

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

Consolidated
Quarterly Report

For 3 months of the year 2013
(01.01.2013. - 31.03.2013.)

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INFORMATION ON THE PARENT 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,
August 7, 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. Accounting period: 1. quarter of 2013
9. Director: Leons Ptičkins
Managing Director
10. Information on the major stockholders: The biggest stockholders are:
Sergejs Zaharjins
Proportion (%) of stocks (shares) 49%
Ilja Segals
Proportion (%) of stocks (shares) 21%
Kirovs Lipmans
Proportion (%) of stocks (shares) 23%
11. Council / Supervisory Board: Sergejs Zaharjins
Aleksejs Zaharjins
Kirovs Lipmans
Māris Pomerancis
Guntis Vilmītis
Andris Deniņš
12. Members of the Board: Valērijs Terentjevs
Ilja Segals
Leons Ptičkins
13. The name of the bank, code, operating
account number: AS SEB banka, UNLALV2X
LV96UNLA 0012002467028
14. Chief Accountant: Ligita Bērzupe
15. Average number of employees: 2319

**JOINT-STOCK COMPANY "LIEPĀJAS METALURĢS" MANAGEMENT
STATEMENT REGARDING THE CONSOLIDATED QUARTERLY
REPORT FOR 3 MONTHS OF THE YEAR 2013.**

The Joint-Stock Company Liepājas Metalurģs 2013 Q1 consolidated net turnover is 78.3 mio. LVL (EUR 111.4 mio.), which is 115. Mio. LVL (EUR 16.4 mio.) greater than in 2012 Q1.

Operating activities of the Company produced a 10.1 mio. LVL (EUR 14.4 mio.) loss, compared to a 521 688 LVL (EUR 742 295) profit in Q1 2012.

The amount of net increase and decrease was dictated by the following conditions:

- overall crisis in the steel industry in Europe and world-wide;
- shortage of working capital at the JSC Liepājas Metalurģs;
- during the reporting period the JSC Liepājas Metalurģs sold by 32 734 ton rebar more than it produced during the reporting period.

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V.Terentjevs

STATEMENTS OF FINANCIAL POSITION (Consolidated) for 3 months of the year 2013

ASSETS	Enclosure Number	As of 31.03.2013		As of 31.03.2012	
		LVL	EUR	LVL	EUR
1. LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible assets		12911	18371	23904	34012
2. Concessions, patents, licenses, trademarks and similar rights		40665	57861	6463	9196
3. Advance payments for intangible investments		0	0	1595	2269
4. Goodwill		0	0	0	0
I.TOTAL:		53576	76232	31962	45478
II. Fixed assets					
1. Land, buildings and constructions, and long-term sites		66498191	94618401	52833026	75174623
2. Long-term investments in rented fixed assets		4666410	6639703	4658205	6628029
3. Technological equipment and machinery		94682089	134720475	28149177	40052670
4. Other fixed assets and inventory		1565932	2228121	2066724	2940683
5. Fixed assets formation and costs of unfinished construction sites		1867758	2657580	75257521	107081805
6. Advance payments for fixed assets		24541	34919	1013855	1442586
II. TOTAL:		169304921	240899199	163978508	233320397
III. Investment properties					
Investment properties		5094484	7248798	5024000	7148508
IV. Long-term financial investments					
1. Share in the capital of related companies (subsidiaries)		61638	87703	0	0
2. Share in the capital of associated companies		92339	131387	1522959	2166975
3. Loans to the related companies (subsidiaries)		1473551	2096674	81500	115964
4. Loans to the associated companies		85168	121183	0	0
5. Other loans		734379	1044927	671452	955390
IV. TOTAL:		2447075	3481874	2275911	3238330
Section 1 total amount:		176900056	251706103	171310381	243752712
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		12589443	17913164	12939218	18410849
2. Unfinished products, Work in Process		573846	816509	3057214	4350024
3. Finished products and goods for sales		7304243	10393001	54951268	78188610
4. Incompleted orders		253324	360448	154774	220224
5. Advance payments for goods		1041075	1481316	638415	908383
6. Labour animals and productive animals		110	157	110	157
I. TOTAL:		21762041	30964595	71740999	102078245
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		3785233	5385901	7555344	10750286
2. Debt of related enterprises		174416	248172	0	0
3. Debt of associated enterprises		184296	262230	85283	121347
4. Other debtors (accounts receivable)		976983	1390122	1517401	2159067
5. Short-term loans to co-owners and management of the company		9267	13186	5675	8075
6. Prepaid expenses		206563	293913	71535	101785
II.TOTAL:	1	5336758	7593523	9235238	13140560
III. Short-term financial investments		0	0	0	0
III. TOTAL:		0	0	0	0
IV. Cash		831969	1183785	630572	897223
IV. TOTAL:		831969	1183785	630572	897223
Section 2 total amount		27930768	39741902	81606809	116116028
TOTAL ASSETS		204830824	291448005	252917190	359868740

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	As of 31.03.2013		As of 31.03.2012	
		LVL	EUR	LVL	EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		31294280	44527749	34339892	48861264
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		-25240768	-35914377	-15382240	-21886956
4. Retained earnings: b) undistributed profit of the reporting year		-10098588	-14368996	521688	742295
Section 1 total amount:		57460786	81759333	80985202	115231561
Minority shareholders		514050	731427	394050	560683
2. PROVISIONS					
1. Other provisions		975760	1388381	932333	1326590
Section 2 total amount:		975760	1388381	932333	1326590
3. LIABILITIES (Accounts payable)					
I. Long-term Creditors (Accounts payable)					
1. Loans from credit institutions		45441788	64657839	51019828	72594675
2. Other loans		2310158	3287059	2737660	3895339
3. Other liabilities		95786	136291	135146	192295
4. Deferred tax from revaluation reserve		5509746	7839662	6059981	8622576
5. Debts to suppliers and contractors		2989023	4252997	0	0
6. Provisions for anticipated taxes		322695	459154	1625772	2313265
I. TOTAL:		56669196	80633002	61578387	87618151
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		33093413	47087684	32322988	45991468
2. Other loans		2559001	3641130	3017555	4293594
3. Advance payments received from customers		12596159	17922720	29287006	41671655
4. Suppliers and contractors trade account payable		35980478	51195608	41325160	58800405
5. Accrued liabilities (payable bills of exchange)		2384443	3392757	117244	166823
6. Payable (debt) to related companies		12089	17201	0	0
7. Payable (debt) to associated companies		600486	854415	840378	1195750
8. Taxes and state social insurance payments		1103935	1570758	1150543	1637075
9. Other liabilities		881028	1253590	966344	1374984
10. Deferred income		0	0	0	0
II. TOTAL:		89211032	126935863	109027218	155131755
Section 3 total amount:	2	145880228	207568864	170605605	242749906
TOTAL LIABILITIES AND EQUITY		204830824	291448005	252917190	359868740

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____

V.Terentjevs

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated) for 3 months of the year 2013

No.	Parameter designation	Enclosure Number	As of 31.03.2013		As of 31.03.2012	
			LVL	EUR	LVL	EUR
1	Net turnover	3, 4	78300060	111410948	66777658	95016047
2	Production costs of goods sold	5	-84822353	-120691335	-62311361	-88661079
3	Gross profit or loss (from turnover)		-6522293	-9280387	4466297	6354968
4	Sales costs	6	-1030005	-1465565	-3200268	-4553571
5	Administration costs	7	-1607012	-2286572	-1635130	-2326580
6	Other operating income	8	1291833	1838113	2281698	3246564
7	Other operating costs	9	-1819319	-2588658	-1064304	-1514368
8	Interest income and other similar income		13	18	737	1049
9	Interest payments and similar expenses		-337693	-480494	-250606	-356580
10	Profit or loss before extraordinary items and taxes		-10024476	-14263544	598424	851481
11	Other taxes		-74112	-105452	-76736	-109185
12	Profit or loss after taxes for the reporting period		-10098588	-14368996	521688	742295

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 3 Months of the year 2013

	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	64334917	91540340	70127780	99782841
Cash received from other business activities	143123	203646	250837	356909
VAT overpayment received	701467	998098	740162	1053156
Cash paid to suppliers and employees	-63847456	-90846745	-71149553	-101236693
Cash received from the core business activity	1332051	1895338	-30774	-43787
Received interests from the core business activity	13	18	909	1293
Paid interests	-458922	-652987	-372231	-529637
Corporate income tax payments	-7490	-10657	-15970	-22723
Other tax payments	-775258	-1103093	-546260	-777258
Other payments	-9804	-13950	0	0
Net cash flow from the core business activity	80590	114669	-964326	-1372112
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of fixed assets	-269286	-383159	-932862	-1327343
Sale of fixed assets and intangible assets	2323	3305	1027	1461
Net cash flow from investment operations	-266963	-379854	-931835	-1325882
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings, net value (credit line) net worth	289721	412236	1216821	1731380
Long term borrowings	202262	287793	235000	334375
Paid liabilities for financial leasing	-319617	-454774	-196346	-279375
Loan repayments	-182066	-259057	0	0
Long term loan repayments	-173737	-247205	-434716	-618545
Costs not associated with operating activities	-7247	-10312	-17536	-24951
Other funding and grants received	127137	180900	74924	106607
Net cash flow from financing activities	-63547	-90419	878147	1249491
Result of foreign currency exchange rate fluctuations	-76144	-108343	-63197	-89921
Net growth of cash and its equivalents	-326064	-463947	-1081211	-1538425
Cash and its equivalents at the beginning of accounting period	1158033	1647733	1711783	2435648
Cash and its equivalents at the end of accounting period	831969	1183785	630572	897223

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 - 95.2%. 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. "Metalurģs and Duna"

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

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. "Liepājas naglas"

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

OU "LM Ressurss", in Estonia

number of shares - 100%. Scrap purchase.

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.

OOO "Torgovij dom Liepajskij metalurģ", in Belarus

number of shares - 90%. Wholesale.

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)	4.8% 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
OOO "Torgovij dom Liepajskij metalurģ", in Belarus	10% shares - physical person.

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 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 periods 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.

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 31.12.2011.	16981033	34403622	0	44524829	3829967	-19267697	80471754
Profit in reserves					-3829967	3829967	0
Undistributed profit of the reporting period					-10355331		-10355331
Minority shareholders							0
Revaluation reserve in deferred tax		550568					550568
Increase of revaluation reserve							0
Written-off revaluation reserve		-3670456					-3670456
As of 31.12.2012.	16981033	31283734	0	44524829	-10355331	-15437730	66996535
Profit in reserves					10355331	-9803038	552293
Undistributed profit of the review period					-10098588		-10098588
Minority shareholders							0
Revaluation reserve in deferred tax		10912					10912
Increase of revaluation reserve							0
Written-off revaluation reserve		-366					-366
As of 31.03.2013.	16981033	31294280	0	44524829	-10098588	-25240768	57460786

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 31.12.2011.	24161833	48951944	0	63353124	5449552	-27415463	114500990
Profit in reserves					-5449552	5449552	0
Undistributed profit of the reporting period					-14734309		-14734309
Minority shareholders						0	0
Revaluation reserve in deferred tax		783388					783387.687
Increase of revaluation reserve							0
Written-off revaluation reserve		-5222588					-5222588
As of 31.12.2012.	24161833.2	44512743	0	63353124	-14734309	-21965911	95327481.1
Profit in reserves					14734309	-13948466	785842
Undistributed profit of the review period					-14368996		-14368996
Minority shareholders						0	0
Revaluation reserve in deferred tax		15526					15526.3772
Increase of revaluation reserve							0
Written-off revaluation reserve		-521					-521
As of 31.03.2013.	24161833.2	44527749	0	63353124	-14368996	-35914377	81759333

ENCLOSURES TO THE 3 MONTH QUARTERLY REPORT

(Consolidated)

ENCLOSURES TO FINANCIAL POSITION

1. Accounts Receivables (Debtors)

Accounts Receivable	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Customers and affiliated companies' debts	4143945	5896303	7640627	10871633
Incl. Debts of buyers and customers	2484158	3534638	5439019	7739027
Incl. Debts of buyers with factoring activities	1301075	1851263	2116325	3011259
Incl. Debts of related enterprises (subsidiaries)	174416	248172	0	0
Incl. Debts of associated enterprises	184296	262230	85283	121347
(Doubtful debtors debt)	/2408087/	/3426399/	/423435/	/556451/
Other debtors	976983	1390122	1517401	2159067
Incl. Provision for VAT and unpaid VAT	9358	13315	42080	59874
Incl. Advance payments	4460	6346	6564	9340
Incl. VAT budget overpayments	757998	1078534	1190952	1694572
Incl. Various debtors	157005	223398	138007	196366
Incl. Overpaid salaries	0	0	2401	3416
Incl. Advance payments for services	30444	43318	33571	47767
Incl. Advance prepayment for Corporate income tax	15949	22693	74826	106468
Incl. Other overpaid taxes	251	357	211	300
Incl. Security amounts in auction	1518	2160	28789	40963
Short-term loans to employees	9267	13186	6575	9355
Future periods payments	206563	293913	71535	101785
Incl. Press expenses	4458	6343	5516	7849
Incl. Various	131738	187446	5535	7876
Incl. Property insurance	69906	99467	59325	84412
Incl. Payment for ship freightage services	0	0	738	1050
Incl. Publicity and Advertisement	461	656	421	599
Total Debtors:	5336758	7593523	9236138	13141840

2. Accounts Payable (Creditors)

CREDITORS	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Long- term creditors (credit institutions)	45441788	64657839	51019828	72594675
Long-term debt to suppliers and contractors	2989023	4252997	0	0
Prvisions for deferred tax	322695	459154	1625772	2313265
Deferred tax from revaluation reserve	5509746	7839662	6059981	8622576
Other long-term borrowings (leasing)	2310158	3287059	2730646	3885359
Other creditors	95786	136291	142160	202275
Short-term borrowings from credit institutions	24014723	34169872	10051887	14302547
Interests for borrowings	464483	660900	0	0
Short-term borrowings from credit institutions (UniCredit)	8614207	12256912	22178385	31556999
Short-term debt from leasing	1001293	1424712	827520	1177455
Advance payments (from residents)	431378	613796	2762959	3931336
Advance payments (from non-residents)	12164782	17308925	26524046	37740317
Other borrowings (factoring)	1517350	2158995	2242751	3191147
Other borrowings	40358	57424	40000	56915
Debts to suppliers and contractors	35980477	51195606	41325395	58800740
Incl. Materials and gas	8753069	12454495	19071671	27136543
Incl. Services	12679977	18041982	9667442	13755531
Incl. Scrap, various services related to scrap delivery, processing	14151671	20136014	12192556	17348444
Incl. Fixed assets	391585	557175	182874	260206
Incl. Medical department creditors	3300	4695	3237	4606
Incl. Other Creditors	875	1245	207615	295410
Debts to related enterprises (subsidiaries)	12089	17201	0	0
Debts to associated enterprises	600486	854415	840378	1195750
Accrued liabilities	2384443	3392757	117244	166823
Taxes and social security insurance payments	1103935	1570758	1150543	1637075
Incl. Value added tax	954	1357	29452	41906
Incl. State tax	727	1034	722	1027
Incl. Residents' Income tax	341614	486073	386121	549401
Incl. Real estate tax	0	0	3362	4784
Incl. Social Security tax	725890	1032848	675593	961282
Incl. Payments for non-residents	568	808	0	0
Incl. Nature resources tax	18864	26841	26394	37555
Incl. Enterprise's Income tax	15318	21796	28899	41120
Other creditors (liabilities)	881028	1253590	966110	1374651
Incl. Payments for salaries	838214	1192671	888537	1264274
Incl. Deductions from salaries	35479	50482	35779	50909
Incl. Debt to accountable persons	1207	1717	16794	23896
Incl. Other creditors	6128	8719	25000	35572
Total Creditors:	145880228	207568864	170605605	242749906

ENCLOSURES TO STATEMENTS OF COMPREHENSIVE INCOME

3. Net turnover (revenue) by products

Product Description	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Rolled steel	66269415	94292883	60518543	86110129
Castings	55628	79152	44412	63193
Billet	9677609	13769997	959681	1365503
Wire	188172	267745	145725	207348
Nails	180958	257480	165641	235686
Slag	0	0	1204	1713
Services	20850	29667	22398	31869
Building services	608	865	0	0
Sold steam, gCal	4675	6652	4546	6468
Compressed Air	2995	4262	0	0
Medical department	238707	339649	224439	319348
Transportation services	622	885	753	1071
Stevedoring services	545531	776221	1728418	2459317
Broker services	551448	784640	746315	1061911
Freightage services	59339	84432	20809	29609
Forwarder and other services	290194	412909	1048328	1491636
Sports	78440	111610	92241	131247
Publicity and Advertisement	4988	7097	3514	5000
Beton (concrete) wares	7095	10095	19975	28422
Slag and waste processing	6472	9209	0	0
Other	78408	111565	31000	44109
Scrap sale	19538	27800	999716	1422468
Electric energy	18368	26135	0	0
TOTAL	78300060	111410948	66777658	95016047

4. Net turnover by geographic markets

Market	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Latvia	3002849	4272669	5643133	8029455
European Union countries	24320842	34605440	49714583	70737479
Other third countries	50976369	72532838	11419942	16249114
Total	78300060	111410948	66777658	95016047

5. Production costs of sold goods

Cost Description	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Materials	68455288	97403100	49697675	70713421
Salaries and wages	4763561	6777937	3119863	4439165
Social benefits deduction	1127975	1604964	737850	1049866
Depreciation	3190610	4539829	1375110	1956605
Other costs	7284650	10365123	7380673	10501752
Write-off of nonmaterial values	269	383	190	270
Total	84822353	120691335	62311361	88661079

6. Sales expenses

Cost Description	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Packing materials	47389	67428	15805	22488
Transportation costs	374257	532520	1270027	1807086
Freight	0	0	156622	222853
Port handling charges	0	0	453896	645836
Advertising and marketing costs	15382	21887	10333	14703
Other sales costs	105543	150174	47480	67558
Logistics services costs	384503	547098	1233597	1755250
Costs related to L/C and factoring transactions	102931	146458	12508	17797
Total	1030005	1465565	3200268	4553571

7. Administration expenses

Cost Description	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Salaries and social costs	1126040	1602211	1065230	1515686
Communication costs	20403	29031	24265	34526
Office supplies and office maintenance costs	289745	412270	319136	454090
Legal and auditing fees	55059	78342	27145	38624
Presentation costs	33503	47670	42321	60217
Depreciation of fixed assets	44138	62803	61244	87142
Traveling expenses	9270	13190	25440	36198
Management training	0	0	194	276
Costs of bank account services	25267	35952	66238	94248
Costs related to stockholders	3587	5104	3917	5573
Total	1607012	2286572	1635130	2326580

8. Other operating income

Income Description	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Sale of current assets	203247	289194	336501	478798
Intermediary services	653782	930248	291112	414215
Liquidation of fixed assets	8935	12713	6918	9843
Sale of fixed assets	0	0	11434	16269
Rent of fixed assets	17671	25144	3218	4579
Written-off revaluation reserve of fixed assets	366	521	2591	3687
Currency exchange income	88227	125536	92180	131160
Received fine payments	7783	11074	2530	3600
Other income from operating activity	4579	6515	1461693	2079802
Dotation (allowance)	307243	437167	73521	104611
Total	1291833	1838113	2281698	3246564

9. Other operating costs

Cost Description	As of 31.03.2013		As of 31.03.2012	
	LVL	EUR	LVL	EUR
Sales costs of current assets	469442	667956	320791	456444
Costs related to intermediary services	647662	921540	290882	413888
Costs related to the sale and and liquidation of fixed assets	8334 9211	11858 13106	86847 4374	123572 6224
Compensation for damage and other allowances	11711	16663	17448	24826
Other costs	227494	323695	255050	362903
Paid fines	15776	22447	1186	1688
Costs not related to the operating activities	414007	589079	65277	92881
Costs of infrastructure maintenance	3397	4833	5063	7204
Training of new employees	2249	3200	5708	8122
Costs of representative auto maintenance	10036	14280	11678	16616
Total	1819319	2588658	1064304	1514368