

Joint-Stock Company

**"Liepājas Metalurģs "**

Reg.Nr. 40003014197

**Consolidated  
Quarterly Report**

For 9 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 9 months of the year 2009.**

The Company’s non-audited Net Turnover in the reporting period was LVL 124.1 million (EUR 176.6 mill.), and it was 235.9 million LVL (EUR 335.7 mill.) in 9 months of the year 2008.

The Company’s loss from business activities in the reporting period was 4.06 million LVL (EUR 5.78 mill.), which was a profit of 9.16 million LVL (EUR 13.03 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

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/V.Terentjevs/

Member of the Board

\_\_\_\_\_

/I.Segals/

Member of the Board

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/L.Ptičkins/

## **Statement Regarding the Management Responsibility.**

The JSC "Liepājas Metalurģs" (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 September 30, 2009 as well as the results of its operations and cash flow for 9 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 Metalurģs",

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

### BALANCE SHEET

ASSETS	Enclosure Number	30.09.2009. LVL	30.09.2009. EUR	30.09.2008. LVL	30.09.2008. EUR
<b>1. LONG-TERM INVESTMENTS</b>					
<b>I. Intangible investments</b>					
1. Concessions, patents, licenses, trademarks and similar rights		7524	10706	0	0
2. Other intangible assets		64690	92046	78305	111418
3. Goodwill		149665	212954	216183	307601
4. Advance payments for intangible investments		0	0	11332	16124
<b>I.TOTAL:</b>		<b>221879</b>	<b>315705</b>	<b>305820</b>	<b>435143</b>
<b>II. Fixed assets</b>					
1. Land, buildings and constructions, and long-term sites		53690153	76394205	53690030	76394030
2. Long-term investments in rented fixed assets		5051337	7187405	5071938	7216718
3. Technological equipment and machinery		32788790	46654245	34449014	49016531
4. Other fixed assets and inventory		3203427	4558066	3599808	5122065
5. Fixed assets formation and costs of unfinished construction sites		7313705	10406465	7709209	10969216
6. Advance payments for fixed assets		267858	381128	370158	526687
<b>II. TOTAL:</b>		<b>102315270</b>	<b>145581513</b>	<b>104890157</b>	<b>149245248</b>
<b>III. Investment properties</b>					
Investment properties		<b>4800789</b>	<b>6830907</b>	<b>4882333</b>	<b>6946934</b>
<b>IV. Long-term financial investments</b>					
1. Share in the capital of related companies (subsidiaries)		0	0	0	0
2. Share in the capital of associated companies		657263	935201	658263	936624
3. Other loans		175000	249003	17919	25496
<b>IV. TOTAL:</b>		<b>832263</b>	<b>1184204</b>	<b>676182</b>	<b>962120</b>
<b>Section 1 total amount:</b>		<b>108170201</b>	<b>153912330</b>	<b>110754492</b>	<b>157589445</b>
<b>2. CURRENT ASSETS</b>					
<b>I. Stock (Inventories)</b>					
1. Raw materials, basic and auxiliary materials		25215046	35877778	14239040	20260329
2. Unfinished products, Work in Process		1942464	2763877	1710534	2433871
3. Finished products and goods for sales		11022055	15682971	14097757	20059301
4. Incompleted orders		149857	213227	300	427
5. Advance payments for goods		575400	818720	1809305	2574409
6. Labour animals and productive animals		110	157	110	157
<b>I. TOTAL:</b>		<b>38904932</b>	<b>55356731</b>	<b>31857046</b>	<b>45328493</b>
<b>II. Accounts receivable (Debtors)</b>					
1. Trade accounts receivable		6546675	9315079	22851564	32514846
2. Debt of associated enterprises		23183	32986	43531	61939
3. Other debtors (accounts receivable)		4940756	7030062	2590845	3686440
4. Short-term loans to co-owners and management of the company		10363	14745	0	0
5. Prepaid expenses		154653	220051	302088	429832
<b>II.TOTAL:</b>	<b>1</b>	<b>11675630</b>	<b>16612925</b>	<b>25788028</b>	<b>36693058</b>
<b>III. Short-term financial investments</b>					
<b>III. TOTAL:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. Cash</b>		6321365	8994492	2549528	3627652
<b>IV. TOTAL:</b>		<b>6321365</b>	<b>8994492</b>	<b>2549528</b>	<b>3627652</b>
<b>Section 2 total amount</b>		<b>56901927</b>	<b>80964148</b>	<b>60194602</b>	<b>85649202</b>
<b>TOTAL ASSETS</b>		<b>165072128</b>	<b>234876478</b>	<b>170949094</b>	<b>243238647</b>



LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	30.09.2009. LVL	30.09.2009. EUR	30.09.2008. LVL	30.09.2008. EUR
<b>1. SHAREHOLDERS' EQUITY</b>					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		62920993	89528507	63094525	89775421
3. Reserves: a) reserves stipulated by law		0	0	0	0
3. Reserves: b) other reserves		44524829	63353124	38393389	54628871
<b>3. TOTAL:</b>		<b>44524829</b>	<b>63353124</b>	<b>38393389</b>	<b>54628871</b>
4. Retained earnings: a) undistributed profit from the previous years		316575	450446	647000	920598
4. Retained earnings: b) undistributed profit of the reporting year		-3852724	-5481932	9372591	13335996
4. Retained earnings: c) Minority shareholders		-211123	-300401	-210129	-298987
4. Retained earnings: b+c undistributed profit of the reporting year		<b>-4063847</b>	<b>-5782333</b>	<b>9162462</b>	<b>13037009</b>
<b>Section 1 total amount:</b>		<b>120679583</b>	<b>171711577</b>	<b>128278409</b>	<b>182523732</b>
Minority shareholders		394050	560683	413387	588197
<b>2. PROVISIONS</b>					
1. Provisions for anticipated taxes		91574	130298	155336	221023
2. Other provisions		897814	1277474	5952109	8469088
<b>Section 2 total amount:</b>		<b>989388</b>	<b>1407772</b>	<b>6107445</b>	<b>8690111</b>
<b>3. LIABILITIES (Accounts payable)</b>					
<b>I. Long-term Creditors (Accounts payable)</b>					
1. Loans from credit institutions		2372718	3376074	2480141	3528923
2. Other loans		1767133	2514404	1313597	1869080
3. Debts to suppliers and contractors		0	0	0	0
4. Other liabilities		215146	306125	200000	284574
<b>I. TOTAL:</b>		<b>4354997</b>	<b>6196602</b>	<b>3993738</b>	<b>5682577</b>
<b>II. Short-term Creditors (Accounts payable)</b>					
1. Loans from credit institutions		17004933	24195840	5142828	7317585
2. Other loans		6601037	9392429	10672126	15185067
3. Advance payments received from customers		4239838	6032746	1815158	2582737
4. Suppliers and contractors trade account payable		8321593	11840560	11249663	16006828
5. Accrued liabilities (payable bills of exchange)		11210	15950	8503	12099
6. Payable (debt) to associated companies		817844	1163687	25071	35673
7. Taxes and state social insurance payments		874941	1244929	1827743	2600644
8. Other liabilities		782714	1113702	1380490	1964260
9. Deferred income		0	0	19387	27585
10. Unpaid dividends for previous years		0	0	15146	21551
<b>II. TOTAL:</b>		<b>38654110</b>	<b>54999843</b>	<b>32156115</b>	<b>45754030</b>
<b>Section 3 total amount:</b>	<b>2</b>	<b>43009107</b>	<b>61196446</b>	<b>36149853</b>	<b>51436607</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>165072128</b>	<b>234876478</b>	<b>170949094</b>	<b>243238647</b>

JSC "Liepājas Metalurgs"  
 Chairman of the Board

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/V.Terentjevs/

Member of the Board

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/I.Segals/

Member of the Board

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/L.Ptičkins/

### 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	9 months 2008 LVL	9 months 2008 EUR
1	2	3	4	5	6	7
1	Net turnover	3, 4	124145383	176642966	235880809	335628154
2	Production costs of goods sold	5	-117427803	-167084711	-200138011	-284770734
3	Gross profit or loss (from turnover)		6717580	9558255	35742798	50857420
4	Sales costs	6	-9923768	-14120250	-13032069	-18542964
5	Administration costs	7	-3813884	-5426668	-6889673	-9803121
6	Other operating income	8	6591897	9379424	3056972	4349679
7	Other operating costs	9	-3013446	-4287747	-6438127	-9160629
8	Proceeds from participation in the subsidiary and associated companies capitals		123674	175972	0	0
9	Interest income and other similar income		117535	167237	174941	248919
10	Interest payments and similar expenses		-663256	-943728	-504699	-718122
11	Profit or loss before extraordinary items and taxes		-3863668	-5497504	12110143	17231181
12	Income tax for the reporting period		0	0	-2724340	-3876387
13	Other taxes		-200179	-284829	-223341	-317786
14	Reporting period profit or loss after taxes for the consolidated financial statement		-4063847	-5782333	9162462	13037009

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

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/V.Terentjevs/

Member of the Board

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/I.Segals/

Member of the Board

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/L.Ptičkins/

**CASH FLOW STATEMENT**  
**(by direct method)**

	Reporting period		9 months of the year 2008	
	LVL	EUR	LVL	EUR
<b>OPERATING CASH FLOW</b>				
Cash received from buyers	126695025	180270780	226382176	322112817
Cash received from other business activities	881341	1254035	473339	673501
VAT overpayment received	8057326	11464542	11000969	15652969
Cash paid to suppliers and employees	-132627418	-188711814	-225739360	-321198172
<b>Cash received from the core business activity</b>	<b>3006274</b>	<b>4277543</b>	<b>12117124</b>	<b>17241114</b>
Interest payment	-653421	-929734	-557581	-793366
Corporate income tax payments	-255308	-363271	-16999	-24187
Other tax payments	-5938174	-8449260	-2284184	-3250101
<b>Net cash flow from the core business activity</b>	<b>-3840629</b>	<b>-5464723</b>	<b>9258360</b>	<b>13173459</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Other loans granted	0	0	200	285
Acquisition of fixed assets	-692026	-984664	-5200044	-7398996
Sale of fixed assets and intangible assets	132800	188957	24770	35245
Investments in associated and related companies	123674	175972	-80000	-113830
Interests received from the loan	988	1406	51265	72944
<b>Net cash flow from investment operations</b>	<b>-434564</b>	<b>-618329</b>	<b>-5203809</b>	<b>-7404353</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Short term borrowings, net value (credit line)	7684733	10934390	-6930450	-9861142
Long term borrowings	161960	230448	2554754	3635087
Paid liabilities for financial leasing	-488917	-695666	-1776	-2527
Loans to associated companies	0	0	22000	31303
Other long-term loans	-83099	-118239	0	0
Repayment of loans of associated and related companies	-144943	-206235	-144943	-206235
Loan repayments	0	0	-3753951	-5341391
Other investments	-63752	-90711	-35630	-50697
Subsidies	643227	915230	83606	118961
<b>Net cash flow from financing activities</b>	<b>7709209</b>	<b>10969216</b>	<b>-8206390</b>	<b>-11676641</b>
Result of foreign currency exchange rate fluctuations	-87516	-124524	-94302	-134180
<b>Net growth of cash and its equivalents</b>	<b>3346500</b>	<b>4761641</b>	<b>-4246141</b>	<b>-6041714</b>
Cash and its equivalents at the beginning of accounting period	2974865	4232852	6795669	9669366
<b>Cash and its equivalents at the end of accounting period</b>	<b>6321365</b>	<b>8994492</b>	<b>2549528</b>	<b>3627652</b>

## ENCLOSURES TO THE 9-MONTH QUARTERLY REPORT

### ENCLOSURES TO BALANCE SHEET

#### 1. ACCOUNTS RECEIVABLE (DEBTORS)

Accounts Receivable	As of 30.09.2009.		As of 30.09.2008.	
	LVL	EUR	LVL	EUR
<b>Customers and affiliated companies' debts</b>	<b>6569857</b>	<b>9348064</b>	<b>22895094</b>	<b>32576784</b>
Incl. Debts of buyers and customers	5324226	7575691	17072910	24292562
Incl. Debts of buyers with factoring activities	1222448	1739387	5778653	8222282
Incl. Debts of associated enterprises	23183	32986	43531	61939
<b>Other debtors</b>	<b>4940757</b>	<b>7030064</b>	<b>2590845</b>	<b>3686440</b>
Incl. Provision for VAT and unpaid VAT	8571	12195	19971	28416
Incl. Advance payments	21769	30974	12677	18038
Incl. VAT budget overpayments	3040458	4326182	2457394	3496557
Incl. Various debtors	24031	34193	56054	79758
Incl. Overpaid salaries	12	17	242	344
Incl. Other overpaid taxes	4100	5834	17801	25329
Incl. Advance prepayment for Corporate income tax	1812861	2579469	5661	8055
Incl. Security amounts in auction	10315	14677	10000	14229
Incl. Advance payments for services	18640	26522	11045	15716
<b>Short-term loans to employees</b>	<b>10363</b>	<b>14745</b>	<b>0</b>	<b>0</b>
<b>Future periods payments</b>	<b>154653</b>	<b>220051</b>	<b>302089</b>	<b>429834</b>
Incl. Press expenses	6116	8702	11147	15861
Incl. Various	77582	110389	201705	287000
Incl. Property insurance	0	0	56722	80708
Incl. Payment for ship freightage services	55608	79123	5362	7629
Incl. Publicity and Advertisement	75	107	27153	38635
Incl. Other payments	15272	21730	0	0
<b>Total Debtors:</b>	<b>11675630</b>	<b>16612925</b>	<b>25788028</b>	<b>36693058</b>

**2. ACCOUNTS PAYABLE (CREDITORS)**

CREDITORS	As of 30.09.2009.		As of 30.09.2008.	
	LVL	EUR	LVL	EUR
<b>Long-term creditors (credit institutions)</b>	<b>2372718</b>	<b>3376074</b>	<b>2480141</b>	<b>3528923</b>
<b>Other long-term borrowings</b>	<b>1767133</b>	<b>2514404</b>	<b>1313597</b>	<b>1869080</b>
<b>Other long-term creditors</b>	<b>215146</b>	<b>306125</b>	<b>200000</b>	<b>284574</b>
<b>Short-term borrowings from credit institutions</b>	<b>1214333</b>	<b>1727840</b>	<b>5142828</b>	<b>7317585</b>
<b>Borrowings from credit institutions (credit line)</b>	<b>15790600</b>	<b>22468000</b>	<b>0</b>	<b>0</b>
<b>Short term debt from leasing "Hansalizings", "Unilizings")</b>	<b>1202</b>	<b>1710</b>	<b>37906</b>	<b>53935</b>
<b>Advance payments (from residents)</b>	<b>181121</b>	<b>257712</b>	<b>286624</b>	<b>407829</b>
<b>Advance payments (from non-residents)</b>	<b>4058716</b>	<b>5775033</b>	<b>1528534</b>	<b>2174908</b>
<b>Other borrowings (factoring)</b>	<b>2567536</b>	<b>3653275</b>	<b>6794497</b>	<b>9667698</b>
<b>Other borrowings (Cemex)</b>	<b>4032299</b>	<b>5737445</b>	<b>3839723</b>	<b>5463434</b>
<b>Debts to suppliers and contractors</b>	<b>8321593</b>	<b>11840560</b>	<b>11249663</b>	<b>16006828</b>
Incl. Materials and gas	3131108	4455165	5350138	7612561
Incl. Services	1241775	1766887	2590307	3685675
Incl. Scrap, various services related to scrap delivery, processing	3941688	5608517	3204754	4559954
Incl. Fixed assets	906	1289	97606	138881
Incl. Medical department creditors	2633	3746	3912	5566
Incl. Other Creditors	3483	4956	2946	4192
<b>Debts to associated enterprises</b>	<b>817844</b>	<b>1163687</b>	<b>25071</b>	<b>35673</b>
<b>Accrued liabilities</b>	<b>11210</b>	<b>15950</b>	<b>8503</b>	<b>12099</b>
<b>Taxes and social security insurance payments</b>	<b>874942</b>	<b>1244930</b>	<b>1827743</b>	<b>2600644</b>
Incl. Value added tax	44760	63688	17866	25421
Incl. State tax	614	874	719	1023
Incl. Residents' Income tax	246601	350882	449729	639907
Incl. Property (land) tax	2843	4045	12994	18489
Incl. Social Security tax	548119	779903	672974	957556
Incl. Property (buildings) tax	0	0	8432	11998
Incl. Natural resources tax	32000	45532	20283	28860
Incl. Packing tax	5	7	0	0
Incl. Corporate Income tax	0	0	644746	917391
<b>Other creditors (liabilities)</b>	<b>782714</b>	<b>1113702</b>	<b>1380490</b>	<b>1964260</b>
Incl. Payments for salaries	761346	1083298	1337592	1903222
Incl. Deductions from salaries	20087	28581	41777	59443
Incl. Debt to accountable persons	1281	1823	1121	1595
<b>Deferred Income</b>	<b>0</b>	<b>0</b>	<b>19387</b>	<b>27585</b>
<b>Unpaid Dividends</b>	<b>0</b>	<b>0</b>	<b>15146</b>	<b>21551</b>
<b>Total Creditors:</b>	<b>43009107</b>	<b>61196446</b>	<b>36149853</b>	<b>51436607</b>

## ENCLOSURES TO PROFIT AND LOSS STATEMENT

### 3. NET TURNOVER (REVENUE)

Product Description	For 9 months of year 2009		For 9 months of year 2008	
	LVL	EUR	LVL	EUR
Rolled steel	115413308	164218343	222399190	316445538
Consumer goods	77069	109659	940959	1338864
Services	102334	145608	95807	136321
Sold steam, gCal	11419	16248	14708	20928
Medical department	809762	1152188	825330	1174339
Transportation services	7061	10047	36476	51901
Stevedoring services	2108288	2999824	2484647	3535334
Broker services	1370178	1949588	1903711	2708737
Freightage services	46722	66479	525468	747674
Forwarder and other services	3482818	4955604	5596904	7963677
Sports	327383	465824	293531	417657
Publicity and Advertisement	57785	82221	53453	76057
Beton (concrete) wares	331256	471335	710625	1011128
<b>TOTAL</b>	<b>124145383</b>	<b>176642966</b>	<b>235880809</b>	<b>335628154</b>

**4. NET TURNOVER BY GEOGRAPHIC MARKETS**

Market	For 9 months of year 2009		For 9 months of year 2008	
	LVL	EUR	LVL	EUR
European Union countries	51442411	73195956	144774558	205995637
Other third countries	72702972	103447009	91106251	129632516
<b>Total</b>	<b>124145383</b>	<b>176642966</b>	<b>235880809</b>	<b>335628154</b>

#### 5. PRODUCTION COSTS OF SOLD GOODS

Cost Description	9 months for year 2009		9 months for year 2008	
	LVL	EUR	LVL	EUR
Materials	81547869	116032164	150663491	214374834
Salaries and wages	11317474	16103315	14206516	20214051
Social benefits deduction	2654409	3776884	3344585	4758916
Energy resources	15286428	21750627	18853943	26826744
Depreciation	5091726	7244873	7025647	9996595
Other costs	1479436	2105048	5993471	8527941
Write-off of nonmaterial values	50461	71800	50358	71653
<b>Total</b>	<b>117427803</b>	<b>167084711</b>	<b>200138011</b>	<b>284770734</b>

#### 6. SALES EXPENSES

Cost Description	For 9 months of year 2009		For 9 months of year 2008	
	LVL	EUR	LVL	EUR
Packing materials	87360	124302	119887	170584
Transportation costs	1440764	2050022	1417168	2016448
Freight	1230765	1751221	902838	1284623
Port handling charges	2845022	4048102	51625	73456
Advertising and marketing costs	32577	46353	83689	119079
Other sales costs	1227517	1746599	262502	373507
Logistics services costs	2935144	4176334	10141267	14429723
Bank Services	124619	177317	53093	75545
<b>Total</b>	<b>9923768</b>	<b>14120250</b>	<b>13032069</b>	<b>18542964</b>



**7. ADMINISTRATION EXPENSES**

Cost Description	For 9 months of year 2009		For 9 months of year 2008	
	LVL	EUR	LVL	EUR
Salaries and social costs	2525052	3592825	4593149	6535462
Communication costs	86290	122780	131001	186398
Office supplies and office maintenance costs	684567	974051	1006951	1432762
Legal and auditing fees	99800	142003	316455	450275
Presentation costs	118839	169093	146665	208685
Depreciation of fixed assets	168092	239173	428856	610207
Traveling expenses	74711	106304	121031	172212
Management training	4531	6447	21566	30686
Costs of bank account services	39731	56532	23415	33317
Costs related to stockholders	12271	17460	96286	137003
Operative leasing	0	0	4298	6116
<b>Total</b>	<b>3813884</b>	<b>5426668</b>	<b>6889673</b>	<b>9803121</b>

**8. OTHER OPERATING INCOME**

Income Description	9 months of year 2009		9 months of year 2008	
	LVL	EUR	LVL	EUR
Sale of current assets	499613	710885	1397771	1988849
Sale of fixed assets and liquidation	325918 3305	463740 4703	45958 0	65392 0
Written-off revaluation reserve of fixed assets	0	0	315316	448654
Fixed asset revaluation reserve	95804	136317	0	0
Income due to a decrease in provisions	1001600	1425148	0	0
Received fine payments	46213	65755	62306	88653
Bad debt recovery	37144	52851	126830	180463
Other income from operating activity	3938019	5603296	1024884	1458279
Dotation (allowance)	644281	916729	83907	119389
<b>Total</b>	<b>6591897</b>	<b>9379424</b>	<b>3056972</b>	<b>4349679</b>

**9. OTHER OPERATING COSTS**

Cost Description	9 months of year 2009		9 months of year 2008	
	LVL	EUR	LVL	EUR
Sales costs of current assets	308703	439245	1147975	1633421
Costs related to the sale and liquidation of fixed assets	23130	32911	161975	230470
Costs related to the Fixed asset liquidation	28351	40340	0	0
Currency exchange loss (net value)	1347	1917	249114	354457
Costs of reserve establishment	0	0	4000000	5691487
Doubtful debts write-off	0	0	141511	201352
Compensation for damage and other allowances	233768	332622	247840	352645
Other costs	1577175	2244118	81937	116586
Costs of infrastructure maintenance	30482	43372	36845	52426
Costs not related to the operating activities	691711	984216	191060	271854
Training of new employees	36147	51433	28608	40706
Costs of auto maintenance	35567	50607	10748	15293
Costs of previous period	44310	63047	110928	157836
Paid fines	2755	3920	29586	42097
<b>Total</b>	<b>3013446</b>	<b>4287747</b>	<b>6438127</b>	<b>9160629</b>