

JSC LATVIJAS GĀZE PROFIT AND LOSS STATEMENT
AS AT SEPTEMBER 30,2004 (EUR/LVL = 0.671)

			LVL	EUR
	1	2	3	4
1	Net income	010	82 810 487	123 413 542
2	Production costs of goods sold	020	(64 629 904)	(96 318 784)
3	GROSS PROFIT OR LOSS	030	18 180 583	27 094 758
4	Sales costs	040		
5	Administrative expenses	050	(3 300 682)	(4 919 049)
6	Other income from economic activities of the undertaking	060	568 315	846 967
7	Other costs from economic activities of the undertaking	061	(3 289 941)	(4 903 042)
8	Income from participation in capital of group subsidiary and of associated undertakings	070	-	-
9	Income from securities and loans forming long-term investment	080	-	-
10	Other interest income and similar income	090	1 137 554	1 695 311
11	Write off of the value of long-term financial investments and short-term securities	100	-	-
12	Interest payments and similar expenses	110	(1 158)	(1 726)
13	PROFIT OR LOSS before extraordinary items and taxes	120	13 294 671	19 813 220
14	Extraordinary income	130	-	-
15	Extraordinary expenses	140	-	-
16	PROFIT OR LOSS before taxes	150	13 294 671	19 813 220
17	Enterprise income tax for the accounting year	160	(2 479 332)	(3 694 981)
17a	Provisions for taxes		(1 000 000)	(1 490 313)
18	Other taxes	170	(954 612)	(1 422 671)
	TAXES		(4 433 944)	(6 607 964)
19	NET PROFIT OR LOSS	180	8 860 727	13 205 256

JSC "LATVIJAS GĀZE" BALANCE SHEET
AS AT SEPTEMBER 30,2004 (EUR/LVL = 0.671)

ASSETS	Row #	LVL	EUR
1.Long-term investments			
<i>I Intangible assets</i>			
1 Research and development	010	204 379	304 589
2 Concessions, patents, licences, trademarks and similar rights	020	933 647	1 391 426
4 Advance payments for intangible assets	040	11 083	16 517
I Total intangible assets	050	1 149 109	1 712 532
<i>II Fixed assets</i>			
1 Land, buildings and constructions	060	156 371 175	233 041 990
2 Equipment and machinery	070	18 332 063	27 320 511
3 Other fixed assets	080	570 787	850 651
4 Fixed assets under installation and fixed assets under construction	090	15 297 865	22 798 607
II Total fixed assets	100	190 571 890	284 011 759
<i>III Long-term financial investments</i>			
3 Investment in associated companies	130	80	119
5 Other securities and investments	150	8 941	13 325
6 Other loans and enquiries	160	-	-
9 Long-term trade debtors	181	273 256	407 237
III Total long-term financial investments:	190	282 277	420 681
1. Total long-term investments	200	192 003 276	286 144 972
2. Current assets			
<i>I Inventories</i>			
1 Raw materials and consumables	210	20 823 532	31 033 580
3 Finished goods and goods for sale	230	2 214	3 300
5 Advances for goods receivable	250	7 406	11 037
I Total inventories	270	20 833 152	31 047 917
<i>II Debtors</i>			
1 Trade debtors	280	4 672 443	6 963 402
4 Other debtors	310	3 069 544	4 574 581
7 Deferred expenses	340	216 186	322 185
II Total debtors	350	7 958 173	11 860 168
<i>III Securities and shareholdings:</i>			
3 Other securities and shareholdings	380	25 290	37 690
III Total securities and shareholdings	390	25 290	37 690
<i>IV Cash and bank</i>			
2. Total current assets	410	65 360 384	97 407 428
TOTAL ASSETS	420	257 363 660	383 552 399

LIABILITIES	Row #	LVL	EUR
1. Shareholders' funds			
1 Share capital	430	39 900 000	59 463 487
2 Share premium	440	14 320 210	21 341 595
3 Long-term investments revaluation reserve	450	117 431 764	175 010 080
4 Reserves			
a) legal reserves	460	2 091 647	3 117 209
b) reserves for own shares	470	-	-
c) statutory reserve	480	23 310 942	34 740 599
d) Other reserves	490		
4 Reserves total	500	25 402 589	37 857 808
5 Retained earnings		8 860 727	13 205 256
a) previous years' retained earnings	510	-	-
b) current year's retained profit	520	8 860 727	13 205 256
1. Total shareholders' funds:	530	205 915 290	306 878 227
2. Provisions			
2 Provisions for taxes	550	21 657 499	32 276 452
3 Other provisions	560	3 670 000	5 469 449
2. Total provisions	570	25 327 499	37 745 900
3. Creditors			
<i>I. Long-term creditors</i>			
3 Borrowings from credit institutions	600	80 898	120 563
7 Deferred income		3 524 969	5 253 307
I Total long-term creditors:	640	3 605 867	5 373 870
<i>II Current creditors</i>			
3 Borrowings from credit institutions	670	16 090	23 979
4 Advances received	680	2 605 695	3 883 301
5 Trade creditors	690	15 014 211	22 375 873
6 Reserve for prospective costs	691	1 148 063	1 710 973
9 Income Tax	730	2 479 332	3 694 981
10 Other creditors, including taxes and social security payments	740	1 123 856	1 674 897
11 Deferred income	750	127 757	190 398
II Total current creditors:	780	22 515 004	33 554 402
3. Total creditors:	790	26 120 871	38 928 273
Total liabilities and shareholders' funds	800	257 363 660	383 552 399

JSC "Latvijas Gāze" Cash flow statement
January-September, 2004 (EUR/LVL = 0.671)

	LVL	EUR
Cash flow from operating activities		
1. Money resources received from clients	90 808 914	135 333 702
2. Money resources paid to suppliers and workers	(68 321 006)	(101 819 681)
Cash flow from operating activities	22 487 908	33 514 021
3. Interests paid	(1 158)	(1 726)
4. Corporate income tax paid	(1 371 520)	(2 043 994)
Net cash flow from operating activities	21 115 230	31 468 301
Cash flow from investing activities		
5. Purchase of the subsidiary companies	-	-
5a. Sale of branches	-	-
6. (Issue) / receipts under loans to branches	-	-
7. Purchase of the connected companies	-	-
7a. Sale of connected companies	-	-
8. (Issue) / receipts under loans to the connected enterprises	-	-
9. Purchase of other securities	-	-
9a. Sale of securities	-	-
10. (Issue) / receipts under the other loans	-	-
11. Fixed assets acquisitions	(11 182 519)	(16 665 453)
12. Intangible assets acquisitions	(179 607)	(267 671)
13. Proceeds from disposal of fixed assets	35 854	53 434
14. Proceeds from disposal of intangible assets	-	1
15. Received percents	731 622	1 090 346
Net cash flow from investing activities	(10 594 650)	(15 789 343)
Cash flow from financing activities		
16. Settlement of loans	(16 269)	(24 246)
17. Loans received	-	-
18. Issue of shares	-	-
19. Dividends paid	(9 722 307)	(14 489 280)
Increase / (reduction) of money received from financial activity	(9 738 576)	(14 513 526)
Net cash and cash equivalents flow	782 004	1 165 432
Cash and cash equivalents flow		
20. At the beginning of the period	35 761 765	53 296 222
21. Increase / (reduction) of cash and cash equivalents	782 004	1 165 431
22. At the end of the period	36 543 769	54 461 653

Statement of changes in equity, January - September 2004,
(EUR/LVL = 0.671)

	Share capital	Share premium	Revaluation reserve	Legal reserves	Reserves by Company statutes	Unrealised gains from investments in subsidiary undertakings	Retained earnings	Total
	Ls	Ls	Ls	Ls	Ls	Ls	Ls	Ls
31.12.2003.	39 900 000	14 320 210	7 877 665	2 091 647	20 264 394		- 13 021 548	97 475 464
Dividends							-9 975 000	-9 975 000
Transferred to reserves					3 040 410		-3 040 410	
Previous years' retained earnings					6 138		-6 138	
Disposal of revalued fixed assets			-96 250					-96 250
Increase of fixed assets value due to revaluation			128 371 139					128 371 139
provisions for income tax due to revaluation of fixed assets			-18 720 790					-18 720 790
Current period's profit						8 860 727		8 860 727
30.09.2004.	39 900 000	14 320 210	117 431 764	2 091 647	23 310 942		- 8 860 727	205 915 290
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31.12.2003.	59 463 487	21 341 595	11 740 186	3 117 209	30 200 289		- 19 406 182	145 268 948
Dividends							-14 865 872	-14 865 872
Transferred to reserves					4 531 162		-4 531 162	
Previous years' retained earnings					9 148		-9 148	
Disposal of revalued fixed assets			-143 443					-143 443
Increase of fixed assets value due to revaluation			191 313 173					191 313 173
provisions for income tax due to revaluation of fixed assets			-27 899 836					-27 899 836
Current period's profit						13 205 256		13 205 256
30.09.2004.	59 463 487	21 341 595	175 010 080	3 117 209	34 740 599		- 13 205 256	306 878 227