

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

Financial Report
(non-audited)

For 6 months of the year 2013

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INFORMATION ON 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. Accounting period: 2013, 6 months
9. Director: Leons Ptičkins
Managing Director
10. Information on the major stockholders: The biggest stockholders are:
Sergejs Zaharjins
Proportion (%) of stocks (shares) 49.00%
Ilja Segals
Proportion (%) of stocks (shares) 21.03%
Kirovs Lipmans
Proportion (%) of stocks (shares) 23.47%
11. Council: Sergejs Zaharjins
Aleksejs Zaharjins
Kirovs Lipmans
Māris Pomerancis
Guntis Vilnītis
Andris Deniņš
12. Members of the Board: Valērijs Terentjevs
Ilja Segals
Leons Ptičkins
13. The name of the bank, code, operating
SWIFT code: Danske Bank A/S filiāle Latvijā
MARALV22
IBAN code (bank a/c number): LV03MARA2041000013003
14. Chief Accountant: Līgita Bērzupe
15. Average number of employees: 2263

**JOINT-STOCK COMPANY "LIEPĀJAS METALURĢS"
MANAGEMENT STATEMENT REGARDING
THE FINANCIAL STATEMENTS FOR 6 MONTHS OF 2013.**

Operating activity of the JSC Liepājas Metalurģs in the first half of 2013 produced LVL 21.1 million (EUR 29.95 million) losses. Operating activity of the JSC Liepājas Metalurģs in the corresponding period in 2012 generated profit of LVL 0.73 million (EUR 1.04 million).

Losses appeared in the reporting period are explained by the overall crisis in the steel industry in Europe as well as worldwide, as well as by the shortage of working capital facilities available to the JSC Liepājas Metalurģs. As a result, the first half of 2013 production was performed at 44.6% capacity level, while in the second quarter only 14.3% of capacity was utilized.

The reporting period turnover was LVL 92.7 million (EUR 131.4 million), which was LVL 51.7 million (EUR 73.6 million) less than during the corresponding period of last year.

The Balance Sheet amount was reduced by 28.2%, including the 25.5% reduction in the current assets.

On May 24, 2013, the JSC Liepājas Metalurģs applied to Liepājas Court to begin the legal protection process. With the decision Nr. C20261213 dated May 27, 2013, the Liepājas Court decided to accept the JSC Liepājas Metalurģs legal protection process (LPP, Latvian "TAP") case.

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 financial statement.

The Financial Statement represents the true picture for the Company financial position as of June 30, 2013 as well as the results of its operations and cash flow for 6 months of the year 2013. 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 continuation.

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V. Terentjevs

STATEMENTS OF FINANCIAL POSITION

for 6 months of the year 2013

ASSETS	Enclosure Number	As of 30.06.2013.		As of 30.06.2012.	
		LVL	EUR	LVL	EUR
1.LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible investments		32423	46134	46559	66247
2. Advance payments for intangible investments		0	0	0	0
I. TOTAL:		32423	46134	46559	66247
II. Fixed assets					
1. Land, buildings and constructions and long-term sites		61742717	87851972	67769627	96427492
2. Long-term investments in leased assets		0	0	472142	671798
3. Technological equipment and machinery		85528763	121696466	85069507	121043003
4. Other fixed assets and inventory		1035492	1473372	1254229	1784607
5. Fixed assets formation and costs of unfinished construction sites		656446	934039	1172517	1668341
6. Advance payments for fixed assets		980	1394	107606	153110
II. TOTAL:		148964398	211957243	155845628	221748351
III. Investment properties					
1. Investment properties		4901000	6973495	5024000	7148508
IV. Long-term financial investments					
1. Share in the related companies (subsidiaries)		9087083	12929754	9086858	12929434
2. Loans to the related companies (subsidiaries)		100771	143384	8657	12318
3. Share in the capital of associated companies		1593551	2267419	1522959	2166975
4. Loans to the associated companies		85168	121183	81500	115964
IV. TOTAL:	1	10866573	15461740	10699974	15224691
Section 1 total amount:		164764394	234438612	171616161	244187798
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		9554066	13594211	21733358	30923782
2. Unfinished products, Work-in-Process		179796	255827	2835454	4034488
3. Finished products and goods for sales		725826	1032757	44672301	63562958
4. Incompleted orders		145049	206386	197265	280683
5. Advance payments for goods		483077	687357	1090608	1551795
I. TOTAL:		11087814	15776538	70528986	100353706
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		1354170	1926810	4404453	6266972
2. Debt of related companies (subsidiaries)		348647	496080	584852	832169
3. Debt of associated enterprises		244658	348117	332917	473698
4. Other debtors (accounts receivable)		280181	398662	1237883	1761349
5. Prepaid expenses		125714	178875	43290	61596
II. TOTAL:	2	2353370	3348544	6603395	9395785
III. Short-term financial investments					
III. TOTAL:					
IV. Cash		1303818	1855166	1419433	2019671
IV. TOTAL:		1303818	1855166	1419433	2019671
Section 2 total amount		14745002	20980248	78551814	111769162
TOTAL ASSETS		179509396	255418859	250167975	355956960

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	As of 30.06.2013.		As of 30.06.2012.	
		LVL	EUR	LVL	EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		36730108	52262235	40397889	57481017
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		-27951068	-39770787	-16656865	-23700584
4. Retained earnings					
b) undistributed profit of the reporting year		-21051302	-29953304	725974	1032968
section 1 total amount:		49233600	70053102	85972860	122328359
2. PROVISIONS					
1. Provisions for anticipated taxes		0	0	1295020	1842647
2. Other provisions		856000	1217978	831400	1182976
section 2 total amount:	3	856000	1217978	2126420	3025623
3. LIABILITIES (Accounts Payable)					
1. Long-term Creditors (Accounts Payable).		43107607	61336599	51564847	73370167
2. Other loans		2989023	4252997	3577695	5090601
I. TOTAL:		46096630	65589595	55142542	78460769
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		27245042	38766202	26806913	38142801
2. Other loans		4914361	6992506	912205	1297951
3. Advance payments received from customers		10036071	14280043	41038693	58392799
4. Suppliers and contractors trade account payable		34758416	49456770	35171277	50044219
5. Accrued liabilities (Payable bills of exchange)		2344283	3335614	3752	5339
6. Payable (debt) to related companies (subsidiaries)		1553223	2210037	656246	933754
7. Payable (debt) to associated companies		1405248	1999488	672576	956989
8. Taxes and state social insurance payments		747943	1064227	836365	1190040
9. Other liabilities		318579	453297	828126	1178317
II. TOTAL:	4	83323166	118558184	106926153	152142209
Section 3 total amount:		129419796	184147779	162068695	230602978
TOTAL LIABILITIES AND EQUITY		179509396	255418859	250167975	355956960

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V. Terentjevs

STATEMENTS OF COMPREHENSIVE INCOME

for 6 months of the year 2013

No.	Parameter designation	Enclosure Number	As of 30.06.2013.		As of 30.06.2012.	
			LVL	EUR	LVL	EUR
1	Net turnover	5, 6	92724933	131935693	144412055	205479842
2	Production costs of goods sold	7	-101626880	-144602023	-136481876	-194196214
3	Gross profit or loss (from turnover)		-8901947	-12666329	7930179	11283628
4	Sales costs	8	-3960719	-5635595	-5149620	-7327249
5	Administration costs	9	-2035923	-2896857	-2414812	-3435968
6	Other operating income	10	2252061	3204394	3811108	5422718
7	Other operating costs	11	-6189122	-8806327	-2738087	-3895947
8	Interest income and other similar income	12	379	539	1565	2227
9	Interest payments and similar expenses	13	-2071183	-2947028	-571039	-812515
10	Profit or loss before extraordinary items and taxes		-20906454	-29747203	869294	1236895
11	Profit or loss before taxes		-20906454	-29747203	869294	1236895
12	Other taxes		-144848	-206100	-143320	-203926
13	Reporting period profit or loss after taxes		-21051302	-29953304	725974	1032968

The JSC "Liepājas metalurģs" demonstrated profit at the rate of -1.240 LVL (EUR -1.764) 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).

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V. Terentjevs

CASH FLOW STATEMENT (by direct method) for 6 months of the year 2013

	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	74472231	105964438	161217584	229391956
Cash received from other business activities	70181	99859	1594162	2268288
VAT overpayment received	1420203	2020767	1840087	2618208
Bank interest received	22286	31710	1389	1976
Cash paid to suppliers and employees	-70888761	-100865620	-157311191	-223833659
Cash received from the core business activity	5096140	7251154	7342031	10446769
Interest payment	-2087029	-2969575	-569183	-809874
Other tax payments	-1124984	-1600708	-235266	-334753
Other costs related to operating activities	-21219	-30192	-46064	-65543
Net cash flow from the core business activity	1862908	2650679	6491518	9236598
CASH FLOW FROM INVESTMENT ACTIVITIES				
Long-term credit for students of JSC "LM" and other loans	0	0	-24972	-35532
Acquisition of fixed assets	-202499	-288130	-2348428	-3341512
Sale of fixed assets and intangible assets	0	0	3660	5208
Net cash flow from investment operations	-202499	-288130	-2369740	-3371836
CASH FLOW FROM FINANCING ACTIVITIES				
Short-term borrowings in net value (credit line)	40763	58001	1221473	1737999
Paid liabilities for financial leasing	-246307	-350463	-202460	-288075
Long-term borrowings repayment	0	0	-4129206	-5875331
Repayment of long-term liabilities to legal entities	-173737	-247205	-147166	-209398
Repayment of loans and interests from related companies	131	186	268	381
Costs not associated with operating activities	-279805	-398127	-749852	-1066943
Net cash flow from financial activities	-658955	-937608	-4006943	-5701366
Result of foreign currency exchange rate fluctuations	-83264	-118474	2796	3978
Net growth of cash and its equivalents	918190	1306467	117631	167374
Cash and its equivalents at the beginning of accounting period	385628	548699	1301802	1852297
Cash and its equivalents at the end of accounting period	1303818	1855166	1419433	2019671

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 year	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 01.01.2012.	16981033	40402465	0	44524829	2466633	-19123498	85251462
Previous year profit put in reserves					-2466633	2466633	0
Undistributed profit of the reporting period					-11294203		-11294203
Reserves distribution							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-3670456					-3670456
As of 31.12.2012.	16981033	36732009	0	44524829	-11294203	-16656865	70286803
Previous year profit put in reserves					11294203	-11294203	0
Undistributed profit of the review period					-21051302		-21051302
Increase of fixed capital							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-1901					-1901
As of 30.06.2013.	16981033	36730108	0	44524829	-21051302	-27951068	49233600

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 01.01.2012.	24161833	57487529	0	63353124	3509703	-27210286	121301902
Previous year profit put in reserves					-3509703	3509703	0
Undistributed profit of the reporting period					-16070203		-16070203
Reserves distribution							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-5222588					-5222588
As at 31.12.2012.	24161833	52264940	0	63353124	-16070203	0	100009111
Previous year profit put in reserves					16070203	-16070203	0
Undistributed profit of the review period					-29953304		-29953304
Increase of fixed capital							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-2705					-2705
As of 30.06.2013.	24161833	52262235	0	63353124	-29953304	-16070203	70053102

ENCLOSURES TO BALANCE SHEET

1. Investment changes

Long-Term Financial Investment (LVL)

Company Name, Address, Registration Number	Business activity	As of 30.06.2013.		
		Ownership in %	Ownership in LVL	The investment carrying value LVL
Related Companies (Subsidiaries)				
LSEZ JSC "Liepājas osta LM" Brīvostas iela 22, Liepāja; 40003154754	stevedoring services, cargo, ship broker service, ship agency.	95.2	7749206	7749206
"Sports Club Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003348213	organisation of sport events promotion of healthy living, organization of recreation and social events.	95	1900	1900
"Ice-Hockey Hall "Liepājas metalurģs"", Ltd. Brīvības iela 93, Liepāja; 40003421648	sports arena and stadium operations	95	1900	1900
"Rūķis LM", Ltd. Vānes iela 25, Liepāja; 42103038147	construction materials production, waste and crushed slag processing.	100	1316000	1316000
"Liepājas naglas", Ltd. Brīvības iela 93, Liepāja; 42103032888	wire rod and nail production	100	14056	14056
"LM Resurss", Ltd. Brīvības iela 93, Liepāja; 42103055448	scrap trading	100	2000	2000
OU "LM Ressorss", 12287567 Tallina, Peterburi iela 47-211, Estonia, EE 11415	scrap trading	100	1796	1796
OOO "Torgoviy dom "Liepajskij metalurģ"", 191479696 Minska, Denisovskaja iela 9-24, Baltkrievija, 220006	steel product trading	90	225	225
Total Investments in Related Companies, LVL			9087083	9087083
Associated Companies				
"Elme Messer Metalurģs", LSEZ Ltd. Brīvības iela 93, Liepāja; 40003461570	production and sales of industrial gas	11.3	1023551	1023551
JSC "Sātiņi Energo LM" Brīvības iela 93, Liepāja; 42103037207	construction stones and design stones, development of quarry, production of electricity	50	450000	450000
"Metalurģs & Duna", Ltd. Spīķera iela 19/23, Liepāja; 42103019610	services related to wood materials, metal processing, electricity sales	50	120000	120000
Total Investments in Associated Companies, LVL			1593551	1593551

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

Long-Term Financial Investment (EUR)

Company Name, Address, Registration Number	Business activity	As of 30.06.2013.		
		Ownership in %	Ownership in LVL	The investment carrying value LVL
Related Companies (Subsidiaries)				
LSEZ JSC "Liepājas osta LM" Brīvības iela 22, Liepāja; 40003154754	stevedoring services, cargo, ship broker service, ship agency.	95.2	11026127	11026127
"Sports Club Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003348213	organisation of sport events promotion of healthy living, organization of recreation and social events.	95	2703	2703
"Ice-Hockey Hall "Liepājas metalurģs"", Ltd. Brīvības iela 93, Liepāja; 40003421648	sports arena and stadium operations	95	2703	2703
"Rūķis LM", Ltd. Vānes iela 25, Liepāja; 42103038147	construction materials production, waste and crushed slag processing.	100	1872499	1872499
"Liepājas naglas", Ltd. Brīvības iela 93, Liepāja; 42103032888	wire rod and nail production	100	20000	20000
"LM Resurss", Ltd. Brīvības iela 93, Liepāja; 42103055448	scrap trading	100	2846	2846
OU "LM Ressorss", 12287567 Tallina, Peterburi iela 47-211, Estonia, EE 11415	scrap trading	100	2555	2555
OOO "Torgoviy dom "Liepajskij metalurģ"", 191479696 Minska, Denisovskaja iela 9-24, Baltkrievija, 220006	steel product trading	90	320	320
Total Investments in Related Companies, EUR			12929754	12929754
Associated Companies				
"Elme Messer Metalurģs", LSEZ Ltd. Brīvības iela 93, Liepāja; 40003461570	production and sales of industrial gas	11.3	1456382	1456382
JSC "Sātiņi Energo LM" Brīvības iela 93, Liepāja; 42103037207	construction stones and design stones, development of quarry, production of electricity	50	640292	640292
"Metalurģs & Duna", Ltd. Spīķera iela 19/23, Liepāja; 42103019610	services related to wood materials, metal processing, electricity sales	50	170745	170745
Total Investments in Associated Companies, EUR			2267419	2267419

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

Long-Term Financial Investments: 6 months 2013 Movement Report (LVL)

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans
Beginning value on 31.12.2012.	9087083	1593551	185939
Invested (loans provided)	0	0	0
Moved to another item (or written-off)	0	0	0
The balance on 30.06.2013.	9087083	1593551	185939

Long-Term Financial Investments: 6 months 2013 Movement Report (EUR)

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans
Beginning value on 31.12.2012.	12929754	2267419	264567
Invested (loans provided)	0	0	0
Moved to another item (or written-off)	0	0	0
The balance on 30.06.2013.	12929754	2267419	264567

2. Accounts receivable (debtors)

DEBTORS	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies debts	1947475	2771007	5322222	7572840
Incl. Debts of buyers and customers	802771	1142240	3494044	4971577
Incl. Debts of buyers with factoring activities	551399	784570	910409	1295395
Incl. Debts of related companies (subsidiaries)	348647	496080	584852	832169
Incl. Debts of associated enterprises (doubtful debtors debt)	244658	348117	332917	473698
	/2407910/	/3426148/	/293335/	/589864/
Other debtors	280181	398662	1237883	1761349
Incl. Accrued and unpaid VAT	8259	11751	9247	13157
Incl. Advance payments	119	169	2870	4084
Incl. VAT budget overpayments	97551	138803	968289	1377751
Incl. Debt for caused damages to the enterprise	60	85	300	427
Incl. Various debtors	150172	213676	187806	267224
Incl. Overpaid salaries	30	43	4	6
Incl. Advance prepayment for services	21344	30370	21337	30360
Incl. Overpaid taxes	27	38	8	11
Incl. Security deposit	2619	3727	48022	68329
Future periods payments	125714	178875	43290	61596
Incl. Press expenses	2903	4131	3705	5272
Incl. Miscellaneous	85039	121000	273	388
Incl. Property insurance	37772	53745	39312	55936
Total Debtors:	2353370	3348544	6603395	9395785

3. PROVISIONS

	Provisions for anticipated vacations (4318)		Provisions for doubtful debtors (4319)	
	LVL	EUR	LVL	EUR
On 31.12.2012	856000	1217978	2407910	3426147
Increase	0	0	0	0
Decrease	0	0	0	0
Written-off as bad debt	0	0	0	0
On 30.06.2013	856000	1217978	2407910	3426147

**

**Doubtful debtors and provisions for doubtful debtors balance each other in the balance statement.

4. Accounts payable (creditors)

CREDITORS	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Long-term borrowings	43107607	61336599	51564847	73370167
Long-term obligations to legal entities	2989023	4252997	3577695	5090601
Short-term borrowing from credit institutions	22448965	31941999	22342841	31790999
Credit interests	488974	695747	0	0
Short-term borrowing from EU credit institutions	4307104	6128457	4464072	6351802
Short-term borrowing from Ministry of Finance of the Republic of Latvia	4307104	6128457	0	0
State Treasury % for the state guarantee	55633		0	0
Advance payments (residents)	37763	53732	80896	115105
Advance payments (non residents)	9998308	14226311	40957797	58277695
Other borrowing (individuals)	225	320	1796	2555
(factoring)	551399	784570	910409	1295395
Debts to suppliers and contractors	34758416	49456770	35171277	50044218
Incl. Materials and gas	7366695	10481863	16941653	24105800
Incl. Services	14536667	20683814	4412890	6278977
Incl. Scrap, various services related to scrap delivery, processing	12628309	17968465	13528277	19249004
Incl. Fixed assets	223439	317925	285495	406222
Incl. Medical department creditors	3306	4704	2962	4215
Debts to related enterprises (subsidiaries)	1553223	2210037	656246	933754
Debts to associated enterprises	1405248	1999488	672576	956989
Accrued liabilities	2344283	3335614	3752	5339
Taxes and social insurance payments	747942	1064226	836365	1190041
Incl. State tax	551	784	593	844
Incl. Residents' Income tax	122366	174111	296560	421967
Incl. Social Security tax	618098	879474	528154	751496
Incl. Nature resources tax	5224	7433	11058	15734
Incl. Taxes on non-residents	1703	2423	0	0
Other creditors (liabilities)	318579	453297	828126	1178317
Incl. Payments for salaries	296407	421749	790616	1124945
Incl. Deductions from salaries	22137	31498	37510	53372
Incl. Billing persons	35	50	0	0
Total Creditors:	129419796	184147779	162068695	230602977

ENCLOSURES TO PROFIT AND LOSS STATEMENT

5. Net turnover (revenue) by products

Product Description	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Rolled steel	82399510	117243940	138271704	196742910
Castings	65504	93204	115589	164468
Billet	9677649	13770054	5337862	7595093
Crushed slag	6335	9014	21199	30163
Services	61692	87780	151283	215256
Sold steam, gCal	5477	7793	5364	7632
Compressed Air	373	531	160	228
Medical department	475039	675920	459314	653545
Transportation services	33354	47458	49580	70546
TOTAL	92724933	131935693	144412055	205479842

6. Net turnover by geographic markets

Market	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Latvia	2157459	3069788	2649284	3769592
European Union countries	31796077	45241742	85939728	122281216
Other third countries	58771397	83624164	55823043	79429034
Total	92724933	131935693	144412055	205479842

7. Production costs of sold goods

Cost Description	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Materials	79705590	113410837	113714876	161801692
Salaries and wages	6309562	8977698	6411644	9122948
Social benefits deductions	1492889	2124190	1518782	2161032
Depreciation	4843944	6892311	2580708	3672017
Other costs	9274895	13196987	12255866	17438526
Total	101626880	144602023	136481876	194196214

8. Sales costs

Cost Description	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Packing materials	55285	78663	54520	77575
Transportation costs	529388	753252	1897130	2699373
Freight	2390746	3401725	1876536	2670070
Port handling charges	743030	1057236	1142414	1625509
Advertising and marketing costs	21211	30181	20880	29710
Other sales costs (insurance, storage/warehousing, depreciation, and other)	96738	137646	135208	192384
Costs related to factoring	29463	41922	22919	32610
Costs related to L/C	94858	134971	13	18
Total	3960719	5635595	5149620	7327249

9. Administration costs

Costs Description	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Salaries and social costs	1230212	1750434	1400349	1992517
Communication costs	24611	35018	31442	44739
Office supplies and office maintenance costs	467932	665807	554597	789120
Legal and auditing fees	122714	174606	61906	88085
Presentation costs	53347	75906	88991	126622
Depreciation of fixed assets	87099	123931	126451	179924
Management traveling expenses	23522	33469	51044	72629
Management training	0	0	194	276
Costs for bank account services	18590	26451	36628	52116
Costs for bank account LC operations	0	0	53866	76644
Costs related to stockholders	7896	11235	9345	13297
Total	2035923	2896857	2414812	3435968

10. Other operating income

Income Description	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Sale of current assets	1037724	1476548	1181359	1680923
Sale of fixed assets and liquidation	6192 10343	8810 14717	3000 40959	4269 58279
Rent of fixed assets	37784	53762	4786	6810
Currency exchange gain	93792	133454	0	0
Received fines	13194	18773	354436	504318
Written-off revaluation reserve of liquidated fixed assets	1901	2705	4575	6510
Intermediary services	1034589	1472088	622940	886363
Bad debt recovery	0	0	121234	172500
Other income from operating activity	16542	23537	1477819	2102746
Total	2252061	3204394	3811108	5422718

11. Other operating costs

Costs Description	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Sales costs of current assets	791900	1126772	737942	1049997
Costs related to the sale and liquidation of fixed assets	6192 19042	8810 27094	9084 9318	12925 13258
Currency exchange loss	0	0	31878	45358
Intermediary services costs	1041218.9	1481521	657822	935996
Paid compensations and other benefits	38095	54205	35937	51134
Other costs	1947841	2771528	340572	484590
Paid fines	534780	760923	4272	6078
Costs not associated with operating activities	1777571.7	2529257	842730	1199097
Costs of infrastucture maintenance	6065	8629	9659	13744
Training costs of the new staff	2249	3200	35731	50841
Costs of previous period	3592	5111	514	731
Costs of auto maintenance	20575	29276	22628	32197
Total	6189122	8806327	2738087	3895947

12. Interest income

Income	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Income from loans to business persons	157	223	176	250
Income from bank accounts	222	316	467	664
Income from deposit investments	0	0	922	1312
Total Interest Income	379	539	1565	2227

13. Interest payments

Income	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Interests for credit institutions	377227	536746	447139	636221
Interests for business persons	0	0	123900	176294
Interests for State Guarantee	355700	506116	0	0
Interests for long-term loan	1264695	1799499	0	0
Interests rate changes	73561	104668	0	0
Total Interest Income	2071183	2947028	571039	812515