
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		10957317	15590857	9145275	13012554
2. Other loans		2957069	4207530	1783024	2537015
3. Advance payments received from customers		671253	955107	977215	1390452
4. Suppliers and contractors trade account payable		18050534	25683596	16124797	22943519
5. Accrued liabilities (Payable bills of exchange)		84956	120881	116104	165201
6. Payable (debt) to related companies (subsidiaries)		185814	264390	32498	46240
7. Payable (debt) to associated companies		12515	17807	46811	66606
8. Taxes and state social insurance payments		1003516	1427875	1028007	1462722
9. Other liabilities		1196103	1701901	933092	1327670
II. TOTAL:	4	35119077	49969945	30186823	42951979
Section 3 total amount:		35119077	49969945	30186823	42951979
TOTAL LIABILITIES AND EQUITY		156265599	222345916	100706344	143292218

Chairman of the Board

V.Terentjevs

PROFIT AND LOSS STATEMENT

No.	Parameter designation	Enclosure Number	At the end of the report period LVL	At the end of the report period EUR	12 months 2006 LVL	12months 2006 EUR
1	2	3	4	5	6	7
1	Net turnover	5,6	221527617	315205402	192246290	273541827
2	Production costs of goods sold	7	-190868025	-271580732	-162663862	-231449824
3	Gross profit or loss (from turnover)		30659592	43624669	29582428	42092003
4	Sales costs	8	-7020010	-9988574	-5964696	-8486998
5	Administration costs	9	-8094838	-11517917	-7782776	-11073893
6	Other operating income	10	7562772	10760855	3570357	5080160
7	Other operating costs	11	-5564030	-7916901	-7198587	-10242667
8	Interest income and other similar income	12	221438	315078	204189	290535
9	Interest payments and similar expenses		-483105	-687396	-454594	-646829
10	Profit or loss before extraordinary items and taxes		17281819	24589813	11956321	17012312
11	Income tax for the reporting period		-2248151	-3198831	-1658180	-2359378
12	Deferred tax		27069	38516	-478676	-681095
13	Other taxes		-389037	-553550	-352189	-501120
14	Reporting period profit or loss after taxes		14671700	20875948	9467276	13470720

The JSC "Liepājas metalurģs" demonstrated profit at the rate of 0.864 per share

In the Financial Statements the LVL amounts were converted into EUR by applying the Bank of Latvia exchange rate at EUR 0.702804

Chairman of the Board _____

V.Terentjevs

CASH FLOW STATEMENT
(by direct method)

	Reporting year		12 months 2006	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	229308376	326276424	204498993	290975852
Cash received from other business activities	1026728	1460902	691275	983596
VAT overpayment received	11068311	15748788	10377835	14766329
Cash paid to suppliers and employees	-221106712	-314606508	-192503732	-273908134
<i>Cash received from the core business activity</i>	<i>20296703</i>	<i>28879607</i>	<i>23064371</i>	<i>32817643</i>
Interest payment	-487811	-694093	-417658	-594274
Corporate income tax payment	0	0	0	0
Other tax payments	-15241724	-21687019	-9098498	-12945996
<i>Net cash flow from the core business activity</i>	<i>4567168</i>	<i>6498495</i>	<i>13548215</i>	<i>19277373</i>
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of subsidiary company in net cash	0	0	0	0
Acquisition of fixed assets and intangible assets	-5583277	-7944287	-9933662	-14134328
Sale of fixed assets and intangible assets	160203	227948	76170	108380
Long-term credit for students of JSC "LM" and other loans	12452	17718	-6880	-9789
Other loans granted	0	0	-140000	-199202
Investments in or related companies	-3450280	-4909306	-22500	-32015
Repayment of long term credit for students				
Received interest from loan granted				
<i>Net cash flow from investment operations</i>	<i>-8860902</i>	<i>-12607928</i>	<i>-10026872</i>	<i>-14266954</i>
CASH FLOW FROM FINANCING ACTIVITIES				
Short-term borrowings in net value (credit line)	1816748	2585000	-152461	-216932
Long-term borrowings received from related companies	2691450	3829588		0
Paid liabilities for financial leasing	0	0	0	0
Loans to associated and related companies	-22000	-31303	-701000	-997433
Repayment of loans	873989	1243574	580415	825856
Other investments (sponsorship)	-2047333	-2913092	-776957	-1105510
<i>Net cash flow from financial activities</i>	<i>3312854</i>	<i>4713767</i>	<i>-1050003</i>	<i>-1494020</i>
Result of foreign currency exchange rate fluctuations	-18196	-25891	-151697	-215845
Net growth of cash and its equivalents	-999076	-1421557	2319643	3300555
Cash and its equivalents at the beginning of accounting period	3716089	5287518	1396446	1986964
Cash and its equivalents at the end of accounting period	2717013	3865961	3716089	5287518

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Revaluation reserve of long term investments	Reserves stated by Statute	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous year	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 1.01.2006	16981033	26073458	346579	7987544	4157604	0	55546218
Previous year profit put in reserves				4157604	-4157604	0	0
Undistributed profit of the reporting period					9467277		9467277
Increase of fixed capital		0					0
Reserves distribution			-346579	346579			0
Increase of revaluation reserve		0					0
Written-off revaluation reserve		-798974					-798974
As of 31.12.2006	16981033	25274484	0	12491727	9467277	0	64214521
Previous year profit put in reserves				9467277	-9467277		0
Undistributed profit of the review period					14671700		14671700
Increase of fixed capital							0
Increase of revaluation reserve							0
Reserves distribution		39363368					39363368
Written-off revaluation reserve		-394037					-394037
As of 31.12.2007	16981033	64243815	0	21959004	14671700	0	117855552

	Share capital	Revaluation reserve of long term investments	Reserves stated by Statute	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous years	Equity capital TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 1.01.2006	24161833	37099188	493137	11365251	5915737	0	79035146
Previous year profit put in reserves				5915737	-5915737	0	0
Undistributed profit of the reporting period					13470721		13470721
Reserves distribution			-493137	493137			0
Written-off revaluation reserve		-1136837					-1136837
Increase of revaluation reserve							
As at 31.12.2006	24161833	35962351	0	17774125	13470721	0	91369030
Previous year profit put in reserves				13470721	-13470721		0
Undistributed profit of the review period					20875948		20875948
Increase of revaluation reserve							0
Exchange rate difference							0
Reserves distribution		56009027					56009027
Written-off revaluation reserve		-560664					-560664
As of 31.12.2007	24161833	91410714	0	31244846	20875948	0	167693341

ENCLOSURES TO BALANCE SHEET

1. INVESTMENT CHANGES

Long-Term Financial Investment (LVL)

Company Name, Address, Registration Number	Ownership in % and LVL		Share Capital in LVL	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Related Companies (Subsidiaries)				
JSC "Liepājas osta LM" (Liepāja's Port LM) Sliežu iela 7/1, Liepāja; 40003154754	95.17 7749206	91.63 4310926	8143056	4704776
"Sports Club Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003348213	95 1900	95 1900	2000	2000
"Olympic Center Ice-Hockey Hall Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003421648	90 1800	90 1800	2000	2000
"Rūķis LM", Ltd. Brīvības iela 93, Liepāja; 42103038147	100 1316000	100 616000	1316000	616000
Total Investments in Related Companies, LVL	9068906	4930626		
Associated Companies				
"Elme Messer Metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003461570	49 432343	49 432343	882400	882400
"SMA LM Mineral", Ltd. Brīvības iela 93, Liepāja; 42103037781	50 13000	50 1000	26000	2000
JSC "Sātiņi LM" 42103037207	50 12500	50 12500	25000	25000
"Metalurģs & Duna", Ltd. Stūrmaņa 1, Liepāja; 42103019610	50 120000	50 120000	240000	24000
JSC "Liepājas tranzīta ekspresis" Sliežu 7/1, Liepāja; 42103021668	24 6000	24 6000	25000	25000
Total Investments in Associated Companies, LVL	583843	571843		

Long-Term Financial Investments: Year 2007 Movement Report

(LVL)

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans	Total
Beginning value on 01.01.2007	4930626	571843	3691471	9193940
Invested (loans provided)	4138280	12000	12740	4163020
Repaid loans			3587526	3587526
Written-off			116685	116685
The balance on 31.12.2007	9068906	583843	0	9652749

Long-Term Financial Investment (EUR)

Company Name, Address, Registration Number	Ownership in % and EUR		Share Capital in EUR	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Related Companies (Subsidiaries)				
JSC "Liepājas osta LM" (Liepāja's Port LM) Sliežu iela 7/1, Liepāja; 40003154754	95.17 11026127	91.63 6133895	11586525	6694293
"Sports Club Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003348213	95 2703	95 2703	2845	2845
"Olympic Center Ice-Hockey Hall Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003421648	90 2562	90 2562	2845	2845
"Rūķis LM", Ltd. Brīvības iela 93, Liepāja; 42103038147	100 1872499	100 876489	1872499	876489
Total Investments in Related Companies, EUR	12903891	7015649		
Associated Companies				
"Elme Messer Metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003461570	49 615169	49 615169	1255542	1255542
"SMA LM Mineral", Ltd. Brīvības iela 93, Liepāja; 42103037781	50 18497	50 1422	36995	2845
JSC "Sātiņi LM" 42103037207	50 17786	50 17786	35572	35572
"Metalurģs & Duna", Ltd. Stūrmaņa 1, Liepāja; 42103019610	50 170745	50 170745	341489	341489
JSC "Liepājas tranzīta ekspresis" Sliežu 7/1, Liepāja; 42103021668	24 8537	24 8537	35572	35572
Total Investments in Associated Companies, LVL	830734	813659		

Long-Term Financial Investments: Year 2007 Movement Report

(EUR)

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans	Total
Beginning value on 01.01.2007	7015649	813659	5252490	13081798
Invested (loans provided)	5888242	17075	18127	5923444
Repaid loans			5104590	5104590
Written-off			166027	166027
The balance on 31.12.2007	12903891	830734	0	13734625

2. ACCOUNTS RECEIVABLE (DEBTORS)

DEBTORS	As of 31.12.2007		As of 31.12.2006	
	LVL	EUR	LVL	EUR
Customers and affiliated companies debts	9597937	13656634	6056330	8617381
Incl. Debts of buyers and customers	7021375	9990517	3509284	4993261
Incl. Loans to related companies	45073	64133	768277	1093160
Incl. Debts of related companies (subsidiaries)	274257	390233	156283	222371
Incl. Debts of associated enterprises	32101	45676	36984	52623
Incl. Debts of buyers with factoring activities (doubtful debtors debt)	2225131 /60098/	3166076 /85512/	1585502 /516572/	2255966 /735016/
Other debtors	3570823	5080823	1781275	2534526
Incl. Accrued and unpaid VAT	156446	222603	148254	210946
Incl. Advance payments	952	1355	7270	10344
Incl. VAT budget overpayments	3132730	4457473	1445765	2057138
Incl. Debt for caused damages to the enterprise	0	0	0	0
Incl. Various debtors	46728	66488	151144	215059
Incl. Overpaid salaries	55	78	58	83
Incl. Dues for damages to the company	0	0	0	0
Incl. Advance prepayment for services	17344	24678	28784	40956
Incl. Advance prepayment for Corporate income tax	194620	276919	0	0
Incl. Overpaid taxes	11366	16172	0	0
Incl. Security deposit	10582	15057	0	0
Short-term loans to employees	200	285	0	0
Future periods payments	137696	195924	63905	90929
Incl. Press expenses	8963	12753	8682	12353
Incl. Miscellaneous	11406	16229	3642	5182
Incl. Property insurance	6443	9168	43281	61583
Incl. Audit expenses	9975	14193	8300	11810
Incl. Publicity and Advertisemenet	41250	58693	0	0
Incl. Rent	59659	84887	0	0
Total Debtors:	13306656	18933666	7901510	11242836

3. PROVISIONS

	Provisions for anticipated vacations (4318)		Provisions for doubtful debtors (4319)		Other provisions (4316)		Tax provisions	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
On 31.12.06	1906258	2712361	516572	735016	2987734	4251162	1411009	2007685
Increase	772	1098	48680	69265	0	0		0
Decrease	0	0	-115123	-163805	-2987734	-4251162	-27069	-38515.7
Written-off as bad debt	0	0	-390031	-554964				
Repriced	0	0	0	0	0	0	0	0
On 31.12.2007	1907030	2713459	60098	85512	0	0	1383940	1969169

4. ACCOUNTS PAYABLE (CREDITORS)

CREDITORS	As of 31.12.2007		As of 31.12.2006	
	LVL	EUR	LVL	EUR
Short-term borrowing from credit institutions (credit line) (letter of credit)	10957317	15590857 0	3345347	4760000
Credit interests	0	0	36935	52554
Short-term borrowing from credit institutions	0	0	5762993	8200000
Advance payments	671253	955107	977215	1390452
Other borrowing (factoring)	2957069	4207530	1783024	2537015
Debts to suppliers and contractors	18050534	25683596	16124797	22943519
Incl. Materials and gas	6823065	9708347	3946159	5614878
Incl. Services	891327	1268244	703929	1001601
Incl. Scrap, various services related to scrap delivery, processing	2235121	3180291	1251281	1780412
Incl. Fixed assets	187351	266576	267582	380735
Incl. Medical department creditors	3879	5519	2874	4089
Incl. Settlements with enterprises and other business partners - non-residents	7909791	11254619	9794927	13936926
Incl. Other Creditors	0	0	158045	224878
Debts to related enterprises (subsidiaries)	185814	264390	32498	46240
Debts to associated enterprises	12515	17807	46811	66606
Taxes and social insurance payments	1003516	1427875	1028008	1462724
Incl. State tax	677	963	681	969
Incl. Residents' Income tax	404368	575364	320209	455616
Incl. Real estate (land) tax		0		0
Incl. Social Security tax	567844	807969	398829	567483
Incl. Packing tax		0	2220	3159
Incl. Nature resources tax	23456	33375	20287	28866
Incl. Corporate Income tax	0	0	285299	405944
Incl. VAT for the previous period	7171	10203	483	687
Other creditors (liabilities)	1196103	1701901	933093	1327672
Incl. Payments for salaries	1161237	1652291	904312	1286720
Incl. Deductions from salaries	34866	49610	28781	40952
Accrued liabilities	84956	120881	116104	165201
Total Creditors:	35119077	49969945	30186825	42951982

ENCLOSURES TO PROFIT AND LOSS STATEMENT

5. Net turnover (revenue) by products

Product Description	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Rolled steel	217491995	309463229	187081161	266192510
Wire	1429	2033	1172961	1668973
Nails	0	0	310031	441134
Consumer goods	7928	11281	8362	11898
Castings	2701254	3843538	2390944	3402007
Services	204482	290952	240406	342067
Sold steam, gCal	16785	23883	15309	21783
Medical department	995633	1416658	712365	1013604
Transportation services	87106	123941	108145	153876
Organization of cultural and social events	21005	29887	0	0
Slag	0	0	206606	293974
TOTAL	221527617	315205402	192246290	273541827

6. Net turnover by geographic markets

Market	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Latvia	24950674	35501611	20259581	28826787
Lithuania	15142507	21545846	11544641	16426544
Estonia	8510601	12109494	6569064	9346936
European Union countries	120288011	171154420	109681495	156062707
Russia	28879130	41091300	15024207	21377521
Other third countries	23756694	33802730	29167302	41501332
Total	221527617	315205402	192246290	273541827

7. Production costs of sold goods

Cost Description	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Materials	142818299	203212132	122827395	174767638
Salaries and wages	14896154	21195318	10963364	15599462
Social benefits deductions	3491020	4967274	2588940	3683730
Energy resources	18211567	25912725	13634285	19399840
Depreciation	5597712	7964827	5184169	7376408
Other costs	5853273	8328457	7465709	10622747
Total	190868025	271580732	162663862	231449824

8. Sales costs

Cost Description	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Packing materials	169150	240679	159830	227418
Transportation costs	1624507	2311465	1022119	1454344
Freight	3341638	4754723	2932692	4172845
Port handling charges	1166612	1659939	1166878	1660318
Advertising and marketing costs	91227	129804	87898	125068
Other sales costs (insurance, storage/warehousing, depreciation, and other)	381164	542348	51839	73760
Costs related to L/C	13532	19254	38865	55300
Costs related to factoring	82359	117186	284557	404888
Product certification	147162	209393	217341	309248
Guarantee payments	2659	3783	2677	0
Total	7020010	9988574	5964696	8486998

9. Administration costs

Costs Description	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Salaries and social costs	4911693	6988710	5330040	7583964
Communication costs	136255	193873	152169	216517
Office supplies and office maintenance costs	1579607	2247578	1227453	1746508
Office supplies and technical books/literature	36397	51788	46317	65903
Legal and auditing fees	637124	906546	222595	316724
Presentation costs	197366	280827	107570	153058
Depreciation of fixed assets	424065	603390	481813	685558
Traveling expenses	129649	184474	127781	181816
Management training	15758	22422	18082	25728
Costs for bank account services	16707	23772	62383	88763
Costs related to stockholders	10218	14539	6573	9353
Total	8094839	11517918	7782776	11073893

10. Other operating income

Income Description	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Sale of current assets	1483009	2110132	1240831	1765543
Transit cargo income	0	0	8850	12592
Sale of fixed assets and liquidation	147237 19529	209499 27787	64596 38444	91912 54701
Income from fixed assets revaluation	0	0	77377	110098
Currency exchange income	763065	1085744	1104056	1570930
Received fines	41952	59692	19803	28177
Written-off revaluation reserve of fixed assets	263070	374315	798974	1136838
Bad debt recovery	222698	316871	65205	92778
Other income from operating activity	1634478	2325653	152221	216591
Income due to a decrease in provisions	2987734	4251162	0	0
Total	7562772	10760855	3570357	5080160

11. Other operating costs

Costs Description	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Sales costs of current assets	1098000	1562313	1001463	1424953
Transit cargo expenses	14574	20737	11184	15913
Costs related to the sale and liquidation of fixed assets	101917 32960	145015 46898	91116 297230	129646 422920
Currency exchange loss	1137275	1618197	1565285	2227200
Costs of reserve establishment	772	1098	2038552	2900598
Provisions for bad debts	48681	69267	321448	457379
Bad debt write-off	278724	396589	79608	113272
Paid fines	60879	86623	54610	77703
Sponsorship and other costs	1700892	2420151	1014279	1443189
Compensations	301766	429374	351058	499511
Other costs	74309	105732	247448	352087
Costs not related to the operating activities	294998	419744	16045	22830
Training costs of the new staff	64744	92122	0	0
Write-off due to revaluation of fixed assets	304534	433313	89325	127098
Costs of infrastructure maintenance	49005	69728	19936	28366
Total	5564030	7916901	7198587	10242667

12. Interest income

Income	For 12 months of year 2007		For 12 months of year 2006	
	LVL	EUR	LVL	EUR
Income from loans to business persons	133613	190114	162113	230666
Income from bank accounts	13652	19425	23845	33928
Income from deposit investments	74173	105539	18231	25940
Total Interest Income:	221438	315078	204189	290535