

Joint-Stock Company
"Liepājas Metalurģs "
Reg.Nr. 40003014197

Consolidated
Quarterly Report

For 6 months of the year 2009

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INFORMATION ABOUT THE COMPANY

JSC "Liepājas Metalurgs" is a public joint-stock company, which operates in compliance with the Republic of Latvia law. The Company was registered in the Business Register of the Republic of Latvia on August 6, 1991 and it was reregistered in the Commercial Register of the Republic of Latvia on August 7, 2003 under the unified register No. 40003014197. The main activities of the Company are production of steel, rolled products and hardware, commerce and mediator activity, transport services, sports and medical services.

JSC "Liepājas Metalurgs" has an ownership in various companies. In 2006 the Company further diversified its holding investing in several new companies. At the same time the Joint-Stock Company is not registered as a holding company (corporation).

Companies included in consolidation:

LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM)

number of shares - 95.17%.
Business type - stevedoring services, cargo, ship broker service, ship agency.

Ltd. "Sport Club Liepājas metalurgs"

number of shares - 95%.
Business type - organization of sporting events, promotion of healthy living, organization of recreation and social events.

Ltd. "Ice-Hockey Hall Liepājas metalurgs"

number of shares - 95%.
Business type - operation of the sport hall and stadium.

Ltd. "Rūķis LM"

number of shares - 100%.
Construction materials production, waste and crushed slag processing.

Companies not included in consolidation:

Ltd. "SMA LM Mineral"

number of shares - 50%.
production of lime, services.

JSC "Sātiņi LM"

number of shares - 50%.
limestone extraction, processing, and realization.

LSEZ Ltd. "Elme-Messer-Metalurgs"

number of shares - 49%.
production of industrial gas.

Ltd. "Metalurgs and Duna"

number of shares - 50%. sale of electricity and rentals of premises.

Minority shareholders

Minority shareholders of the companies involved in the consolidation are:

LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM) 4.83% of shares - physical person.

Ltd. "Sport Club Liepājas metalurgs" 5% of shares - Ltd. "Pērle LM"
Ltd. "Ice-Hockey Hall Liepājas metalurgs" 5% shares - Liepājas City Council

Basis for the Preparation of the Financial Statements Report

The Annual Report is prepared in accordance with the law "On Accounting" and "On Annual Report" and is also in compliance with the European Union (EU) International Standards on preparation of the Financial Statements.

Companies included in consolidation have prepared their Quarterly Reports for the same period and applying the same accounting principles.

The following IFRS have been used in the preparation of the consolidation:

IAS 1	Preparation of the Financial Statements Report
IAS 2	Inventories (Stocks)
IAS 8	Accounting Policy, Changes in Accounting Reports and Errors
IAS 10	Events After the Annual Report Date
IAS 16	Fixed (Capital) Assets
IAS 21	Impact from the Foreign Currency Exchange Rate Fluctuation
IAS 27	Consolidated and Non-Consolidated Financial Statements I Reports
IAS 39	Financial Tools: Recognition and Valuation

Assuming that the Company will continue its operations as a going concern, the valuation was conducted for:

- Production equipment inventory based on the average weighted prices
- Purchased goods according to the purchase price
- Finished goods margin after actual cost
- Fixed assets according to the purchase price and additional payments, which are connected to the erection and commissioning

The Profit and Loss Statement is prepared using the turnover method. Prior to the preparation of the consolidated Quarterly Report, differences in the accounting methods used by the companies included in the consolidation were considered. The Profit and Loss report includes all income and expenses that resulted from the accounting year regardless of their payment date. Any internal transactions between the companies that are a part of the consolidation were excluded.

Net Turnover is a total amount equal to the product annual sales and services offered, excluding VAT.

Cash Flow Statement is conducted by using direct method.

Depreciation of fixed assets is calculated at the time of useful life of a particular asset, by using the straight-line method. In the Balance Sheet all fixed assets are recorded at historical cost. Land depreciation is not calculated.

Revaluation of fixed assets is performed periodically. In accordance with the International Valuation Standard, BDO "Invest Rīga" conducted revaluation of fixed assets on December 31, 2007 for the needs of JSC "Liepājas Metalurgs". As a result of this revaluation the value increase was recorded, which is shown in the Shareholders Equity item called "Long-Term Assets Revaluation Reserve".

Purchased computer software belongs to the **intangible assets** item. The value of the acquired intangible assets is depleting, while calculating their depreciation. Conducting a subsidiary reorganization and during the acquisition process a nonmaterial positive value appears.

Investment properties include buildings and land that the Company leases in order to generate additional earnings and increase the property value. These properties are not used in production, goods transport services, or for the need of administration. Investment properties are appraised based on their true value, which reflects the current market value. The appraisal is performed by the certified and licensed property appraiser - in this case by BDO "Invest Rīga". Corresponding profit or loss caused by the true value adjustments to the Investment Properties has been reflected in the Profit and Loss Statement.

The cash flow statement reflects cash and cash equivalents in the cash office, current bank account balances, and short-term deposit.

Values presented in the Annual Report and accounting are expressed in the Latvian national currency - lats (LVL). All foreign currency activities are recalculated by the official currency exchange rate of the Bank of Latvia. Assets and liabilities reported in a foreign currency are recalculated into Latvian Lats based on the official exchange rate at the Bank of Latvia on the last day of the reporting period. Foreign currency exchange profit or loss is reflected in the proper period Profit and Loss statement.

Accounts receivable (debtors) are presented in their book value, by deducting specific provisions for bad and doubtful debts. Following the conservative approach, the balance sheet includes only the actual accounts receivable dues. JSC "Liepājas Metalurģs" uses such forms of short-term financing as factoring. The Company operates under a recourse factoring agreement, where the Company is held responsible in front of the bank in cases when the buyer fails to deliver the payment.

Accounts Payable obligations are reflected in costs. Credited advance payment is presented as loans (other loans).

Provisions are formed by savings for the unused vacation and social payments.

Joint-Stock Company “Liepājas Metalurgs” Management Statement Regarding the Consolidated Quarterly Report for 3 months of the year 2009.

The Company’s non-audited Net Turnover in the reporting period was LVL 84.9 million (EUR 120.8 mill.), and it was 133.1 million LVL (EUR 189.4 mill.) in the first half quarter 2008.

The Company’s loss from business activities in the reporting period was 3.5 million LVL (EUR 5.0 mill.), which was a profit of 4.7 million LVL (EUR 6.7 mill.) in the same period in previous year.

The decrease of net turnover and profitability was primarily related to the economic and financial crisis and reduction of sale prices.

The Company’s technical development during the reporting period was primarily directed at:

- the continuation of activities concerning the steel melting production practice and related to its modernization program coordination and financing;
- new cargo types development.

JSC “Liepājas Metalurgs”

Chairman of the Board

/V.Terentjevs/

Member of the Board

/I.Segals/

Member of the Board

/L.Ptičkins/

Statement Regarding the Management Responsibility.

The JSC "Liepājas Metalurgs" (in this text – the Company) Council and Board are responsible for the preparation of the Company and its affiliated enterprises (in this text – the Consolidated Group) consolidated financial statements.

The Financial Statements represent the true picture for the Consolidated Group financial position as of June 30, 2009 as well as the results of its operations and cash flow for 6 months of the year 2009. The above-mentioned financial statements are prepared in accordance with the requirements of the International Accounting Standards for the financial statements, which are acceptable in the European Union. During the preparation of the financial statements the management:

- has been using and applying the appropriate accounting methods
- has been issuing justified and conservative conclusions and estimates
- has been adhering in accordance with the principle of the management's continuation

In the name of the JSC "Liepājas Metalurgs",

Chairman of the Board	_____	/V.Terentjevs/
Member of the Board	_____	/I.Segals/
Member of the Board	_____	/L.Ptičkins/

BALANCE SHEET

ASSETS	Enclosure Number	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
1. LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Concessions, patents, licenses, trademarks and similar rights		78526	111732	75731	107756
2. Other intangible assets		0	0	0	0
3. Goodwill		166295	236616	232813	331263
4. Advance payments for intangible investments		0	0	9987	14210
I.TOTAL:		244821	348349	318531	453229
II. Fixed assets					
1. Land, buildings and constructions, and long-term sites		53882157	76667402	54169025	77075579
2. Long-term investments in rented fixed assets		5014796	7135412	5173208	7360812
3. Technological equipment and machinery		35417192	50394124	35778000	50907508
4. Other fixed assets and inventory		3387181	4819524	3549770	5050868
5. Fixed assets formation and costs of unfinished construction sites		6781255	9648857	6409573	9120001
6. Advance payments for fixed assets		113472	161456	209656	298314
II. TOTAL:		104596053	148826775	105289232	149813080
III. Investment properties					
Investment properties		4800789	6830907	4882333	6946934
IV. Long-term financial investments					
1. Share in the capital of related companies (subsidiaries)		0	0	8420	11981
2. Share in the capital of associated companies		657263	935201	649843	924643
3. Other loans		8000	11383	17919	25496
4. Deffered tax		167000	237620	0	0
IV. TOTAL:		832263	946584	676182	962120
Section 1 total amount:		110473926	157190235	111166278	158175363
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		17412187	24775310	27835587	39606472
2. Unfinished products, Work in Process		1963323	2793557	1552479	2208979
3. Finished products and goods for sales		11996739	17069822	19771281	28131998
4. Incompleted orders		893	1271	1319	1877
5. Advance payments for goods		786389	1118931	3499334	4979104
6. Labour animals and productive animals		110	157	160	228
I. TOTAL:		32159641	45759047	52660160	74928657
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		7154291	10179639	9646969	13726400
2. Debt of associated enterprises		35867	51034	23126	32905
3. Other debtors (accounts receivable)		3444588	4901207	6648205	9459543
4. Short-term loans to co-owners and managemen of the company		0	0	0	0
5. Prepaid expenses		82743	117733	133738	190292
II.TOTAL:	1	10717489	15249613	16452038	23409141
III. Short-term financial investments					
III. TOTAL:		0	0	0	0
IV. Cash					
IV. TOTAL:		10677740	15193055	10079006	14341134
Section 2 total amount		53554870	76201715	79191204	112678932
TOTAL ASSETS		164028796	233391950	190357482	270854295

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	30.06.2009. LVL	30.06.2009. EUR	30.06.2008. LVL	30.06.2008. EUR
I. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		62925963	89535579	63196875	89921052
3. Reserves: a) reserves stipulated by law		0	0	0	0
3. Reserves: b) other reserves		44524829	63353124	38393389	54628871
3. TOTAL:		44524829	63353124	38393389	54628871
4. Retained earnings: a) undistributed profit from the previous years		316173	449874	527683	750825
4. Retained earnings: b) undistributed profit of the reporting year		-3379957	-4809246	4835470	6880254
4. Retained earnings: c) Minority shareholders		-158477	-225492	-128691	-183111
4. Retained earnings: b+c undistributed profit of the reporting year		-3538434	-5034738	4706779	6697143
Section 1 total amount:		121209564	172465672	123805759	176159724
Minority shareholders		394452	561255	405672	577219
2. PROVISIONS					
1. Provisions for anticipated taxes		91574	130298	155336	221023
2. Other provisions		897814	1277474	1952109	2777601
Section 2 total amount:		989388	1407772	2107445	2998624
3. LIABILITIES (Accounts payable)					
I. Long-term Creditors (Accounts payable)					
1. Loans from credit institutions		2372718	3376074	2457058	3496079
2. Other loans		1767228	2514539	1078299	1534281
3. Debts to suppliers and contractors		0	0	0	0
4. Other liabilities		215146	306125	200000	284574
I. TOTAL:		4355092	6196738	3735357	5314934
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		17177814	24441827	1271453	1809115
2. Other loans		5389803	7668999	7271350	10346199
3. Advance payments received from customers		4500929	6404245	37583970	53477171
4. Suppliers and contractors trade account payable		8301600	11812113	11368171	16175450
5. Accrued liabilities (payable bills of exchange)		18391	26168	20936	29789
6. Payable (debt) to associated companies		0	0	38468	54735
7. Taxes and state social insurance payments		833065	1185345	1221379	1737866
8. Other liabilities		858698	1221817	1405703	2000135
9. Deferred income		0	0	106673	151782
10. Unpaid dividends for previous years		0	0	15146	21551
II. TOTAL:		37080300	52760514	60303249	85803793
Section 3 total amount:	2	41435392	58957251	64038606	91118727
TOTAL LIABILITIES AND EQUITY		164028796	233391950	190357482	270854295

JSC "Liepājas Metalurgs"
 Chairman of the Board

/V.Terentjevs/

Member of the Board

/I.Segals/

Member of the Board

/L.Ptičkīns/

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	6 months 2008 LVL	6 months 2008 EUR
1	2	3	4	5	6	7
1	Net turnover	3, 4	84918874	120828672	133129884	189426759
2	Production costs of goods sold	5	-83255982	-118462590	-115107215	-163782811
3	Gross profit or loss (from turnover)		1662892	2366082	18022669	25643948
4	Sales costs	6	-4725334	-6723545	-8324108	-11844139
5	Administration costs	7	-3026902	-4306894	-4424782	-6295898
6	Other operating income	8	5445999	7748958	2278585	3242134
7	Other operating costs	9	-2313669	-3292054	-1718465	-2445155
8	Interest income and other similar income		89317	127087	121159	172394
9	Interest payments and similar expenses		-536715	-763677	-389824	-554670
10	Profit or loss before extraordinary items and taxes		-3404412	-4844042	5565234	7918615
11	Income tax for the reporting period		0	0	-752000	-1070000
12	Deferred tax		0	0	0	0
13	Other taxes		-134024	-190699	-106455	-151472
14	Reporting period profit or loss after taxes for the consolidated financial statement		-3538436	-5034741	4706779	6697143

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

JSC "Liepājas Metalurgs"
 Chairman of the Board

/V.Terentjevs/

Member of the Board

/I.Segals/

Member of the Board

/L.Ptičkins/

CASH FLOW STATEMENT
(by direct method)

	Reporting period		6 months of the year 2008	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	89195265	126913428	166736382	237244498
Cash received from other business activities	458388	652227	554064	788362
VAT overpayment received	5073127	7218409	5723922	8144407
Cash paid to suppliers and employees	-86619326	-123248197	-144358808	-205404079
<i>Cash received from the core business activity</i>	<i>8107454</i>	<i>11535868</i>	<i>28655560</i>	<i>40773189</i>
Received interest from the principal (from bank)	89069	126734	120104	170893
Interest payment	-435408	-619530	-419063	-596273
Corporate income tax payments	-255308	-363271	-14042	-19980
Other tax payments	-3406807	-4847450	-9234720	-13139823
Net cash flow from the core business activity	4099000	5832352	19107839	27188005
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of fixed assets	-500103	-711582	-3529700	-5022311
Sale of fixed assets and intangible assets	131083	186514	3275	4660
Investments in associated and related companies	0	0	-80000	-113830
Revenue from other activities	1826025	2598199	0	0
Interests received from the loan	988	1406	51265	72944
Net cash flow from investment operations	1457993	2074537	-3555160	-5058537
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings, net value (credit line)	2238038	3184441	-10900086	-15509425
Long term borrowings	79780	113517	2437017	3467563
Paid liabilities for financial leasing	-196705	-279886	-695	-989
Loans to associated companies	0	0	0	0
Repayment of loans of associated and related companies	744	1059	-3731614	-5309608
Other long-term loans	0	0	0	0
Long term loan repayments	-96629	-137491	-96629	-137491
Other funding and grants received	171564	244114	73766	104960
Net cash flow from financing activities	2196792	3125753	-12218241	-17384991
Result of foreign currency exchange rate fluctuations	-50908	-72436	-50899	-72423
Net growth of cash and its equivalents	7702877	10960207	3283539	4672055
Cash and its equivalents at the beginning of accounting period	2974863	4232849	6795467	9669078
Cash and its equivalents at the end of accounting period	10677740	15193055	10079006	14341134

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Revaluation reserve of long term investments	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous years	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL
As of 31.12.2007.	16981033	63482225	21959004	17188774	53951	119664987
Profit in reserves			16434385	-17188774	1261505	507116
Reserves distribution						0
Undistributed profit of the reporting period				5935893		5935893
Minority shareholders					-808340	-808340
Increase of revaluation reserve						0
Written-off revaluation reserve		-393044				-393044
As of 31.12.2008.	16981033	63089181	38393389	5935893	507116	124906612
Profit in reserves			6131440	-5935893	-195547	0
Undistributed profit of the review period				-3379957		-3379957
Minority shareholders				-158477	4604	-153873
Increase of revaluation reserve						0
Written-off revaluation reserve		-163218				-163218
As of 30.06.2009.	16981033	62925963	44524829	-3538434	316173	121209564

	Share capital	Revaluation reserve of long term investments	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous years	Equity capital TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR
As of 31.12.2007.	24161833	90327068	31244848	24457422	76765	170267937
Profit in reserves			23384023	-24457422	1794960	721561
Reserves distribution						0
Undistributed profit of the reporting period				8446015		8446015
Minority shareholders					-1150164	-1150164
Increase of revaluation reserve		0				0
Written-off revaluation reserve		-559251				-559251
As of 31.12.2008.	24161833	89767817	54628871	8446015	721561	177726097
Profit in reserves			8724253	-8446015	-278238	0
Undistributed profit of the review period				-4809246		-4809246
Minority shareholders				-225492	6551	-218942
Increase of revaluation reserve						0
Reserves distribution		0				0
Written-off revaluation reserve		-232238				-232238
As of 30.06.2009.	24161833	89535579	63353124	-5034738	449874	172465672

ENCLOSURES TO THE 6 MONTH QUARTERLY REPORT

ENCLOSURES TO BALANCE SHEET

1. ACCOUNTS RECEIVABLE (DEBTORS)

Accounts Receivable	As of 30.06.2009.		As of 30.06.2008.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies' debts	7182353	10219568	9670096	13759307
Incl. Debts of buyers and customers	5956013	8474643	6894762	9810362
Incl. Debts of buyers with factoring activities	1190473	1693890	2752208	3916039
Incl. Debts of associated enterprises (Doubtful debtors debt)	35867 /132432/	51034 /188434/	23126 /185045/	32905 /263295/
Other debtors	3452393	4912313	6648205	9459543
Incl. Provision for VAT and unpaid VAT	8339	11865	133820	190409
Incl. Advance payments	16289	23177	22594	32148
Incl. VAT budget overpayments	1932707	2749994	5698582	8108352
Incl. Various debtors	45572	64843	40250	57271
Incl. Overpaid salaries	654	931	3576	5088
Incl. Other overpaid taxes	4146	5899	62922	89530
Incl. Advance prepayment for Corporate income tax	1411531	2008428	640543	911411
Incl. Security amounts in auction	10315	14677	37823	53817
Incl. Advance payments for services	22840	32498	8095	11518
Short-term loans to employees	0	0	0	0
Future periods payments	82743	117733	133737	190291
Incl. Press expenses	6339	9020	8578	12205
Incl. Various	13287	18906	11774	16753
Incl. Property insurance	45359	64540	65877	93735
Incl. Payment for ship freightage services	17493	24890	6258	8904
Incl. Publicity and Advertisement	265	377	41250	58693
Total Debtors:	10717489	15249613	16452038	23409141

2. ACCOUNTS PAYABLE (CREDITORS)

CREDITORS	As of 30.06.2009.		As of 30.06.2008.	
	LVL	EUR	LVL	EUR
Long-term creditors (credit institutions)	2372718	3376074	2457058	3496079
Other long-term borrowings	1767228	2514539	1078299	1534281
Other long-term creditors	215146	306125	200000	284574
Short-term borrowings from credit institutions	17177814	24441827	1271453	1809115
Short term debt from leasing "Hansalizings", "Unilizings")	2300	3273	49888	70984
Advance payments (from residents)	155497	221252	966031	1374538
Advance payments (from non-residents)	4345432	6182993	36617939	52102633
Other borrowings (factoring)	1410390	2006804	3499476	4979306
Other borrowings (Cemex)	3977113	5658922	3721986	5295909
Debts to suppliers and contractors	8301600	11812113	11368171	16175450
Incl. Materials and gas	5507342	7836242	6191262	8809372
Incl. Services	1295137	1842814	2033536	2893461
Incl. Scrap, various services related to scrap delivery, processing	1491829	2122681	3053524	4344773
Incl. Fixed assets	1406	2001	82656	117609
Incl. Medical department creditors	2771	3943	4589	6530
Incl. Other Creditors	3115	4432	2604	3705
Debts to associated enterprises	0	0	38468	54735
Accrued liabilities	18391	26168	20936	29789
Taxes and social security insurance payments	833066	1185346	1221379	1737866
Incl. Value added tax	30183	42947	12079	17187
Incl. State tax	626	891	722	1027
Incl. Residents' Income tax	268807	382478	475763	676950
Incl. Real estate tax	0	0	7619	10841
Incl. Social Security tax	512280	728909	703277	1000673
Incl. Packing tax	21	30	84	120
Incl. Nature resources tax	21149	30092	21064	29971
Incl. Enterprise's Income tax	0	0	771	1097
Other creditors (liabilities)	858697	1221816	1405703	2000135
Incl. Payments for salaries	826395	1175854	1364588	1941634
Incl. Deductions from salaries	31021	44139	40421	57514
Incl. Debt to accountable persons	1281	1823	694	987
Deferred Income	0	0	106673	151782
Unpaid Dividends	0	0	15146	21551
Total Creditors:	41435392	58957251	64038606	91118727

ENCLOSURES TO PROFIT AND LOSS STATEMENT

3. NET TURNOVER (REVENUE)

Product Description	For 6 months of year 2009		For 6 months of year 2008	
	LVL	EUR	LVL	EUR
Rolled steel	79074183	112512426	125216248	178166670
Consumer goods	210506	299523	489818	696948
Services	56406	80259	69480	98861
Sold steam, gCal	7582	10788	10848	15435
Medical department	576515	820307	556930	792440
Transportation services	5211	7415	34620	49260
Stevedoring services	2567903	3653797	1919867	2731725
Broker services	988784	1406913	1205707	1715567
Freightage services	0	0	365761	520431
Forwarder and other services	1104353	1571353	2660190	3785109
Sports	102150	145346	160620	228542
Publicity and Advertisement	26848	38201	15495	22047
Beton (concrete) wares	196867	280117	424300	603725
Crushed slag	1566	2228	0	0
TOTAL	84918874	120828672	133129884	189426759

4. NET TURNOVER BY GEOGRAPHIC MARKETS

Market	For 6 months of year 2009		For 6 months of year 2008	
	LVL	EUR	LVL	EUR
European Union countries	35434763	50419125	83475869	118775461
Other third countries	49484111	70409547	49654015	70651298
Total	84918874	120828672	133129884	189426759

5. PRODUCTION COSTS OF SOLD GOODS

Cost Description	6 months for year 2009		6 months for year 2008	
	LVL	EUR	LVL	EUR
Materials	54794774	77965939	85606384	121806911
Salaries and wages	7991603	11371027	8795806	12515304
Social benefits deduction	1878538	2672919	2130813	3031874
Depreciation	3499019	4978655	4418014	6286268
Other costs	15058375	21426137	14122626	20094686
Write-off of nonmaterial values	33673	47912	33572	47769
Total	83255982	118462590	115107215	163782811

6. SALES EXPENSES

Cost Description	For 6 months of year 2009		For 6 months of year 2008	
	LVL	EUR	LVL	EUR
Packing materials	59518	84686	83031	118142
Transportation costs	976023	1388756	918446	1306831
Freight	104069	148077	794429	1130371
Port handling charges	2187	3112	30354	43190
Advertising and marketing costs	24089	34276	28345	40331
Other sales costs	148311	211028	163751	232997
Sports organizing costs	348576	495979	355790	506244
Logistics services costs	2985374	4247805	5933107	8442051
Bank Services	77187	109827	16855	23983
Total	4725334	6723545	8324108	11844139

7. ADMINISTRATION EXPENSES

Cost Description	For 6 months of year 2009		For 6 months of year 2008	
	LVL	EUR	LVL	EUR
Salaries and social costs	2105481	2995830	2865169	4076768
Communication costs	58577	83348	87076	123898
Office supplies and office maintenance costs	502718	715303	674967	960392
Legal and auditing fees	79170	112649	240384	342036
Presentation costs	82893	117946	73157	104093
Depreciation of fixed assets	113333	161258	279571	397794
Traveling expenses	48710	69308	81814	116411
Management training	2317	3297	18376	26147
Costs of bank account services	24549	34930	14201	20206
Costs related to stockholders	9154	13025	86338	122848
Operative leasing	0	0	3729	5306
Total	3026902	4306894	4424782	6295898

8. OTHER OPERATING INCOME

Income Description	6 months of year 2009		6 months of year 2008	
	LVL	EUR	LVL	EUR
Sale of current assets	283152	402889	761437	1083427
Sale of fixed assets and liquidation	134064	190756	40581	57742
Written-off revaluation reserve of fixed assets	90834	129245	212966	303023
Received fine payments	47891	68143	59584	84780
Bad debt recovery	37145	52853	64247	91415
Currency exchange income	35609	50667	0	0
Other income from operating activity	3612889	5140678	1018610	1449351
Dotation (allowance)	202815	288580	121160	172395
Income due to a decrease in provisions	1001600	1425148	0	0
Total	5445999	7748958	2278585	3242134

9. OTHER OPERATING COSTS

Cost Description	6 months of year 2009		6 months of year 2008	
	LVL	EUR	LVL	EUR
Sales costs of current assets	141762	201709	570950	812389
Costs related to the sale and liquidation of fixed assets	48849	69506	121047	172234
Currency exchange loss (net value)	0	0	288909	411080
Doubtful debts write-off	400	569	1205	1715
Compensation for damage and other allowances	210356	299310	218204	310476
Other costs	1573291	2238591	202680	288388
Costs of infrastructure maintenance	24189	34418	44458	63258
Costs not related to the operating activities	222296	316299	107250	152603
Training of new employees	22125	31481	14152	20136
Costs of auto maintenance	24881	35402	10748	15293
Costs of previous period	43223	61501	110882	157771
Paid fines	2297	3268	27980	39812
Total	2313669	3292054	1718465	2445155