

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

Consolidated
Quarterly Report

For 9 months of the year 2012

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INFORMATION ABOUT THE COMPANY

JSC "Liepājas Metalurģs" 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 castings, commerce and mediator activity, transport services, sports and medical services.

JSC "Liepājas Metalurģs" 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 - 91.6%. Business type - stevedoring services, cargo, ship broker service, ship agency.

Ltd. "Sport Club Liepājas metalurģs"

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 metalurģs"

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

Ltd. "Liepājas naglas"

number of shares - 100%. Production of nails and wirerod

Ltd. "Rūķis LM"

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

Ltd. "LM Resurss"

number of shares - 100%. Scrap purchase.

Ltd. "LM Ressorss"

number of shares - 100%. Scrap purchase, sale.

LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM) daughter company Ltd. "Liepājas ostas celtnieks LM"

number of shares - 100% owns the LSEZ JSC "Liepājas osta LM". Construction.

Companies not included in consolidation:

JSC "Sātiņi Enerģo LM"

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

LSEZ Ltd. "Elme-Messer-Metalurģs"

number of shares - 11,3%. production of industrial gas.

Ltd. "Metalurģs and Duna"

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

Minority shareholders

Minority shareholders of the companies involved in the consolidation are:

Ltd. "Metalurģs and Duna"	50% of shares - JSC "Baltik invest Liepāja".
LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM)	8,4% of shares - physical person.
Ltd. "Sport Club Liepājas metalurģs"	5% of shares - Ltd. "Pērle LM"
Ltd. "Ice-Hockey Hall Liepājas metalurģs"	5% shares - Liepājas City Council

Basis for the Preparation of the Financial Statements Report

The Quarterly Report is prepared in accordance 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 Statement of Comprehensive income 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 Statement of Comprehensive income 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 quarterly 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 Statement of Financial position 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 Standards. As a result of this revaluation, the value increase is 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. Corresponding profit or loss caused by the true value adjustments to the Investment Properties has been reflected in the Statement of Comprehensive income.

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 Quarterly 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. Foreign currency exchange profit or loss is reflected in the proper period Statement of Comprehensive income.

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 thought to cover certain kinds of losses, liabilities and expenses, which are related to the reporting period or previous years and which values on the Statement of Financial position preparation date have either expected or already known values, however, the payment date is not known. Provisions for doubtful debtor dues are not reflected in the Statement of Financial position, but the debtors total amount in the Statement of Financial position is reduced by this amount because usually these amounts are the same.

JOINT-STOCK COMPANY "LIEPĀJAS METALURĢS" MANAGEMENT STATEMENT REGARDING THE CONSOLIDATED QUARTERLY REPORT FOR 9 MONTHS OF THE YEAR 2012.

The JSC "Liepājas Metalurģs" net turnover in the reporting period of 9 months of 2012 was LVL 253.9 million (EUR 361.3 mill.), which was by LVL 83.9 million (EUR 119.4 mill.) more than in the same period of 2011. The turnover increase is attributed to the fact that after the completion of the meltshop revamping in 2012, the rolling production was increased by 34.2% and a 58.6% cargo increase in the Port LM ("Osta LM").

The Company's profit in the reporting period was LVL 1.4 million (EUR 2 mill.), which was by LVL 1.1 million (EUR 1.6 mill.) less than in the same period of 2011. Profit decrease was associated with the sales price dropping by 1.7% compared to the same period of 2011, while prices of materials rose by 3.7%.

The following projects shall be mentioned as pivotal in the reporting period time:

- Schedule major maintenance on the tolling mills "350" and "250/350";
- Learning of the steel melting production and revamping of related infrastructures;
- LSEZ "Liepājas osta LM" (the Port) – revamping completion of pier number 50;
- New mobile crane acquisition;
- Partnering with "DAN STORE" Ltd. in financing of the 2nd round of construction of the grain terminal.
- Continuation of the trainings and competition process organization for the kids, youth, and professional football and ice-hockey teams.

In the cement products practices – a focus was made on the new client attraction and cost optimization.

A new enterprise "LM Resurss Saldus", which is the daughter company of "LM Resurss" Ltd. was registered during the reporting period. This company was found with the purpose to attract new clients and its core activity is scrap trading, storage and processing. There are further plans to register three more enterprises of such a kind.

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V.Terentjevs

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, 2012 as well as the results of its operations and cash flow for 9 months of the year 2012. 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 business activity's continuation

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V.Terentjevs

STATEMENTS OF FINANCIAL POSITION (Consolidated) for 9 months of the year 2012

ASSETS	Enclosure Number	As of 30.09.2012.		As of 30.09.2011.	
		LVL	EUR	LVL	EUR
1. LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible assets		42096	59897	5525	7861
2. Concessions, patents, licenses, trademarks and similar rights		6399	9105	30222	43002
3. Advance payments for intangible investments		0	0	0	0
4. Goodwill		0	0	16629	23661
I.TOTAL:		48495	69002	52376	74524
II. Fixed assets					
1. Land, buildings and constructions, and long-term sites		66851074	95120509	52180714	74246467
2. Long-term investments in rented fixed assets		4838731	6884894	4644578	6608639
3. Technological equipment and machinery		94446113	134384712	27997075	39836249
4. Other fixed assets and inventory		1671117	2377785	2105150	2995359
5. Fixed assets formation and costs of unfinished construction sites		5787183	8234420	71484753	101713640
6. Advance payments for fixed assets		85801	122084	255290	363245
II. TOTAL:		173680019	247124403	158667560	225763598
III. Investment properties					
Investment properties		5223837	7432850	5131395	7301317
IV. Long-term financial investments					
1. Share in the capital of related companies (subsidiaries)		5796	8247	4000	5691
2. Share in the capital of associated companies		1473551	2096674	1402559	1995662
3. Loans to the related companies (subsidiaries)		0	0	0	0
4. Loans to the associated companies		81500	115964	81500	115964
5. Other loans		670512	954053	688890	980202
IV. TOTAL:		2231359	3174938	2176949	3097519
Section 1 total amount:		181183710	257801194	166028280	236236959
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		18799928	26749888	14016041	19943030
2. Unfinished products, Work in Process		2658135	3782185	234229	333278
3. Finished products and goods for sales		23456063	33374971	52478711	74670479
4. Incompleted orders		171364	243829	223475	317976
5. Advance payments for goods		676226	962183	1815100	2582655
6. Labour animals and productive animals		110	157	110	157
I. TOTAL:		45761826	65113212	68767666	97847573
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		9175355	13055354	4485413	6382168
2. Debt of related enterprises		0	0	34562	49177
3. Debt of associated enterprises		773327	1100345	43593	62027
4. Other debtors (accounts receivable)		1552192	2208570	1410049	2006319
5. Short-term loans to co-owners and management of the company		7347	10454	0	0
6. Prepaid expenses		80959	115194	105776	150506
7. Accrued income		2500	3557	79303	112838
II.TOTAL:	1	11591680	16493475	6158696	8763035
III. Short-term financial investments		0	0	0	0
III. TOTAL:		0	0	0	0
IV. Cash		1478933	2104332	2872363	4087004
IV. TOTAL:		1478933	2104332	2872363	4087004
Section 2 total amount		58832439	83711019	77798725	110697613
TOTAL ASSETS		240016149	341512213	243827005	346934572

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	As of 30.09.2012.		As of 30.09.2011.	
		LVL	EUR	LVL	EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		38183096	54329651	43942632	62524732
3. Reserves: a) reserves stipulated by law		0	0	0	0
3. Reserves: b) other reserves		44524829	63353124	44524829	63353124
3. TOTAL:		44524829	63353124	44524829	63353124
4. Retained earnings: a) undistributed profit from the previous years		-15425383	-21948343	-19285004	-27440089
4. Retained earnings: b) undistributed profit of the reporting year		1739725	2475406	2636126	3750869
4. Retained earnings: c) Minority shareholders		-321075	-456849	-124304	-176869
4. Retained earnings: b+c undistributed profit of the reporting year		1418650	2018557	2511822	3574001
Section 1 total amount:		85682225	121914823	88675312	126173602
Minority shareholders		514050	731427	544809	775193
2. PROVISIONS					
1. Provisions for anticipated taxes		1625772	2313265	1659283	2360947
2. Other provisions		927816	1320163	937491	1333930
Section 2 total amount:		2553588	3633428	2596774	3694877
3. LIABILITIES (Accounts payable)					
I. Long-term Creditors (Accounts payable)					
1. Loans from credit institutions		54032466	76881273	56974460	81067353
2. Other loans		0	0	2306469	3281810
3. Debts to suppliers and contractors		6416385	9129693	0	0
4. Other liabilities		15146	21551	175146	249210
I. TOTAL:		60463997	86032517	59456075	84598373
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		25388885	36125129	18231693	25941362
2. Other loans		946025	1346072	766163	1090152
3. Advance payments received from customers		28668268	40791270	38650080	54994109
4. Suppliers and contractors trade account payable		32496087	46237766	32967920	46909124
5. Accrued liabilities (payable bills of exchange)		182414	259552	82771	117773
6. Payable (debt) to related companies		0	0	167812	238775
7. Payable (debt) to associated companies		876516	1247170	242067	344430
8. Taxes and state social insurance payments		1218431	1733671	728671	1036805
9. Other liabilities		1025663	1459387	716858	1019997
10. Deferred income		0	0	0	0
II. TOTAL:		90802289	129200017	92554035	131692527
Section 3 total amount:	2	151266286	215232534	152010110	216290900
TOTAL LIABILITIES AND EQUITY		240016149	341512213	243827005	346934572

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V.Terentjevs

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated) for 9 months of the year 2012

No.	Parameter designation	Enclosure Number	As of 30.09.2012.		As of 30.09.2011.	
			LVL	EUR	LVL	EUR
1	Net turnover	3, 4	253933377	361314644	170044981	241952210
2	Production costs of goods sold	5	-239284474	-340471133	-157003186	-223395408
3	Gross profit or loss (from turnover)		14648903	20843511	13041795	18556802
4	Sales costs	6	-7417843	-10554640	-7518295	-10697570
5	Administration costs	7	-5055412	-7193203	-4188954	-5960345
6	Other operating income	8	4609483	6558703	7578435	10783142
7	Other operating costs	9	-3921461	-5579736	-5568352	-7923051
8	Interest income and other similar income		1935	2753	36411	51808
9	Interest payments and similar expenses		-1211926	-1724415	-642762	-914568
10	Profit or loss before extraordinary items and taxes		1653679	2352973	2738278	3896219
11	Income tax for the reporting period		-280	-398	0	0
12	Deferred tax		0	0	0	0
13	Other taxes		-234749	-334018	-226456	-322218
14	Profit or loss after taxes for the reporting period		1418650	2018557	2511822	3574001

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

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V.Terentjevs

CASH FLOW STATEMENT (by direct method) (Consolidated) for 9 Months of the year 2012

	As of 30.09.2012.		As of 30.09.2011.	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	213809531	304223555	169235971	240801092
Cash received from other business activities	823042	1171083	26100804	37138098
VAT overpayment received	2329738	3314919	1295329	1843087
Cash paid to suppliers and employees	-249635812	-355199760	-165210318	-235073104
Cash received from the core business activity	-32673501	-46490204	31421786	44709174
Received interests from the core business activity	2214	3150	-694463	-988132
Received interest	-1210283	-1722078	34941	49717
Corporate income tax payments	-22175	-31552	-53541	-76182
Other tax payments	-1861602	-2648821	-2110337	-3002739
Net cash flow from the core business activity	-35765347	-50889504	28598386	40691837
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of fixed assets	-4200881	-5977315	-8036774	-11435299
Sale of fixed assets and intangible assets	21567	30687	32076	45640
Investments in associated and related companies	-74592	-106135	-522616	-743616
Other loans granted	0	0	-3000	-4269
Net cash flow from investment operations	-4253906	-6052763	-8530314	-12137543
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings, net value (credit line) net worth	45230050	64356563	-21114048	-30042584
Long term borrowings	444428	632364	1037567	1476325
Paid liabilities for financial leasing	-844457	-1201554	-463133	-658979
Loans to associated companies	0	0	-81500	-115964
Repayment of loans	-714768	-1017023	0	0
Long term loan repayments	-4457254	-6342101	-335377	-477198
Costs not associated with operating activities	-49283	-70123	-64981	-92460
Other funding and grants received	284858	405316	310848	442297
Net cash flow from financing activities	39893574	56763442	-20710624	-29468563
Result of foreign currency exchange rate fluctuations	-142530	-202802	-443449	-630971
Net growth of cash and its equivalents	-268209	-381627	-1086001	-1545240
Cash and its equivalents at the beginning of accounting period	1747142	2485959	3958364	5632245
Cash and its equivalents at the end of accounting period	1478933	2104332	2872363	4087004

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, LVL

	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
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 01.01.2011.	16981033	45988653	0	44524829	-6977235	-12290462	88226818
Profit in reserves					6977235	-6977235	0
Undistributed profit of the reporting period					3886052		3886052
Minority shareholders						-73520	-73520
Increase of revaluation reserve							0
Written-off revaluation reserve		-5513804					-5513804
As of 31.12.2011.	16981033	40474849	0	44524829	3886052	-19341217	86525546
Profit in reserves					-3886052	3886052	0
Undistributed profit of the review period					1418650		1418650
Minority shareholders						29782	29782
Increase of revaluation reserve							0
Written-off revaluation reserve		-2291753					-2291753
As of 30.09.2012.	16981033	38183096	0	44524829	1418650	-15425383	85682225

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, EUR

	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 01.01.2011.	24161833	65435958	0	63353124	-9927711	-17487752	125535452
Profit in reserves					9927711	-9927711	0
Undistributed profit of the reporting period					5529354		5529354
Minority shareholders						-104610	-104610
Increase of revaluation reserve		0					0
Written-off revaluation reserve		-7845436					-7845436
As of 31.12.2011.	24161833.2	57590522	0	63353124	5529354	-27520072	123114760
Profit in reserves					-5529354	5529354	0
Undistributed profit of the review period					2018557		2018557
Minority shareholders						42376	42376
Increase of revaluation reserve							0
Written-off revaluation reserve		-3260871					-3260871
As of 30.09.2012.	24161833.2	54329651	0	63353124	2018557	-21948343	121914823

ENCLOSURES TO THE 9 MONTH QUARTERLY REPORT

(Consolidated)

ENCLOSURES TO FINANCIAL POSITION

1. Accounts Receivables (Debtors)

Accounts Receivable	As of 30.09.2012.		As of 30.09.2011.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies' debts	9948682	14155699	4563568	6493372
Incl. Debts of buyers and customers	9175355	13055354	4485413	6382168
Incl. Debts of related enterprises (subsidiaries)	0	0	34562	49177
Incl. Debts of associated enterprises (Doubtful debtors debt)	773327 /293520/	1100345 /417641/	43593 /382849/	62027 /556451/
Other debtors	1552192	2208570	1410049	2006319
Incl. Provision for VAT and unpaid VAT	14861	21145	52900	75270
Incl. Advance payments	15838	22535	13017	18522
Incl. VAT budget overpayments	1217965	1733008	1197091	1703307
Incl. Debt for caused damages to the enterprise	173	246	0	0
Incl. Various debtors	156360	222480	68656	97689
Incl. Overpaid salaries	4	6	202	287
Incl. Advance payments for services	8538	12148	30587	43521
Incl. Advance prepayment for Corporate income tax	32034	45580	36470	51892
Incl. Other overpaid taxes	655	932	10679	15195
Incl. Security amounts in auction	105764	150489	447	636
Short-term loans to employees	7347	10454	0	0
Accrued income	2500	3557	79303	112838
Future periods payments	80959	115194	105776	150506
Incl. Press expenses	3392	4826	3434	4886
Incl. Various	4988	7097	15201	21629
Incl. Property insurance	72304	102879	71085	101145
Incl. Payment for ship freightage services	0	0	15967	22719
Incl. Publicity and Advertisement	275	391	89	127
Total Debtors:	11591680	16493475	6158696	8763035

2. Accounts Payable (Creditors)

CREDITORS	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Long- term creditors (credit institutions)	54032466	76881273	56974460	81067353
Other long-term borrowings	6290611	8950733	2306469	3281810
Other creditors	140920	200511	175146	249210
Short-term borrowings from credit institutions	25388885	36125129	18231693	25941362
Short-term debt from leasing	827520	1177455	766163	1090152
Advance payments (from residents)	597121	849627	1459406	2076548
Advance payments (from non-residents)	28071147	39941644	37190674	52917562
Other borrowings (factoring)	118505	168617	0	0
Other borrowings	0	0	0	0
Debts to suppliers and contractors	32496087	46237766	32967920	46909124
Incl. Materials and gas	16512090	23494587	19159273	27261189
Incl. Services	6368658	9061784	8236531	11719528
Incl. Scrap, various services related to scrap delivery, processing	8870754	12621946	5188168	7382098
Incl. Fixed assets	407753	580180	380276	541084
Incl. Medical department creditors	2384	3392	1151	1638
Incl. Other Creditors	334448	475877	2521	3587
Debts to related enterprises (subsidiaries)	0	0	167812	238775
Debts to associated enterprises	876516	1247170	242067	344430
Accrued liabilities	182414	259552	82771	117773
Taxes and social security insurance payments	1218431	1733671	728671	1036805
Incl. Value added tax	88538	125978	16737	23815
Incl. State tax	697	992	689	980
Incl. Residents' Income tax	395750	563102	247512	352178
Incl. Real estate tax	0	0	402	572
Incl. Social Security tax	701203	997722	451712	642728
Incl. Packing tax	0	0	0	0
Incl. Autotransportation (car) tax	210	299	0	0
Incl. Nature resources tax	13411	19082	11619	16532
Incl. Enterprise's Income tax	18622	26497	0	0
Other creditors (liabilities)	1025663	1459387	716858	1019997
Incl. Payments for salaries	921362	1310980	681850	970185
Incl. Deductions from salaries	42143	59964	33766	48045
Incl. Debt to accountable persons	62137	88413	1242	1767
Incl. Debt to accountable persons	21	30	0	0
Total Creditors:	151266286	215232534	152010110	216290900

ENCLOSURES TO STATEMENTS OF COMPREHENSIVE INCOME

3. Net turnover (revenue) by products

Product Description	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Rolled steel	223663927	318245097	158076026	224921921
Castings	202313	287865	172280	245132
Billet	16286291	23173304	0	0
Wire	453659	645499	781	1111
Nails	579971	0	0	0
Slag	11890	16918	564729	803537
Services	152907	217567	324264	461386
Building services	304794	433683	0	0
Sold steam, gCal	5365	7634	4961	7059
Compressed Air	2818	4010	0	0
Medical department	652774	928814	647745	921658
Transportation services	15211	21643	5738	8164
Stevedoring services	4403666	6265852	3863015	5496575
Broker services	2545080	3621323	2023484	2879158
Freightage services	22240	31645	1237	1760
Forwarder and other services	3349726	4766231	3622047	5153709
Sports	288117	409954	266207	378778
Publicity and Advertisement	13618	19377	57435	81723
Beton (concrete) wares	762485	1084918	413548	588426
Other	120744	171803	1484	2112
Scrap sale	18403	26185	0	0
Electric energy	77378	110099	0	0
TOTAL	253933377	361314644	170044981	241952210

4. Net turnover by geographic markets

Market	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
European Union countries	136443115	194141062	134795313	191796451
Other third countries	117490262	167173582	35249668	50155759
Total	253933377	361314644	170044981	241952210

5. Production costs of sold goods

Cost Description	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Materials	194861851	277263435	135086154	192210281
Salaries and wages	12572309	17888784	8707938	12390280
Social benefits deduction	2989239	4253304	2053705	2922159
Depreciation	6355854	9043565	3719595	5292507
Other costs	22504547	32021086	7385574	10508725
Write-off of nonmaterial values	674	959	50220	71457
Total	239284474	340471133	157003186	223395408

6. Sales expenses

Cost Description	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Packing materials	87263	124164	33034	47003
Transportation costs	2259644	3215184	1719750	2446984
Freight	0	0	71165	101259
Port handling charges	278443	396189	694668	988424
Advertising and marketing costs	43352	61684	41823	59509
Other sales costs	195828	278638	341989	486607
Costs related to sport events	357333	508439	467900	665762
Logistics services costs	4075282	5798604	4136568	5885806
Costs related to L/C and factoring transactions	120698	171738	11398	16218
Total	7417843	10554640	7518295	10697570

7. Administration expenses

Cost Description	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Salaries and social costs	3460786	4924255	2722288	3873467
Communication costs	71831	102206	63978	91032
Office supplies and office maintenance costs	851922	1212176	712381	1013627
Legal and auditing fees	120463	171403	103346	147048
Presentation costs	186067	264749	251396	357704
Depreciation of fixed assets	174572	248394	170508	242611
Traveling expenses	78457	111634	77483	110248
Management training	6743	9594	5791	8240
Costs of bank account services	90399	128626	66493	94611
Costs related to stockholders	14172	20165	15290	21756
Total	5055412	7193203	4188954	5960345

8. Other operating income

Income Description	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Sale of current assets	934226	1329284	2391657	3403021
Intermediary services	1273837	1812507	0	0
Liquidation of fixed assets and sale	97486 3041	138710 4327	937572 1688867	1334045 2403041
Rent of fixed assets	5800	8253	0	0
Written-off revaluation reserve of fixed assets	28753	40912	2046020	2911224
Received fine payments	360739	513285	15926	22661
Received discounts	0	0	45767	65121
Bad debt recovery	121234	172500	0	0
Other income from operating activity	1520099	2162906	254548	362189
Dotation (allowance)	264268	376019	189850	270132
Income due to a decrease in provisions	0	0	8228	11707
Total	4609483	6558703	7578435	10783142

9. Other operating costs

Cost Description	As of 30.09.2012		As of 30.09.2011	
	LVL	EUR	LVL	EUR
Sales costs of current assets	1247971	1775703	2377807	3383315
Costs of intermediary services	1296287	1844450	0	0
Costs related to the sale and and liquidation of fixed assets	87915 31107	125092 44261	683646 185417	972741 263825
Currency exchange loss	292007	415489	341337	485679
Reserve on the doubtful debtors	4333	6165	0	0
Bad debt write-off	0	0	4129	5875
Compensation for damage and other allowances	62407	88797	50272	71531
Other costs	531483	756232	769296	1094610
Paid fines	43280	61582	3549	5050
Costs not related to the operating activities	234557	333745	199341	283637
Costs of infrastructure maintenance	12578	17897	15504	22060
Training of new employees	42838	60953	22662	32245
Costs of previous period	1133	1612	18547	26390
Extraordinary costs (modernisation)	0	0	861718	1226114
Costs of representative auto maintenance	33565	47759	35127	49981
Total	3921461	5579736	5568352	7923051