

JOINT STOCK COMPANY LATVIJAS BALZAMS
(ENTERPRISE REGISTER NUMBER LV40003031873)

INCOME STATEMENT AND BALANCE SHEET FOR THE FIRST 9 MONTH OF THE YEAR 2004

Riga, 2004

Income statement

	Notes	30.09.2004	30.09.2003
		Ls	Ls
Net turnover		41 353 627	33 166 456
Cost of sales		(36 771 101)	(28 602 976)
Gross profit or loss		4 582 526	4 563 480
Distribution costs		(1 826 375)	(1 842 129)
Administrative expense		(1 969 066)	(1 815 549)
Other operating income		374 923	447 434
Other operating expense		-	-
Income from investments in subsidiaries and associates		-	-
Income from securities and loans forming non-current assets			
Interest receivable and similar income		14 098	1 203
Write-offs of the value of non-current financial assets and short-term securities		-	(1 167)
Interest payable and similar expense		(323 965)	(497 375)
Profit or loss before extraordinary items and taxes		852 141	855 897
Extraordinary income		-	-
Extraordinary expense		-	-
Profit or loss before taxes		852 141	855 897
Corporate income tax		(127 821)	(162 620)
Other taxes		(66 167)	(44 801)
Profit or loss for the reporting year		658 153	648 476

Rolands Gulbis
Chairman of the Executive Board

Balance sheet
ASSETS

	Notes	30.09.2004 LVL	30.09.2003 LVL
NON-CURRENT ASSETS			
Intangible fixed assets			
Concessions, patents, licences and similar rights		383 848	615 139
Goodwill		(57 394)	(143 486)
TOTAL		326 454	471 653
Tangible fixed assets			
Land, buildings, constructions and perennial plants		7 445 546	6 125 827
Equipment and machinery		3 966 010	2 400 710
Other fixtures and fittings, tools and equipment		1 074 608	416 623
Construction in progress		77 895	1 997 443
Prepayments for tangible fixed assets		425 319	1 119 127
TOTAL		12 989 378	12 059 730
Non-current financial assets			
Investments in share capital of related companies		1 445	1 830
TOTAL		1 445	1 830
TOTAL NON-CURRENT ASSETS		13 317 277	12 533 213
CURRENT ASSETS			
Inventories			
Raw materials		7 994 424	6 821 549
Work in progress		571 666	464 009
Finished goods and goods for resale		2 500 232	2 205 633
TOTAL		11 066 322	9 491 191
Receivables			
Trade receivables		4 433 230	6 357 419
Receivables from related companies		5 788 612	11 745
Other receivables		6 863 413	901 177
Prepaid expense		52 967	60 949
TOTAL		17 138 222	7 331 290
Cash (TOTAL)		95 863	92 071
TOTAL CURRENT ASSETS		28 300 407	16 914 552
TOTAL ASSETS		41 617 684	29 447 765

 Rolands Gulbis
 Chairman of the Executive Board

EQUITY AND LIABILITIES

	Notes	30.09.2004 LVL	30.09.2003 LVL
CAPITAL AND RESERVES			
Share capital		7 496 900	7 496 900
Share premium		61 767	61 767
Non-current assets revaluation reserve		984 877	982 432
Reserves:			
unrealized gain from investment in subsidiary undertakings			75 571
reserves under the Articles of Association		1 249 047	1 249 047
merger reserve		(11 101 905)	(11 101 905)
Retained earnings:			
brought forward		15 065 337	12 881 753
for the period		658 153	648 476
	TOTAL EQUITY	14 414 176	12 294 041
PROVISIONS FOR LIABILITIES AND CHARGES			
Provisions for expected taxes		484 910	311 140
Other provisions		1 117 967	1 440 000
	TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	1 602 877	1 751 140
LIABILITIES			
Non-current liabilities			
Loans from credit institutions		11 035 000	6 671 751
	TOTAL	11 035 000	6 671 751
Current liabilities			
Loans from credit institutions		3 544 453	4 297 939
Trade payables		2 185 384	1 892 531
Taxes payable		8 682 763	2 392 609
Other liabilities		147 796	142 519
Undrawn dividends of previous years		5 235	5 235
	TOTAL	14 565 631	8 730 833
	TOTAL LIABILITIES	25 600 631	15 402 584
TOTAL EQUITY AND LIABILITIES		41 617 684	29 447 765

 Rolands Gulbis
 Chairman of the Executive Board