

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

Quarterly Report

For 3 months of the year 2011

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**Joint-Stock Company "Liepājas Metalurģs"
Management Statement Regarding
the Financial Statements for 3 months of 2011.**

The Company's profit from business activities in the reporting period was 1.9 mill LVL (EUR 2.7 mill.), which was a loss of 6.5 LVL (EUR 9.2 mill.) in Q1 2010.

The net turnover in the reporting period was 81.4 million LVL (EUR 115.8 mill.), and it was 36.6 million LVL (EUR 52.1 mill.) in the first quarter 2010.

The net turnover and profit increase associated with the raise in price of product sold.

During the reporting period, the Company invested 8.8 LVL (EUR 12.6 mill) under the mean of a long-term loan in its meltshop production modernization endeavor.

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 financial statement.

The Financial Statement represents the true picture for the Company financial position as of March 31, 2011 as well as the results of its operations and cash flow for 3 months of the year 2011. 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

INFORMATION ABOUT 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: LV40003014197
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: 2010, 3 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) | 21% |
| Kirovs Lipmans | |
| Proportion (%) of stocks (shares) | 20% |
11. Council: Sergejs Zaharjins
Aleksejs Zaharjins
Kirovs Lipmans
Māris Pomerancis
Guntis Vilnītis
Andris Deniņš
12. Members of the Board: Valērijs Terentjevs
Iļja Segals
Leons Ptičkins
13. The name of the bank, code, operating account number: AS SEB banka
Konta Nr.LV96UNLA 0012002467028
14. Chief Accountant: Ligita Bērzupe
15. Average number of employees: 2168

STATEMENTS OF FINANCIAL POSITION

ASSETS	Enclosure Number	31.03.2011. LVL	31.03.2011. EUR	31.03.2010. LVL	31.03.2010. EUR
I.LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible investments		39685	56467	45309	64469
2. Advance payments for intangible investments		0	0	0	0
I. TOTAL:		39685	56467	45309	64469
II. Fixed assets					
1. Land, buildings and constructions and long-term sites		49836112	70910399	49988505	71127235
2. Technological equipment and machinery		23128266	32908558	23927709	34046063
3. Other fixed assets and inventory		1606616	2286009	1782663	2536501
4. Fixed assets formation and costs of unfinished construction sites		39933411	56820125	30982489	44084110
5. Advance payments for fixed assets		29460	41918	18413	26199
II. TOTAL:		114533865	162967008	106699779	151820108
III. Investment properties					
1. Investment properties		4922000	7003375	4922000	7003375
IV. Long-term financial investments					
1. Share in the related companies (subsidiaries)		9069006	12904033	9069006	12904033
2. Loans to the related companies (subsidiaries)		41260	58708	41260	58708
3. Share in the capital of associated companies		1535959	2185473	1015343	1444703
IV. TOTAL:	1	10646225	15148213	10125609	14407444
Section 1 total amount:		130141775	185175063	121792697	173295395
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		8708334	12390843	8958204	12746376
2. Unfinished products, Work-in-Process		27788	39539	220299	313457
3. Finished products and goods for sales		21568933	30689827	39791180	56617748
4. Incompleted orders		182584	259794	209935	298711
5. Advance payments for goods		13817822	19660989	8069074	11481258
I. TOTAL:		44305461	63040992	57248692	81457550
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		1004414	1429152	971994	1383023
2. Debt of related companies (subsidiaries)		464700	661209	388191	552346
3. Debt of associated enterprises		51538	73332	38533	54828
4. Other debtors (accounts receivable)		552567	786232	859466	1222910
5. Prepaid expenses		90487	128751	70056	99681
II. TOTAL:	2	2163706	3078676	2328240	3312787
III. Short-term financial investments					
III. TOTAL:		0	0	0	0
IV. Cash		5267125	7494444	3598703	5120493
IV. TOTAL:		5267125	7494444	3598703	5120493
Section 2 total amount		51736292	73614111	63175635	89890830
TOTAL ASSETS		181878067	258789175	184968332	263186225

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	31.03.2011. LVL	31.03.2011. EUR	31.03.2010. LVL	31.03.2010. EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		44787478	63726840	45916269	65332965
3. Reserves: a) reserves stipulated by law		0	0	0	0
3. Reserves: b) other reserves		44524829	63353124	44524829	63353124
TOTAL:		44524829	63353124	44524829	63353124
4. Retained earnings a) undistributed profit from the previous years		-19123497	-27210285	-12429483	-17685561
4. Retained earnings b) undistributed profit of the reporting year		1875814	2669043	-6694016	-9524727
section 1 total amount:		89045657	126700555	88298632	125637634
2. PROVISIONS		0	0	0	0
1. Provisions for anticipated taxes		1470350	2092120	1470350	2092120
2. Other provisions		821000	1168178	821000	1168178
section 2 total amount:	3	2291350	3260297	2291350	3260297
3. LIABILITIES (Accounts Payable)					
I. Long-term Creditors (Accounts Payable).		34256283	48742299	25432579	0
I. TOTAL:		34256283	48742299	25432579	0
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		11058996	15735534	13520667	19238176
2. Other loans		33711	47966	125086	177981
3. Advance payments received from customers		24861396	35374580	41459776	58991947
4. Suppliers and contractors trade account payable		18793014	26740050	10240655	14571139
5. Accrued liabilities (Payable bills of exchange)		2000	2846	1894281	2695319
6. Payable (debt) to related companies (subsidiaries)		396536	564220	92313	131350
7. Payable (debt) to associated companies		12	17	160347	228153
8. Taxes and state social insurance payments		565952	805277	730970	1040077
9. Other liabilities		573160	815533	721676	1026852
II. TOTAL:	4	56284777	80086023	68945771	98100994
Section 3 total amount:		90541060	128828322	94378350	134288294
TOTAL LIABILITIES AND EQUITY		181878067	258789175	184968332	263186225

Chairman of the Board _____

V.Terentjevs

Member of the Board _____

I.Segals

Member of the Board _____

L.Ptičkins

STATEMENTS OF COMPREHENSIVE INCOME

No.	Parameter designation	Enclosure Number	At the end of the report period LVL	At the end of the report period EUR	3 months 2010 LVL	3 months 2010 EUR
1	2	3	4	5	6	7
1	Net turnover	5, 6	81375145	115786400	36659585	52161890
2	Production costs of goods sold	7	-77870119	-110799197	-39629901	-56388269
3	Gross profit or loss (from turnover)		3505026	4987203	-2970316	-4226379
4	Sales costs	8	-1454611	-2069725	-2151447	-3061233
5	Administration costs	9	-1062971	-1512471	-1020121	-1451501
6	Other operating income	10	3642522	5182842	367313	522639
7	Other operating costs	11	-2573429	-3661660	-541830	-770955
8	Interest income and other similar income	12	5787	8234	6500	9249
9	Interest payments and similar expenses		-115916	-164934	-125537	-178623
10	Profit or loss before extraordinary items and taxes		1946408	2769490	-6435438	-9156803
11	Profit or loss before taxes		1946408	2769490	-6435438	-9156803
12	Other taxes		-70594	-100446	-63655	-90573
13	Reporting period profit or loss after taxes		1875814	2669043	-6499093	-9247376

The JSC "Liepājas Metalurgs" demonstrated profit at the rate of -0.11 LVL (EUR - 0.16) 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 (divide).

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 period		3 months 2010	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	66087424	94033933	36372288	51753103
Cash received from other business activities	204231	290595	243681	346727
VAT overpayment received	2638	3754	2861303	4071267
Bank interest received	5727	8149	6118	8705
Cash paid to suppliers and employees	-59882729	-85205447	-49703096	-70721134
Cash received from the core business activity	6417291	9130982	-10219706	-14541332
Interest payment	-174612	-248450	0	0
Corporate income tax payment	0	0	-132519	-188558
Other tax payments	-258594	-367946	-13500	-19209
Net cash flow from the core business activity	5984085	8514586	-10365725	-14749098
CASH FLOW FROM INVESTMENT ACTIVITIES				
Long-term credit for students of JSC "LM" and other loans	0	0	0	0
Acquisition of fixed assets and intangible assets	-766252	-1090278	-666074	-947738
Investments in or related companies	-679741	-967184	0	0
Net cash flow from investment operations	-1445993	-2057463	-666074	-947738
CASH FLOW FROM FINANCING ACTIVITIES				
Short-term borrowings in net value (credit line)	-2433811	-3463001	10981561	15625354
Repayment of loans and interests from related companies	0	0	616	876
Costs not associated with operating activities	-263341	-374700	-251464	-357801
Net cash flow from financial activities	-2697152	-3837702	10730713	15268429
Result of foreign currency exchange rate fluctuations	-172518	-245471	-31983	-45508
Net growth of cash and its equivalents	1668422	2373951	-333069	-473914
Cash and its equivalents at the beginning of accounting period	3598703	5120493	4734628	6736769
Cash and its equivalents at the end of accounting period	5267125	7494444	4401559	6262854

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 01.01.2010.	16981033	49907552	0	44524829	-12429482	0	98983932
Previous year profit put in reserves					12429482	-12429482	0
Undistributed profit of the reporting period					-6694016		-6694016
Increase of fixed capital							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-3991283					-3991283
As of 31.12.2010.	16981033	45916269	0	44524829	-6694016	-12429482	88298633
Previous year profit put in reserves					6694016	-6694016	0
Undistributed profit of the review period					1875814		1875814
Reserves distribution							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-1128791					-1128791
As of 31.03.2011.	16981033	44787478	0	44524829	1875814	-19123498	89045656

	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 01.01.2010.	24161833	71012049	0	63353124	-17685560	0	140841447
Previous year profit put in reserves					17685560	-17685560	0
Undistributed profit of the reporting period					-9524727		-9524727
Increase of fixed capital							0
Increase of revaluation reserve		0					0
Written-off revaluation reserve		-5679084					-5679084
As at 31.12.2010.	24161833	65332965	0	63353124	-9524727	0	125637636
Previous year profit put in reserves					9524727	-9524727	0
Undistributed profit of the review period					2669043		2669043
Reserves distribution							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-1606125					-1606125
As of 31.03.2011.	24161833	63726840	0	63353124	2669043	-9524727	126700554

ENCLOSURES TO STATEMENTS OF FINANCIAL POSITION

1. INVESTMENT CHANGES

Long-Term Financial Investments (LVL)

Company Name, Address, Registration Number	31.03.2011.			
	Share capital	Ownership in %	Ownership in LVL	The investment carrying value LVL
Related Companies (Subsidiaries)				
LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM) Sliežu iela 7/1, Liepāja; 40003154754	8143056	95,17	7749206	7749206
"Sports Club Liepājas metalurgs", Ltd. Brīvības iela 93, Liepāja; 40003348213	2000	95	1900	1900
"Ice-Hockey Hall "Liepājas metalurgs"", Ltd. Brīvības iela 93, Liepāja; 40003421648	2000	95	1900	1900
"Rūķis LM", Ltd. Brīvības iela 93, Liepāja; 42103038147	1316000	100	1316000	1316000
Total Investments in Related Companies, LVL			9069006	9069006
Associated Companies				
"Elme Messer Metalurgs", Ltd. Brīvības iela 93, Liepāja; 40003461570	3653136	26	952959	952959
"SMA LM Mineral", Ltd. Brīvības iela 93, Liepāja; 42103037781	26000	50	13000	13000
JSC "Sātiņi LM" Brīvības iela 93, Liepāja; 42103037207	900000	50	450000	450000
"Metalurgs & Duna", Ltd. Stūrmaņa 1, Liepāja; 42103019610	240000	50	120000	120000
Total Investments in Associated Companies, LVL			1535959	1535959

All investments in related and associated companies are recorded in the balance sheet at their acquisition value.

Long-Term Financial Investments (EUR)

Company Name, Address, Registration Number	31.03.2011.			
	Share capital	Ownership in %	Ownership in EUR	The investment carrying value EUR
Related Companies (Subsidiaries)				
JSC "Liepājas osta LM" (Liepāja's Port LM) Sliežu iela 7/1, Liepāja; 40003154754	11586525	95,17	11026127	11026127
"Sports Club Liepājas metalurgs", Ltd. Brīvības iela 93, Liepāja; 40003348213	2846	95	2703	2703
"Ice-Hockey Hall "Liepājas metalurgs"", Ltd. Brīvības iela 93, Liepāja; 40003421648	2846	95	2703	2703
"Rūķis LM", Ltd. Brīvības iela 93, Liepāja; 42103038147	1872499	100	1872499	1872499
Total Investments in Related Companies, EUR			12904033	12904033
Associated Companies				
"Elme Messer Metalurgs", Ltd. Brīvības iela 93, Liepāja; 40003461570	5197944	26	1355938	1355938
"SMA LM Mineral", Ltd. Brīvības iela 93, Liepāja; 42103037781	36995	50	18497	18497
JSC "Sātiņi LM" Brīvības iela 93, Liepāja; 42103037207	1280585	50	640292	640292
"Metalurgs & Duna", Ltd. Stūrmaņa 1, Liepāja; 42103019610	341489	50	170745	170745
Total Investments in Associated Companies, EUR			2185473	2185473

All investments in related and associated companies are recorded in the balance sheet at their acquisition value.

Long-Term Financial Investments: 3 months 2011 Movement Report, LVL

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans
Beginning value on 31.12.2010.	9069006	1015343	41260
Invested (loans provided)		520616	0
The balance on 31.03.2011.	9069006	1535959	41260

Long-Term Financial Investments: 3 months 2011 Movement Report, EUR

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans
Beginning value on 31.12.2010.	12904033	1444703	58708
Invested (loans provided)		740770	0
The balance on 31.03.2011.	12904033	2185473	58708

2. ACCOUNTS RECEIVABLE (DEBTORS)

DEBTORS	As of 31.03.2011.		As of 31.03.2010.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies debts	1520652	2163693	4160212	5919448
Incl. Debts of buyers and customers	970703	1381186	3545130	5044266
Incl. Debts of buyers with factoring activities	33711	47966	348985	496561
Incl. Debts of related companies (subsidiaries)	464700	661209	242471	345005
Incl. Debts of associated enterprises	51538	73332	23626	33617
(doubtful debtors debt)	/390266/	/555298/	/128098/	/182267/
Other debtors	552567	786232	4001717	5693930
Incl. Accrued and unpaid VAT	24166	34385	12592	17917
Incl. Advance payments	183	260	8513	12113
Incl. VAT budget overpayments	500016	711459	1992349	2834857
Incl. Debt for caused damages to the enterprise	0	0	115546	164407
Incl. Various debtors	15851	22554	15314	21790
Incl. Overpaid salaries	175	249	33	47
Incl. Advance prepayment for services	11247	16003	37803	53789
Incl. Advance prepayment for Corporate income tax	825	1174	1808600	2573406
Incl. Overpaid taxes	104	148	967	1376
Incl. Security deposit	0	0	10000	14229
Future periods payments	90487	128751	79016	112430
Incl. Press expenses	5615	7989	4955	7050
Incl. Miscellaneous	11131	15838	21867	31114
Incl. Property insurance	73741	104924	52194	74265
Total Debtors:	2163706	3078676	8240945	11725808

3. PROVISIONS

	Provisions for anticipated vacations (4318)		Provisions for doubtful debtors (4319)		Tax provisions	
	LVL	EUR	LVL	EUR	LVL	EUR
On 31.12.2010	821000	1168178	390266	555298	1048748	1492234
On 31.03.2011	821000	1168178	390266	555298	1048748	1492234

4. ACCOUNTS PAYABLE (CREDITORS)

CREDITORS	As of 31.03.2011.		As of 31.03.2010.	
	LVL	EUR	LVL	EUR
Long-term borrowings	34256283	48742299	0	0
Short-term borrowing from credit institutions (credit line)	11058996	15735534	13196551	18777000
Credit interests	0	0	0	0
Advance payments (residents)	149655	212940	73184	104131
Advance payments (non residents)	24711741	35161640	21722165	30907856
Other borrowing (factoring)	33711	47966	348986	496562
Debts to suppliers and contractors	18793014	26740050	10006532	14238012
Incl. Materials and gas	14878668	21170437	3378642	4807374
Incl. Services	2739702	3898245	776288	1104558
Incl. Scrap, various services related to scrap delivery, processing	1009220	1435991	5812159	8269957
Incl. Fixed assets	163034	231976	7923	11273
Incl. Medical department creditors	2390	3401	1804	2567
Incl. Other Creditors	0	0	29716	42282
Debts to related enterprises (subsidiaries)	396536	564220	229846	327041
Debts to associated enterprises	12	17	11636	16557
Accrued liabilities	2000	2846	0	0
Taxes and social insurance payments	565952	805277	680057	967634
Incl. State tax	547	778	574	817
Incl. Residents' Income tax	195845	278662	251793	358269
Incl. Social Security tax	364105	518075	393741	560243
Incl. Nature resources tax	5455	7762	33949	48305
Other creditors (liabilities)	573160	815533	733774	1044066
Incl. Payments for salaries	541053	769849	711388	1012214
Incl. Deductions from salaries	32107	45684	22386	31852
Total Creditors:	90541060	128828322	47002731	66878861

ENCLOSURES TO STATEMENTS OF COMPREHENSIVE INCOME

5. NET TURNOVER (REVENUE)

Product Description	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Rolled steel	80965498	115203525	36263064	51597692
Consumer goods	34045	48442	0	0
Crushed slag	41250	58693	0	0
Services	68941	98094	136197	193791
Sold steam, gCal	3937	5602	8516	12117
Medical department	226065	321662	228550	325197
Transportation services	35409	50382	23258	33093
TOTAL	81375145	115786400	36659585	52161890

6. NET TURNOVER BY GEOGRAPHIC MARKETS

Market	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
European Union countries	48986300	69701225	8392164	11940974
Other third countries	32388845	46085175	28267421	40220917
Total	81375145	115786400	36659585	52161890

7. PRODUCTION COSTS OF SOLD GOODS

Cost Description	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Materials	69814228	99336697	33593271	47798918
Salaries and wages	3551010	5052632	2428847	3455938
Social benefits deductions	840129	1195396	570504	811754
Depreciation	1477676	2102544	1370135	1949526
Other costs	2187076	3111929	1667144	2372132
Total	77870119	110799197	39629901	56388269

8. SALES COSTS

Cost Description	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Packing materials	25543	36344	26447	37631
Transportation costs	534514	760545	148295	211005
Freight	112844	160563	1285728	1829426
Port handling charges	622529	885779	561835	799419
Advertising and marketing costs	9056	12886	7851	11171
Other sales costs (insurance, storage/warehousing, depreciation, and other)	150114	213593	81529	116005
Costs related to factoring	0	0	39762	56576
Costs related to L/C	11	16	0	0
Total	1454611	2069725	2151447	3061233

9. ADMINISTRATION COSTS

Costs Description	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Salaries and social costs	623965	887822	666751	948701
Communication costs	12853	18288	20290	28870
Office supplies and office maintenance costs	214463	305153	187191	266349
Legal and auditing fees	25910	36867	9609	13672
Presentation costs	94762	134834	34040	48435
Depreciation of fixed assets	59375	84483	55162	78488
Management traveling expenses	20773	29557	25086	35694
Management training	1490	2120	2252	3204
Costs for bank account services	5368	7638	15478	22023
Costs related to stockholders	4012	5709	4262	6064
Total	1062971	1512471	1020121	1451501

10. OTHER OPERATING INCOME

Income Description	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Sale of current assets	1656711	2357287	115911	164926
Sale of fixed assets and liquidation	0 655486	0 932673	0 592	0 842
Currency exchange gain	104307	148415	0	0
Received fines	5098	7254	11332	16124
Written-off revaluation reserve of fixed assets	1128790	1606123	26131	37181
Bad debt recovery	21967	31256	0	0
Other income from operating activity	24396	34712	213347	303565
Received discounts	45767	65121	0	0
Total	3642522	5182842	367313	522639

11. OTHER OPERATING COSTS

Costs Description	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Sales costs of current assets	1464655	2084016	111000	157939
Costs related to the sale and liquidation of fixed assets	0 360	0 512	0 0	0 0
Currency exchange loss	195066	277554	0	0
Paid compensations and other benefits	14349	20417	16472	23438
Other costs	198576	282548	46090	65580
Paid fines	0	0	393	559
Costs not associated with operating activities	293710	417912	313731	446399
Costs of infrastructure maintenance	5389	7668	13557	19290
Training costs of the new staff	19638	27942	749	1066
Costs of previous period	0	0	28722	40868
Extraordinary costs (modernization)	370355	526968	0	0
Costs of auto maintenance	11331	16123	11116	15817
Total	2573429	3661660	541830	770955

12. INTEREST INCOME

Income	For 3 months of year 2011		For 3 months of year 2010	
	LVL	EUR	LVL	EUR
Income from loans to business persons	382	544	382	544
Income from bank accounts	1631	2321	88	125
Income from deposit investments	3774	5370	6030	8580
Total Interest Income	5787	8234	6500	9249