

Joint Stock Company
GROBINA

Non- audited
2007 Annual report

SATURS

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PROFIT OR LOSS STATEMENT FOR JANUARY- DECEMBER 2007

	2007 LVL	2007 EUR	2006 LVL	2006 EUR
1. Net turnover	1817829	2586538	1983610	2822423
2. Cost of sales	(1520127)	(2162946)	(1465175)	(2084756)
3. Gross profit	297702	423592	518435	737667
4. Sales distribution costs	(84446)	(120156)	(59783)	(85064)
5. Administration costs	(123666)	(175961)	(110637)	(157422)
6. Other operating income	20683	29429	43549	61965
7. Other operating expenses	(16428)	(23375)	(21260)	(30250)
10. Other interest receivable and similar income	66	94	7	10
12. Interest payable and similar expenses	(35630)	(50697)	(17234)	(24522)
16. Profit before tax	58281	82926	353077	502383
17. Tax on profit for financial period	(9702)	(13805)	(45696)	(65020)
18. Suspended enterprise income tax	2844	4047	(21328)	(30347)
19. Other Taxes	(1219)	(1734)	(188)	(267)
20. Profit for the financial period	50204	71434	285865	406749
21. Earnings per stock (EPS)	0,100	0,143	0,572	0,814

Daina Kalniņa
Chairman of board

Dubeni, 27 February 2008

BALANCE ON 31 OF DECEMBER, 2007

	2007 LVL	2007 EUR	2006 LVL	2006 EUR
<u>Assets</u>				
Long – term investments				
I. Intangible investments				
2. Concessions, patents, licenses, trade-marks and similar rights	436	620	600	854
Intangible investments totally:	436	620	600	854
II. Fixed assets:				
1. Lands, buildings, constructions and perennial plantations	474582	675269	411138	584997
3. Technological equipments and machines	179167	254932	213513	303802
4. Other fixed assets and inventory	104738	149029	113199	161068
5. Forming of fixed assets and costs of unfinished objects of construction	12579	17898	12579	17898
6. Advance payments for fixed assets	13761	19580	13761	19580
Fixed assets totally:	784827	1116708	764190	1087344
IV. Biological assets	557700	793536	496591	706585
V. Long-term financial investments				
5. Other securities and investments	352	501	352	501
7. Own stocks and shares	2500	3557	2500	3557
Long term financial investments totally:	2852	4058	2852	4058
Long-term investments totally:	1345815	1914922	1264233	1798841
Current assets				
I. Stocks:				
1. Raw materials, direct materials and auxiliary materials	72314	102894	113770	161880
3. Complete products and goods for sale	1994842	2838404	1384808	1970404
5. Advance payments for goods	2100	2988	0	0
Stocks totally:	2069256	2944286	1498578	2132284
II. Debtors:				
1. Costumers and clients debts	9999	14227	83073	118202
4. Other debts	12179	17329	10292	14644
7. Expenses of next period	1387	1974	1144	1628
Debtors totally:	23565	33530	94509	134474
IV. Cash assets	157980	224785	477348	679205
Current assets totally:	2250801	3202601	2070435	2945964
<u>Assets totally</u>	3596616	5117524	3334668	4744805

BALANCE ON 31 OF DECEMBER, 2007

	2007 LVL	2007 EUR	2006 LVL	2006 EUR
<u>Liabilities</u>				
Equity capital:				
1. Stock or share capital	500000	711436	500000	711436
5. Reserves				
d) Other reserves	54454	77481	54454	77481
6. Retained profit				
a) Retained profit for previous year	1617129	2300967	1331264	1894218
b) Retained profit for the year accountant	50204	71434	285865	406749
Equity capital totally:	2221787	3161318	2171583	3089884
Stockpiles:				
3. Other stockpiles	55080	78372	38934	55398
Stockpiles totally:	55080	78372	38934	55398
Creditors:				
Long-term debts:				
3. Suspended tax liabilities	36710	52234	39554	56280
4. Other borrowings	227480	323675	251920	358450
12. Deferred income	-	-	3159	4495
Long-term debts totally:	264190	375909	294633	419225
Short-term debts:				
3. Borrowings from credit institution	352832	502035	139858	199000
5. Costumers advanced payments	416131	592101	446956	635961
6. Debts to suppliers and contractors				
	184300	262235	107729	153285
10. Tax and social security payments				
	41557	59130	81423	115854
11. Other creditors	45713	65044	44595	63453
12. Deferred income	3159	4495	3158	4493
15. Accrued liabilities	11867	16885	5799	8251
Short-term debts totally:	1055559	1501925	829518	1180298
Creditors totally:	1319749	1877834	1124151	1599523
<u>Liabilities totally</u>	3596616	5117524	3334668	4744805

Daina Kalniņa
Chairman of board

Dubeni, 27 February 2008

STATEMENT OF CHANGES IN EQUITY 2007

	Equity capital	Equity capital	Other reserves	Other reser ves	Retained profit	Retained profit	Totally	Totally
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
January 1, 2006	500000	711436	54454	77481	1331264	1894218	1885718	2683135
Profit for the financial period					285865	406749	285865	406749
December 31, 2006	500000	711436	54454	77481	1617129	2300967	2171583	3089884
Profit for the financial period					50204	71434	50204	71434
December 31, 2007	500000	711436	54454	77481	1667333	2372401	2221787	3161318

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CASH FLOW STATEMENT 2007

	2007 LVL	2007 EUR	2006 LVL	2006 EUR
Business activities cash flow				
1. Profit or loss before tax	58281	82926	353077	502383
<u>Corrections:</u>				
a) wear of fixed assets	108190	153941	93310	132768
b) amortization of immaterial investment assets	164	233	236	336
c) liquidation of fixed assets	185	263	1099	1564
d) formation of accumulations	16146	22974	14394	20481
e) profit of loss from foreign currency exchange rate fluctuation	(2840)	(4041)	3317	4720
f) received subsidies endowments, grants and donation	(17188)	(24456)	(28792)	(40967)
g) other tax income and other income	(66)	(94)	(7)	(10)
h) percentage payments	35630	50697	17234	24522
i) donations	1	1	2000	2846
2. Profit of loss before current assets and short-term liabilities residue correction influence	198503	282444	455868	648642
a) Biological asset (increase)/ decrease	(61109)	(86950)	(89692)	(127620)
b) Stock residue (increase)/ decrease	(570678)	(812002)	(348187)	(495425)
c) Debtors debt residue (increase)/ decrease	70944	100944	10247	14580
d) To suppliers, contractors and other creditors payable debt residue increase/ (decrease)	7064	10051	513073	730037
3. Gross basic activities cash flow	(355276)	(505512)	541309	770213
4. expenses for percentage payments	(35630)	(50697)	(17234)	(24522)
5. expenses for enterprise income tax	(9702)	(13805)	(45696)	(65020)
6. Suspended enterprise income tax	2844	4047	(21328)	(30347)
7. Realty tax costs	(1219)	(1734)	(188)	(267)
8. Basic activity net cash flow	(398983)	(567702)	456863	650057
Investments action cash flow				
1. Company stock or share purchase.	-	-	(2500)	(3557)
2. Fixed assets and intangible investments purchase	(129012)	(183568)	(183006)	(260394)
3. Percentage benefit	66	94	7	10
9. Investments activity net cash flow	(128946)	(183474)	(185499)	(263941)
Financing activity cash flow				
1. Received borrowings	249168	354534	196482	279569
2. Received subsidies endowments, grants and donation	17188	24456	28792	40967
3. Costs about credit repayment	(60634)	(86274)	(137685)	(195908)
4. Expenses for donations	(1)	(1)	(2000)	(2846)
10. Financing activity net cash flow	205721	292715	85589	121782

A/S "GROBIŅA"
2007. GADA PĀRSKATS

Foreign currency exchange rate fluctuation result	2840	4041	(3317)	(4720)
Financial period net cash flow	(319368)	(454420)	353636	503179
Cash and its equivalents residue in the beginning of financial period	477348	679205	123712	176026
Cash and its equivalents residue in the end of financial period	157980	224785	477348	679205

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Dubeni, 27 February 2008

ATTACHMENT

1. Annual report positions converted in EUR according to The Bank of Latvia settled exchange rate on 31 December, 2007: 1 LVL = 0,702804 EUR and it serves only as informational function.

2. Information according to law of Financial instrument market 56.¹ article

2.1. Principal structure

Enterprise share capital component from 500 000 stocks, that divides into 497 500 Ordinary name stock with right of voting and 2 500 Ordinary stock without right of voting, that owns enterprise. Nominal value of one stock is 1 LVL. Enterprise share capital is fully paid.

Stock category	Stock amount	% from share capital
Ordinary name stock with right of voting – in public returns	497500	99.5%
Ordinary stock without right of voting– in closed register	2500	0.5%

2.2. List of stockholders who has special rights

List of stockholders who has special rights	List of stockholders who has special rights	Stocks on 6 June 2007	% from share capital
Agris Nagliņš	Councillor till 06.07.2007.	18394	3.7%
Jānis Siliņš	Councillor till 06.07.2007. Chairman of council from 10.07.2007.	30162	6.0%
Laimonis Laugalis	Chairman of board till 27.04.2007.	248256	49.7%
Anatolijs Gorbunovs	Regent till 12.10.2007.	23901	4.8%
Gunta Isajeva	Regent	231	0.05%

2.3. Regents proxy

According to joint stock company "Grobiņa" statute enterprise can be represented separately by each regent.

2.4. Stockholder rights are regulate by LR legislation, in enterprise statute there is not special established limitations or regulations concerning right of voting.

2.5. Between enterprise and regents there is not any agreement about compensation in case of resign.

MANAGERIAL LIABILITY STATEMENT

Joint stock company „Grobiņa” management is responsible about enterprise annual report processing.

According to disposable information JSC “Grobiņa” contracted year 2007 financial report is prepared according to effectual laws and regulations and it provides actual and clear distinct about JSC “Grobiņa” assets, liabilities, financial standing and profit. Managerial liability statement contains real information.

Joint stock company „Grobiņa” management is responsible about accomplishment demands of legislation of republic of Latvia.

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