

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

Non-audited Consolidated
Annual Report

For the year ended 31 December 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.

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.

JSC "Liepājas tranzīta ekspresis"

number of shares - 24%.
transport agents, realization of oil/fuel products, rail transport services (is decided to close).

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. As a result of such revaluation, appeared changes in values would be included in the Shareholders` Equity section Long-Term Investment Revaluation Reserve of the Balance Sheet.

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 on the transaction corresponding date. 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. 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 metalurgs” 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 consist of provisions for the unused vacations and social payments.

Joint-Stock Company “Liepājas Metalurgs” Management Statement Regarding the Non-audited Consolidated Quarterly Report for 12 months of the year 2009.

The Company’s non-audited Net Turnover in the reporting period was LVL 169.1 million (EUR 240.6 mill.), and it was 270.2 million LVL (EUR 384.5 mill.) in 12 months of the year 2008.

The Company’s loss from business activities in the reporting period was 12.4 million LVL, which was a profit of 5.9 million LVL 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 December 31, 2009 as well as the results of its operations and cash flow for 12 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	31.12.2009. LVL	31.12.2009. EUR	31.12.2008. LVL	31.12.2008. EUR
1. LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible assets		200179	284829	91770	130577
2. Advance payments for intangible investments		0	0	199554	283940
I.TOTAL:		200179	284829	291324	414517
II. Fixed assets					
1. Land, buildings and constructions, and long-term sites		53530597	76167177	54290367	77248233
2. Long-term investments in rented fixed assets		4815846	6852332	5892447	8384197
3. Technological equipment and machinery		34173446	48624433	36385010	51771205
4. Other fixed assets and inventory		3094001	4402367	3729797	5307023
5. Fixed assets formation and costs of unfinished construction sites		747986	1064288	4509948	6417078
6. Advance payments for fixed assets		371389	528439	113286	161191
II. TOTAL:		96733265	137639035	104920855	149288927
III. Investment properties					
1. Investment properties		5009000	7127165	5015565	7136506
IV. Long-term financial investments					
1.1. Share in the capital of related companies (subsidiaries)		3268	4650	0	0
1.2. Share in the capital of associated companies		649843	924643	538263	765879
2. Loans to related companies (subsidiaries)		8000	11383	0	0
3. Other loans		0	0	8000	11383
4. Deferred tax		0	0	167000	237620
IV. TOTAL:		661111	940676	713263	1014882
Section 1 total amount:		102603555	145991706	110941007	157854832
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		11064100	15742796	12525154	17821689
2. Unfinished products, Work in Process		1514799	2155365	3033039	4315626
3. Finished products and goods for sales		10124775	14406257	22197251	31583844
4. Incompleted orders		176633	251326	122897	174867
5. Advance payments for goods		2250745	3202522	1130335	1608322
6. Labour animals and productive animals		110	157	110	157
I. TOTAL:		25131162	35758422	39008786	55504502
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		3110705	4426134	10706520	15234005
2. Debt of related enterprises (subsidiaries)		0	0	0	0
3. Debt of associated enterprises		121722	173195	47543	67648
4. Other debtors (accounts receivable)		4379559	6231551	5427719	7722948
5. Short-term loans to co-owners and management of the company		0	0	0	0
6. Prepaid expenses		114855	163424	120903	172029
II.TOTAL:	1	7726841	10994304	16302685	23196631
III. Short-term financial investments					
III. TOTAL:		0	0	0	0
IV. Cash		5540812	7883865	3064622	4360563
IV. TOTAL:		5540812	7883865	3064622	4360563
Section 2 total amount		38398815	54636591	58376093	83061697
TOTAL ASSETS		141002370	200628298	169317100	240916529

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	31.12.2009. LVL	31.12.2009. EUR	31.12.2008. LVL	31.12.2008. EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		17375083	24722516	16981033	24161833
2. Long-term investments revaluation reserve		49902758	71005228	63089181	89767817
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		-34090	-48506	507116	721561
4. Retained earnings: b) undistributed profit of the reporting year		-12423734	-17677381	6203615	8826949
4. Retained earnings: c) Minority shareholders		0	0	-267722	-380934
4. Retained earnings: b+c undistributed profit of the reporting year		-12423734	-17677381	5935893	8446015
section 1 total amount:		99344846	141354981	124906612	177726097
Minority shareholders		394050	560683	517393	736184
2. PROVISIONS					
1. Provisions for anticipated taxes		1964888	2795784	93366	132848
2. Other provisions		900698	1281578	1900400	2704026
section 2 total amount:		2865586	4077362	1993766	2836873
3. LIABILITIES (Accounts payable)					
I. Long-term Creditors (Accounts payable)		4143824	5896130	4260166	6061670
I. TOTAL:		4143824	5896130	4260166	6061670
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		15134554	21534530	15067560	21439206
2. Other loans		761410	1083389	7391259	10516814
3. Advance payments received from customers		8068007	11479740	2537190	3610096
4. Suppliers and contractors trade account payable		8708880	12391620	10201593	14515559
5. Accrued liabilities (payable bills of exchange)		92223	131222	243732	346799
6. Payable (debt) to related companies (subsidiaries)		0	0	0	0
7. Payable (debt) to associated companies		25886	36832	0	0
8. Taxes and state social insurance payments	3	944019	1343218	1029575	1464953
9. Other liabilities		913139	1299280	1153108	1640725
10. Unpaid dividends for previous years		0	0	15146	21551
II. TOTAL:		34648118	49299830	37639163	53555704
Section 3 total amount:	2	38791942	55195961	41899329	59617373
TOTAL LIABILITIES AND EQUITY		141002370	200628298	169317100	240916529

JSC "Liepājas Metalurgs"

Chairman of the Board _____

/V.Terentjevs/

Member of the Board _____

/I.Segals/

Member of the Board _____

/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	31.12.2008. LVL	31.12.2008. EUR
1	2	3	4	5	6	7
1	Net turnover	3,4	169076806	240574621	270167199	384413292
2	Production costs of goods sold	5	-164827333	-234528166	-239664693	-341012136
3	Gross profit or loss (from turnover)		4249473	6046455	30502506	43401156
4	Sales costs	6	-13270299	-18881934	-15632508	-22243055
5	Administration costs	7	-5025714	-7150947	-8677362	-12346774
6	Other operating income	8	8492129	12083211	5022011	7145678
7	Other operating costs	9	-3958802	-5632868	-3196183	-4547759
8	Proceeds from the participation in the capital of subsidiaries and associated companies		123674	175972	0	0
9	Interest income and other similar income		183261	260757	251722	358168
10	Interest payments and similar expenses		-910923	-1296127	-757000	-1077114
11	Profit or loss before extraordinary items and taxes		-10117201	-14395480	7513186	10690301
12	Profit or loss before taxes		-10117201	-14395480	7513186	10690301
13	Income tax for the reporting period			0	-1571544	-2236106
14	Deferred tax		-2040314	-2903105	230676	328222
15	Other taxes		-266219	-378796	-236425	-336402
16	Reporting period profit or loss after taxes for the consolidated financial statement		-12423734	-17677381	5935893	8446015

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.Ptičkīns/

CASH FLOW STATEMENT
(by direct method)

	Reporting year		12 months of the year 2008	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	154337437	219602388	273550413	389227171
Cash received from other business activities	594148	845396	1236469	1759337
VAT overpayment received	12664368	18019772	12613655	17947614
Interest received from banks	181715	258557	416967	593291
Cash paid to suppliers and employees	-187534588	-266837679	-269942343	-384093350
Cash received from the core business activity	-19938635	-28370122	17875161	25434063
Interest payment	-927812	-1320158	-783941	-1115448
Corporate income tax payments	-255674	-363791	-21777	-30986
Other tax payments	-8518530	-12120776	-16238448	-23105230
Net cash flow from the core business activity	-29640651	-42174847	830995	1182399
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of fixed assets	-898573	-1278554	-6321296	-8994394
Sale of fixed assets and intangible assets	329194	468401	26187	37261
Investments in associated and related companies	123674	175972	-72100	-102589
Income from other operations	988	1406	52631	74887
Net cash flow from investment operations	-444717	-632775	-6314578	-8984835
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings, net value (credit line)	31941840	45449144	2618323	3725538
Long term borrowings	757979	1078507	2958969	4210234
Long-term debt repayment	-193257	-274980	0	0
Paid liabilities for financial leasing	-522228	-743063	-186269	-265037
Loans to associated companies	0	0	-8000	-11383
Repayment of loans (and interest) of related companies	-243220	-346071	-3758892	-5348421
Other long-term loans	0	0	590145	839701
Received funding	1195769	1701426	0	0
Sponsorship	-98898	-140719	0	0
Net cash flow from financing activities	32837985	46724243	1776125	2527198
Result of foreign currency exchange rate fluctuations	-186668	-265605	-106713	-151839
Net growth of cash and its equivalents	2565949	3651016	-3814171	-5427076
Cash and its equivalents at the beginning of accounting period	2974863	4232849	6878793	9787641
Cash and its equivalents at the end of accounting period	5540812	7883865	3064622	4360564

ENCLOSURES TO THE QUARTERLY REPORT

ENCLOSURES TO BALANCE SHEET

1. ACCOUNTS RECEIVABLE (DEBTORS)

Accounts Receivable	As of 31.12.2009.		As of 31.12.2008.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies' debts	3232427	4599329	10754063	15301653
Incl. Debts of buyers and customers	2761719	3929572	8186132	11647816
Incl. Debts of buyers with factoring activities	348986	496562	2520388	3586189
Incl. Debts of associated enterprises	121722	173195	47543	67648
(Doubtful debtors debt)	/128098/	/182267/	/158420/	/225411/
Other debtors	4379558	6231550	5427719	7722948
Incl. Provision for VAT and unpaid VAT	22161	31532	94753	134821
Incl. Advance payments	16107	22918	9845	14008
Incl. VAT budget overpayments	2254670	3208106	4005799	5699738
Incl. Damage compensation to the company	189610	269791	0	0
Incl. Various debtors	42190	60031	60248	85725
Incl. Overpaid salaries	18	26	1133	1612
Incl. Advance payments for services	1808789	2573675	29581	42090
Incl. Advance prepayment for Corporate income tax	34889	49643	1212820	1725687
Incl. Other overpaid taxes	789	1123	2736	3893
Incl. Security amounts in auction	10335	14705	10804	15373
Future periods payments	114856	163425	120903	172029
Incl. Press expenses	6409	9119	10839	15423
Incl. Various	28820	41007	7322	10418
Incl. Property insurance	50438	71767	52249	74344
Incl. Audit expenses	9707	13812	39004	55498
Incl. Rent payments	19085	27156	703	1000
Incl. Publicity and Advertisement	397	565	10786	15347
Total Debtors:	7726841	10994304	16302685	23196631

2. ACCOUNTS PAYABLE (CREDITORS)

CREDITORS	As of 31.12.2009.		As of 31.12.2008.	
	LVL	EUR	LVL	EUR
Long- term creditors (credit institutions)	1999615	2845196	2292938	3262557
Other long-term borrowings	1929063	2744809	1767228	2514539
Other creditors	215146	306125	200000	284574
Short-term borrowings from credit institutions	1135281	1615359	726437	1033627
Other short term debt from leasing	412424	586826	344995	490884
Short-term borrowings from credit institutions (credit line)	13999273	19919171	14336498	20398999
Short-term loan interest	0	0	4625	6581
Advance payments (from residents)	81167	115490	680630	968449
Advance payments (from non-residents)	7986840	11364249	1856560	0
Other borrowings (factoring)	348986	496562	3069151	4367008
Other borrowings (Cemex)	0	0	3977113	5658922
Debts to suppliers and contractors	8708880	12391620	10201593	14515559
Incl. Materials and gas	4132318	5879759	5618001	7993695
Incl. Services	1413002	2010521	2355026	3350900
Incl. Scrap, various services related to scrap delivery, processing	3151356	4483976	2201441	3132368
Incl. Fixed assets	984	1400	21039	29936
Incl. Medical department creditors	3481	4953	3751	5337
Incl. Other Creditors	7744	11019	2335	3322
Debts to associated enterprises	25886	36832	0	0
Accrued liabilities	92223	131222	243732	346799
Taxes and social security insurance payments	944019	1343218	1029575	1464953
Incl. State tax	616	876	766	1090
Incl. Residents' Income tax	297630	423489	391862	557569
Incl. Value added tax	67138	95529	15193	21618
Incl. Social Security tax	548520	780474	607867	864917
Incl. Nature resources tax	30045	42750	13811	19651
Incl. Real estate (land) tax	71	101	76	108
Other creditors (liabilities)	913139	1299280	1153108	1640725
Incl. Payments for salaries	879828	1251882	1112415	1582824
Incl. Deductions from salaries	32028	45572	40491	57614
Incl. Debt to accountable persons	1281	1823	202	287
Deferred income	0	0	15146	21551
Total Creditors:	38791942	55195961	41899329	59617374

ENCLOSURES TO PROFIT AND LOSS STATEMENT

3. NET TURNOVER (REVENUE)

Product Description	For 12 months of year 2009		For 12 months of year 2008	
	LVL	EUR	LVL	EUR
Rolled steel	157884842	224649891	253530394	360741251
Other metal ware	133826	190417	1219627	1735373
Services	122939	174926	189362	269438
Sold steam, gCal	23836	33916	22994	32718
Medical department	1055080	1501244	1168164	1662148
Transportation services	4316	6141	38934	55398
Stevedoring services	2382742	3390336	4155192	5912306
Broker services	1729442	2460774	2158311	3071000
Freightage services	51412	73153	534732	760855
Forwarder and other services	4742900	6748539	5714132	8130477
Sports	423526	602623	351302	499858
Publicity and Advertisement	82147	116885	59684	84923
Beton (concrete) wares	438707	624224	916357	1303859
Slag	1091	1552	15469	0
Electric energy	0	0	92545	131680
TOTAL	169076806	240574621	270167199	384413292

4. NET TURNOVER BY GEOGRAPHIC MARKETS

Market	For 12 months of year 2009		For 12 months of year 2008	
	LVL	EUR	LVL	EUR
European Union countries	64729169	92101310	175232018	249332699
Other third countries	104347637	148473311	94935250	135080691
Total	169076806	240574621	270167268	384413390

5. PRODUCTION COSTS OF SOLD GOODS

Cost Description	12 months for year 2009		12 months for year 2008	
	LVL	EUR	LVL	EUR
Materials	115793608	164759461	174358965	248090456
Salaries and wages	13715739	19515738	17892935	25459353
Social benefits deduction	3230728	4596912	4195606	5969810
Depreciation	6562610	9337753	9269154	13188818
Other costs	25457396	36222611	33669230	47906998
Write-off of nonmaterial values	67252	95691	67153	95550
Write-off renter fixed assets expenses	0	0	211306	300661
Total	164827333	234528166	239664349	341011646

6. SALES EXPENSES

Cost Description	For 12 months of year 2009		For 12 months of year 2008	
	LVL	EUR	LVL	EUR
Packing materials	120581	171571	129553	184337
Transportation costs	1515518	2156388	2345437	3337256
Freight	3958754	5632799	997904	1419889
Port handling charges	2452738	3489932	59697	84941
Advertising and marketing costs	50808	72293	102745	146193
Other sales costs	1768805	2516783	262744	373851
Logistics services costs	3210532	4568175	11547994	16431315
Factoring %, and costs related to L/C transactions	192563	273992	186434	265272
Total	13270299	18881934	15632508	22243055

7. ADMINISTRATION EXPENSES

Cost Description	For 12 months of year 2009		For 12 months of year 2008	
	LVL	EUR	LVL	EUR
Salaries and social costs	3277536	4663514	5669185	8066524
Communication costs	118994	169313	193226	274936
Office supplies and office maintenance costs	949543	1351078	1327068	1888248
Legal and auditing fees	76620	109020	413211	587946
Presentation costs	169835	241653	197480	280989
Depreciation of fixed assets	226933	322897	569133	809803
Traveling expenses	107406	152825	141085	200746
Management training	4847	6897	19940	28372
Costs of bank account services	71728	102060	45136	64223
Costs related to stockholders	22272	31690	98521	140183
Operative leasing	0	0	3377	4805
Total	5025714	7150947	8677362	12346774

8. OTHER OPERATING INCOME

Income Description	12 months of year 2009		12 months of year 2008	
	LVL	EUR	LVL	EUR
Sale of current assets	763090	1085779	1615496	2298644
Income from fixed assets sale	327888	466543	20513	29187
Income from fixed assets liquidation	5653	8043	33645	47873
Currency exchange income	284506	404816	0	0
Recieved fine payments	49627	70613	48492	68998
Written-off revaluation reserve of fixed assets	577513	821727	393044	559251
Bad debt recovery	37145	52853	181492	258240
Other income from operating activity	3907947	5560508	1821065	2591142
Written-off accumulated provisions	1001600	1425148	75430	107327
Dotation (allowance)	1537160	2187182	832834	1185016
Total	8492129	12083211	5022011	7145678

9. OTHER OPERATING COSTS

Cost Description	12 months of year 2009		12 months of year 2008	
	LVL	EUR	LVL	EUR
Sales costs of current assets	384907	547673	1334559	1898906
Costs related to the sale of fixed assets	23130	32911	213381	303614
Costs related to the liquidation of fixed assets	33215	47261	0	0
Currency exchange loss (net value)	0	0	100672	143243
Fixed Assets value reduction	155767	221636	67000	95332
Provisions for bad debts	2884	4104	3718	5290
Bad debt write-off	1558	2217	155786	221664
Compensation for damage and other allowances	297785	423710	336428	478694
Other costs	1959754	2788479	90539	128825
Paid fines	23647	33647	73808	105019
Costs not related to the operating activities	343517	488781	561963	799601
Costs of infrastructure maintenance	35378	50338	77313	110006
Training of new employees	34710	49388	24292	34564
Costs of previous period	44310	63047	105305	149836
Costs of auto maintenance	46469	66119	51419	73163
Sponsorship	960000	1365957	0	0
Total	4347031	6185268	3196183	4547759

INFORMATION ON PERSONNEL

	JSC "Liepājas Metalurgs"	JSC "Liepājas Port LM"	Ltd. "Sport club Liepājas metalurgs"	Ltd. "Ice hall "Liepājas metalurgs""	JSC "Rūķis LM"	TOTAL in the consolidated annual report
1. Average number of employees						
12 mo. 2009	2318	262	127	18	36	2761
12 mo. 2008	2633	269	129	19	48	3098