

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

Consolidated
Financial Report

For 6 months of the year 2013

CONTENT

Information About the Parent Company _____	lpp. 3
Management Statement _____	4
Statement Regarding the Management Responsibility _____	5
Statements of financial position _____	6
Statements of comprehensive income _____	8
Cash Flow Statement _____	9
Information About the Company _____	10
Statement of Changes in Shareholders' Equity _____	13
Enclosures to the Quarterly Report:	
Enclosures to Statements of financial position _____	15
Enclosures to Statements of comprehensive income _____	17

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,
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: Ligita Bērzupe
15. Average number of employees: 2263

JOINT-STOCK COMPANY "LIEPĀJAS METALURĢS" MANAGEMENT STATEMENT REGARDING THE CONSOLIDATED QUARTERLY REPORT FOR 6 MONTHS OF THE YEAR 2013.

Operating activity of the Company within 6 months of 2013 forms net turnover LVL 97.7 millions (EUR 139 millions) and in total all operating activity produced LVL 21.7 millions (EUR 30.9 millions) losses.

Losses appeared due to shortage of working capital facilities of the parent company JSC Liepājas metalurģs, as a result, the second quarter of 2013 production was performed at 14.3 % capacity level, where one of the reasons is worldwide crisis in the steel industry.

On 24 May 2013 JSC Liepājas metalurģs has submitted to Liepājas Court an application for commencement of legal protection proceedings.

LSEZ JSC Liepājas osta LM encountered reduction of the volume of cargo handled by 49%, comparing with first six months of 2012.

There are structural changes in net turnover, that is, increased revenue section from the ship chartering, but in all other segments there is a reduction.

Profit reduction may be explained by changes in the structure of cargo handled, caused by JSC Liepājas metalurģs full stop of cargo flows at the end of April of this year, as well as changes in conjuncture of cargoes in the world markets of raw materials.

SIA Rukis LM has reduced its production and sales volumes within the reporting period as well, comparing with appropriate period of the previous year.

In the SIA Sporta klubs Liepājas metalurģs club within first quarter of the reporting period there were all age groups and Premier League professional football and ice-hockey teams.

At the end of ice-hockey season 2012/2013, on April this year SIA Sporta klubs Liepājas metalurģs refused to maintain two professional ice-hockey teams.

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 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 (Consolidated) 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 assets		32423	46134	46559	66247
2. Concessions, patents, licenses, trademarks and similar rights		11994	17066	6969	9916
3. Goodwill		0	0	0	0
I.TOTAL:		44417	63200	53528	76163
II. Fixed assets					
1. Land, buildings and constructions, and long-term sites		66180515	94166389	70336853	100080325
2. Long-term investments in rented fixed assets		4151945	5907685	4869022	6927994
3. Technological equipment and machinery		94030116	133792801	92172070	131149040
4. Other fixed assets and inventory		1606983	2286531	1843941	2623692
5. Fixed assets formation and costs of unfinished construction sites		915207	1302222	4493766	6394053
6. Advance payments for fixed assets		980	1394	107606	153110
II. TOTAL:		166885746	237457024	173823258	247328214
III. Investment properties					
Investment properties		5092058	7245346	5225989	7435912
IV. Long-term financial investments					
1. Share in the capital of related companies (subsidiaries)		63638	90549	1796	2555
2. Share in the capital of associated companies		1473551	2096674	1402959	1996231
3. Loans to related companies		92339	131387	0	0
4. Loans to associated companies		85168	121183	81500	115964
5. Other loans		733964	1044337	671007	954757
IV. TOTAL:		2448660	3393581	2157262	3066952
Section 1 total amount:		174470881	248249698	181260037	257909797
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		9747531	13869487	22032420	31349309
2. Unfinished products, Work in Process		185999	264653	2847395	4051478
3. Finished products and goods for sales		946150	1346250	47017006	66899172
4. Incompleted orders		145049	206386	197265	280683
5. Advance payments for goods		537969	765461	1400197	1992301
6. Labour animals and productive animals		110	157	110	157
I. TOTAL:		11562808	16452394	73494393	104573100
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		2424946	3450387	6177051	8789152
2. Debt of related enterprises		140033	199249	0	0
3. Debt of associated enterprises		244658	348117	332917	473698
4. Other debtors (accounts receivable)		342138	486819	1369097	1948050
5. Short-term loans to co-owners and management of the company		5026	7151	4956	7052
6. Prepaid expenses		170812	243044	91405	130058
7. Accrued income		0	0	30406	43264
II.TOTAL:	1	3327613	4734767	8005832	11391273
III. Short-term financial investments					
III. TOTAL:					
IV. Cash		1578387	2245842	1871326	2662657
IV. TOTAL:		1578387	2245842	1871326	2662657
Section 2 total amount		16468808	23433003	83371551	118627030
TOTAL ASSETS		190939689	271682701	264631588	376536827

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		31282118	44510444	40470273	57584011
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		-25241580	-35915533	-15384697	-21890452
4. Retained earnings: b) undistributed profit of the reporting year		-21746910	-30943065	1556761	2215071
4. Retained earnings: c) Minority shareholders		0	0	-182822	-260132
4. Retained earnings: b+c undistributed profit of the reporting year		-21746910	-30943065	1373939	1954939
Section 1 total amount:		45799490	65166803	87965377	125163455
Minority shareholders		514050	731427	473362	673533
2. PROVISIONS					
1. Provisions for anticipated taxes		0	0	1625772	2313265
2. Other provisions		977750	1391213	936041	1331866
Section 2 total amount:		977750	1391213	2561813	3645132
3. LIABILITIES (Accounts payable)					
I. Long-term Creditors (Accounts payable)					
1. Loans from credit institutions		45243568	64375798	53736676	76460401
2. Other loans		5050651	7186429	6838830	9730778
3. Other liabilities		55146	78466	15146	21551
4. Debts to suppliers and contractors		10286	14636	0	0
5. Deferred tax from revaluation reserve		5520374	7854785	0	0
6. Provisions for anticipated taxes		322696	459155	0	0
I. TOTAL:		56202721	79969267	60590652	86212731
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		29015110	41284782	28305522	40275129
2. Other loans		6109095	8692459	1871090	2662321
3. Advance payments received from customers		10481059	14913203	43553613	61971208
4. Suppliers and contractors trade account payable		36368176	51747252	36533536	51982539
5. Accrued liabilities (payable bills of exchange)		2374025	3377933	148650	211510
6. Payable (debt) to associated companies		1339103	1905372	495332	704794
7. Taxes and state social insurance payments		1322674	1881996	1064597	1514785
8. Other liabilities		436436	620992	1068044	1519690
II. TOTAL:		87445678	124423990	113040384	160841976
Section 3 total amount:	2	143648399	204393258	173631036	247054707
TOTAL LIABILITIES AND EQUITY		190939689	271682701	264631588	376536827

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____

V. Terentjevs

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated) 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	3, 4	97682145	138989171	153115596	217863865
2	Production costs of goods sold	5	-108321582	-154127726	-143319929	-203925887
3	Gross profit or loss (from turnover)		-10639437	-15138555	9795667	13937978
4	Sales costs	6	-1912739	-2721582	-5752395	-8184921
5	Administration costs	7	-3024955	-4304123	-3342450	-4755878
6	Other operating income	8	2252291	3204721	3553256	5055828
7	Other operating costs	9	-6100909	-8680811	-2012782	-2863931
8	Interest income and other similar income		222	316	1399	1991
9	Interest payments and similar expenses		-2162425	-3076854	-709472	-1009488
10	Profit or loss before extraordinary items and taxes		-21587952	-30716888	1533223	2181580
11	Income tax for the reporting period		0	0	-112	-159
12	Other taxes		-158958	-226177	-159172	-226481
13	Profit or loss after taxes for the reporting period		-21746910	-30943065	1373939	1954939

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 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	81454307	115899037	146175630	207989183
Cash received from other business activities	70181	99859	1848954	2630825
VAT overpayment received	1528391	2174704	1941023	2761827
Cash paid to suppliers and employees	-77857855	-110781747	-167434721	-238238145
Cash received from the core business activity	5195024	7391853	-17469114	-24856310
Received interests from the core business activity	22155	31524	1389	1976
Payed interest	-2177458	-3098244	-706505	-1005266
Corporate income tax payments	-10478	-14909	-22008	-31315
Other tax payments	-1799380	-2560287	-1170851	-1665971
Other costs	-21539	-30647	0	0
Net cash flow from the core business activity	1208324	1719290	-19367089	-27556885
CASH FLOW FROM INVESTMENT ACTIVITIES				
Long-term credit to students of JSC "LM" and other loans	0	0	-24972	-35532
Acquisition of fixed assets	-333839	-475010	-3287771	-4678077
Sale of fixed assets and intangible assets	2324	3307	18544	26386
Investments in associated and related companies	-2000	-2846	0	0
Net cash flow from investment operations	-333515	-474549	-3294199	-4687223
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings, net value (credit line) net worth	474973	675826	27457173	39068037
Long term borrowings	202261	287791	300097	427000
Paid liabilities for financial leasing	-544731	-775082	-403891	-574685
Repayment of loans	-526592	-749273	-566129	-805529
Long term loan repayments	-173737	-247205	-4129206	-5875331
Costs not associated with operating activities	-9805	-13951	-29852	-42476
Other funding and grants received	197986	281709	183145	260592
Daughter enterprise loan repayment (loan %)	131	186	0	0
Net cash flow from financing activities	-379514	-540000	22811337	32457608
Result of foreign currency exchange rate fluctuations	-87126	-123969	-25871	-36811
Net growth of cash and its equivalents	408169	580772	124178	176689
Cash and its equivalents at the beginning of accounting period	1170218	1665070	1747148	2485968
Cash and its equivalents at the end of accounting period	1578387	2245842	1871326	2662657

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. At the same time the Joint-Stock Company is not registered as a holding company (corporation).

Companies included in consolidation:

LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM)

number of shares - 95.17%. Business type - stevedoring services, cargo, ship broker service, ship agency.

Ltd. "Sport Club Liepājas 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. "Rūķis LM"

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

Ltd. "LM Resurss"

number of shares - 100%. Scrap purchase.

"LM Ressorss" OU, in Estonia

number of shares - 100%. Scrap purchase.

Ltd. "Metalurģs and Duna"

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

Ltd. "Liepājas naglas"

number of shares - 100%. Production of nails and wire rod

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.

OOO "Torgoviĵ dom "Liepajskij metalurģs"", 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)	4.83% of shares - physical persons.
Ltd. "Sport Club Liepājas metalurģs"	5% of shares - Ltd. "Pērle LM"
Ltd. "Ice-Hockey Hall Liepājas metalurģs"	5% shares - Liepājas City Council
OOO "Torgoviĵ dom "Liepajskij metalurģs""	10% of shares - physical persons.

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 IFRS have been used in the preparation of the consolidation:

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 and licenses belongs to the **intangible assets** item. The value of the acquired intangible assets is depleting, while calculating their depreciation.

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 Statement of Financial position 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 **Provisions** are made by the unused vacations and social payment provisions.

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.

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 01.01.2012.	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
Written-off revaluation reserve		-3670456					-3670456
As of 31.12.2012.	16981033	31283734	0	44524829	-10355331	-15437730	66996535
Profit in reserves					10355331	-10355331	0
Undistributed profit of the review period					-21746910		-21746910
Minority shareholders						551481	551481
Revaluation reserve in deferred tax							0
Written-off revaluation reserve		-1616					-1616
As of 30.06.2013.	16981033	31282118	0	44524829	-21746910	-25241580	45799490

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	48951944	0	63353124	5449552	-27415463	114500990
Profit in reserves					-5449552	5449552	0
Undistributed profit of the reporting period					-14734309		-14734309
Minority shareholders							0
Revaluation reserve in deferred tax		783388					783388
Written-off revaluation reserve		-5222588					-5222588
As of 31.12.2012.	24161833	44512743	0	63353124	-14734309	-21965911	95327480.9
Profit in reserves					14734309	-14734309	0
Undistributed profit of the review period					-30943065		-30943065
Minority shareholders						784687	784687
Revaluation reserve in deferred tax							0
Written-off revaluation reserve		-2299					-2299
As of 30.06.2013.	24161833	44510444	0	63353124	-30943065	-35915533	65166803

ENCLOSURES TO THE 6 MONTH QUARTERLY REPORT

(Consolidated)

ENCLOSURES TO FINANCIAL POSITION

1. Accounts Receivables (Debtors)

Accounts Receivable	As of 30.06.2013.		As of 30.06.2012.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies' debts	2809637	3997753	6509968	9262850
Incl. Debts of buyers and customers	1873547	2665817	5266642	7493756
Incl. Debts of buyers with factoring activities	551399	784570	910409	1295395
Incl. Debts of related enterprises (subsidiaries)	140033	199249	0	0
Incl. Debts of associated enterprises (Doubtful debtors debt)	244658 /2408087/	348117 /3426399/	332917 /302211/	473698 /550297/
Other debtors	342138	486819	1369097	1948050
Incl. Provision for VAT and unpaid VAT	8259	11751	17090	24317
Incl. Advance payments	13133	18687	26997	38413
Incl. VAT budget overpayments	128979	183521	1023325	1456060
Incl. Debt for caused damages to the enterprise	60	85	300	427
Incl. Various debtors	157489	224087	199640	284062
Incl. Overpaid salaries	30	43	4	6
Incl. Advance payments for services	21344	30370	21337	30360
Incl. Advance prepayment for Corporate income tax	9168	13045	31423	44711
Incl. Other overpaid taxes	358	509	265	377
Incl. Security amounts in auction	3318	4721	48716	69317
Short-term loans to employees	5026	7151	4956	7052
Accrued income	0	0	30406	43264
Future periods payments	170812	243044	91405	130058
Incl. Press expenses	3355	4774	3722	5296
Incl. Various	88428	125822	3875	5514
Incl. Property insurance	78748	112048	82964	118047
Incl. Payment for ship freightage services	0	0	714	1016
Incl. Publicity and Advertisement	281	400	130	185
Total Debtors:	3327613	4734767	8005832	11391273

2. Accounts Payable (Creditors)

CREDITORS	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Long- term creditors (credit institutions)	45243568	64375798	53736676	76460401
Other long-term borrowings and obligations	5060937	7201065	6838830	9730778
Other creditors	55146	78466	15146	21551
Deferred tax from revaluation reserves	5520374	7854785	0	0
Provisions for anticipated taxes	322696	459155	0	0
Short-term borrowings from credit institutions	1603372	2281393	5962681	8484131
Short-term borrowing at the Ministry of Finance of Latvia	4307104	6128457	0	0
Short-term borrowing in the credit institutions (UniCredit)	4307104	6128457	0	0
Loan interest rate (%)	488974	695747	0	0
Short-term borrowings from credit institutions (credit line)	22448965	31941999	22342841	31790999
Short-term debt from leasing	1154734	1643038	827520	1177455
Advance payments (from residents)	482751	686893	2595816	3693513
Advance payments (from non-residents)	9998308	14226311	40957797	58277695
Other borrowings	95633	136073	0	0
Other borrowings (factoring)	718095	1021757	1041774	1482311
Other borrowings (physical persons)	225	320	1796	2555
Debts to suppliers and contractors	36368176	51747252	36533536	51982539
Incl. Materials and gas	7473329	10633589	16994670	24181237
Incl. Services	15918384	22649820	5691038	8097618
Incl. Scrap, various services related to scrap delivery, processing	12749718	18141214	13559371	19293247
Incl. Fixed assets	223439	317925	285495	406223
Incl. Medical department creditors	3306	4704	2962	4215
Debts to associated enterprises	1339103	1905372	495332	704794
Accrued liabilities	2374025	3377933	148650	211510
Taxes and social security insurance payments	1322673	1881994	1064597	1514785
Incl. Value added tax	26650	37920	11515	16384
Incl. State tax	672	956	705	1003
Incl. Residents' Income tax	274272	390254	367382	522737
Incl. Real estate tax	0	0	142	202
Incl. Social Security tax	1013499	1442079	647134	920789
Incl. Nature resources tax	5876	8361	11972	17035
Incl. Non-resident corporate income tax	1704	2425	0	0
Incl. Enterprise's Income tax	0	0	25747	36635
Other creditors (liabilities)	436436	620992	1068044	1519690
Incl. Payments for salaries	411392	585358	981806	1396984
Incl. Deductions from salaries	23664	33671	41556	59129
Incl. Debt to accountable persons	1380	1964	1137	1618
Incl. Other Creditors	0	0	43545	61959
Total Creditors:	143648399	204393258	173631036	247054707

ENCLOSURES TO PROFIT AND LOSS STATEMENT

3. Net turnover (revenue) by products

Product Description	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Rolled steel	82392894	117234526	138269371	196739590
Castings	65504	93204	115589	164468
Billet	9677649	13770054	5337861	7595092
Wire	411017	584825	291460	414710
Nails	367346	522686	338756	482006
Slag	0	0	10611	15098
Services	54292	77251	121027	172206
Building services	608	865	253842	361185
Sold steam, gCal	5430	7726	5364	7632
Compressed Air	4855	6908	969	1379
Medical department services	473775	674121	459053	653174
Transportation services	2901	4128	4555	6481
Stevedoring services	1214626	1728257	3118678	4437479
Broker services	963841	1371422	1673831	2381647
Freightage services	17964	25560	27123	38593
Forwarder and other services	603795	859123	2477636	3525358
Sports	233666	332477	143867	204704
Publicity and Advertisement	5461	7770	4420	6289
Beton (concrete) wares	390159	555146	323667	460537
Slag and waste processing	273812	389599	0	0
Other	122175	173839	73001	103871
Scrap	361834	514843	12173	17321
Electric energy	38541	54839	52742	75045
TOTAL	97682145	138989171	153115596	217863865

4. Net turnover by geographic markets

Market	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Latvia	6277424	8931970	10860319	15452842
European Union countries	32503062	46247691	86432059	122981740
Other third countries	58901659	83809510	55823218	79429283
Total	97682145	138989171	153115596	217863865

5. Production costs of sold goods

Cost Description	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Materials	83809018	119249489	116500984	165765966
Salaries and wages	7337724	10440641	7576808	10780827
Social benefits deduction	1734939	2468596	1799770	2560842
Depreciation	5526491	7863488	3158126	4493608
Other costs	9912142	14103707	14283817	20324041
Write-off of nonmaterial values	1268	1804	424	603
Total	108321582	154127726	143319929	203925887

6. Sales expenses

Cost Description	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Packing materials	55285	78663	54583	77665
Transportation costs	583208	829830	2022110	2877203
Freight	0	0	14659	20858
Port handling charges	19916	28338	243394	346318
Advertising and marketing costs	26222	37311	24896	35424
Other sales costs	163507	232650	111843	159138
Logistics services costs	728744	1036909	3014966	4289910
Costs related to L/C and factoring transactions	124321	176893	22932	32629
Costs related to sport events	211536	300989	243012	345775
Total	1912739	2721582	5752395	8184921

7. Administration expenses

Cost Description	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Salaries and social costs	2054982	2923976	2217344	3154996
Communication costs	38086	54191	47487	67568
Office supplies and office maintenance costs	517710	736635	587639	836135
Legal and auditing fees	211789	301349	87471	124460
Presentation costs	53347	75906	89486	127327
Depreciation of fixed assets	87099	123931	126451	179924
Traveling expenses	24002	34152	52705	74992
Management training	0	0	236	336
Costs of bank account services (L/C)	0	0	53866	76644
Costs of bank account services	30044	42749	70420	100199
Costs related to stockholders	7896	11235	9345	13297
Total	3024955	4304123	3342450	4755878

8. Other operating income

Income Description	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Sale of current assets	553938	788183	710205	1010531
Intermediary services	1008734	1435299	622940	886364
Liquidation of fixed assets	10343	14717	40959	58279
Sale of fixed assets	44854	63821	11434	16269
Lease of assets	35394	50361	4786	6810
Written-off revaluation reserve of fixed assets	1901	2705	4575	6510
Currency exchange income	74211	105593	0	0
Received fine payments	13194	18773	354436	504317
Bad debt recovery	0	0	121234	172500
Other income from operating activity	41736	59385	1499542	2133656
Dotation (allowance)	467986	665884	183145	260592
Total	2252291	3204721	3553256	5055828

9. Other operating costs

Cost Description	As of 30.06.2013		As of 30.06.2012	
	LVL	EUR	LVL	EUR
Sales costs of current assets	740758	1054004	589783	839186
Intermediary services costs	961562	1368179	657822	935996
Costs related to the sale and and liquidation of fixed assets	23688 19042	33705 27094	86847 9318	123572 13258
Currency exchange loss	0	0	68320	97211
Doubtful debtors provisions	528	751	4333	6165
Compensation for damage and other allowances	38095	54204	35937	51134
Other costs	1970815	2804217	363760	517584
Paid fines	535188	761504	4289	6103
Costs not related to the operating activities	1778752	2530936	123766	176103
Costs of infrastructure maintenance	6065	8630	9659	13744
Training of new employees	2249	3200	35731	50841
Costs of previous period	3592	5111	514	731
Costs of representative auto maintenance	20575	29276	22703	32303
Total	6100909	8680811	2012782	2863931