



"Latvijas Gāze" Joint Stock Company

Unaudited Financial Report of 12 months of 2009

Prepared according to the Requirements of International Financial Reporting Standards

Riga, 2010

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Information on the company

Name of the Company	JSC Latvijas Gāze
Legal status of the Company	Joint Stock Company
Registration number, place and date of registration	000300064 Riga, March 25, 1991 Reregistered in Commercial Register December 20, 2004 with common registration No 40003000642
Address	Vagonu street 20 Riga, LV-1009 Latvia
Names of major shareholders	E.ON Ruhrgas International AG (47.2%) Gazprom JSC (34.0%) Itera Latvija LLC (16.0%)
Names and positions of the Board members	Adrians Dāvis – Chairman of the Board Aleksandrs Mihejevs (Александр Михеев) – Member of the Board, Deputy Chairman of the Board Jörg Tumat – Member of the Board, Deputy Chairman of the Board Anda Ulpe – Member of the Board Gints Freibergs – Member of the Board
Names and positions of the Council members	<u>From July 3, 2009</u> Kiril Seleznov (Кирилл Селезнев) – Chairman of the Council Juris Savickis – Deputy Chairman of the Council Achim Saul – Deputy Chairman of the Council Joachim Hockertz – Member of the Council Mario Nullmeier – Member of the Council Uwe Fip – Member of the Council Heinz Watzka – Member of the Council Jelena Karpel (Елена Карпель) – Member of the Council Aleksandr Krasnenkov (Александр Красненков) – Member of the Council Vlada Rusakova (Влада Русакова) – Member of the Council Igor Nazarov (Игорь Назаров) – Member of the Council <u>Untill July 3, 2009</u> Kiril Seleznov (Кирилл Селезнев) – Chairman of the Council Juris Savickis – Deputy Chairman of the Council Achim Saul – Deputy Chairman of the Council Eike Benke – Member of the Council Uwe Fip – Member of the Council Marcus Anton Söhrich – Member of the Council Heinz Watzka – Member of the Council Jelena Karpel (Елена Карпель) – Member of the Council Aleksandr Krasnenkov (Александр Красненков) – Member of the Council Vlada Rusakova (Влада Русакова) – Member of the Council Igor Nazarov (Игорь Назаров) – Member of the Council
Financial period	1 January – 31 December 2009

Report on activity of the “Latvijas Gāze” JSC in the 12 months of the year 2009

The Joint Stock Company „Latvijas Gāze” (hereinafter – LG) is the only natural gas transmission, storage, distribution and sale operator in Latvia. The company supplies natural gas to 442 100 customers in Latvia, and in winter – also to Estonia, the Northwestern part of Russia and Lithuania from the Inčukalns Underground Gas Storage Facility.

The goal of LG is to strengthen its leading position in the fuel market of Latvia by enhancing the accessibility of natural gas, facilitating the diversity of its consumption and ensuring for consumers in Latvia one of the most stable supplies in Europe.

The vision of LG is to make Latvia one of the largest natural gas storage hubs in Europe by using the unique geological structures of our country.

The mission of LG is to contribute to the economy of the Baltic region by ensuring the security of energy supplies, the development of the industry and the competitiveness of prices.

Economic and financial activity

Over 12 months of 2009, the Joint Stock Company „Latvijas Gāze” (hereinafter – LG) sold to consumers 1 492.9 million m³ of natural gas. In comparison to the respective period of 2008, natural gas sales have decreased by 8.5% (-138.1 million m³).

During the reporting period, the economic activity of LG was influenced by the global financial crisis and the economic recession in Latvia. Under the influence of these factors and the high natural gas price, demand for natural gas in the 1st half of 2009 decreased, and natural gas users opted for alternative types of fuel. At the end of the year there was the opposite tendency as the low air temperature and the relatively cheap natural gas reserves at the Inčukalns Underground Gas Storage Facility (hereinafter – Inčukalns UGS), compared to the first half and the European market, renewed demand for gas. The reporting year saw a reduction in the average consumption by households. This stems from changes in the average temperature, which was higher than in previous years throughout the year, except for December, as well as more economical usage of resources.

The natural gas injection season at the Inčukalns UGS began on May 14, 2009 and ended on October 15, 2009. Over the season of 2009, 1 214.4 million m³ of natural gas were injected into the storage facility, while 1965.7 million m³ were withdrawn. In comparison to the season of 2008, the volume of natural gas injected has fallen by 36.8% (705.7 million m³), while the withdrawn volume – by 19.8 % (445.7 million m³). During the reporting period, the use of the Inčukalns UGS for the needs of other countries decreased heavily due to the mild winter and the rise of the gas storage service tariffs.

In late 2008, the natural gas suppliers completed the gradual increase of purchase prices to the level of the European countries, and in 2009 those were only affected by changes in the oil product quotations at the exchange, currency value ratios and gas supply flows.

During the reporting period, users were sold natural gas for the discriminative sale end-user tariffs, approved by the Council of the Public Utility Commission (hereinafter – PUC) on July 24, 2008 with the resolution No.247 „On natural gas supply tariffs of the Joint Stock Company „Latvijas Gāze”.

The effective discriminative natural gas sale end-use tariffs consist of two parts: fixed tariffs of regulated services and the natural gas sale prices that change with a step of 5 LVL depending on the actual natural gas purchase costs. The tariff applied to users with the annual consumption volume over 25 thousand nm³ changes monthly, whereas the one applied to users

with the annual consumption volume up to 25 thousand nm³ – twice a year, on January 1 and July 1.

In 2009, the average natural gas sale end-user tariff decreased by 23.9% compared to Q4 of 2008 when the latest tariffs approved by the PUC Council took effect, but increased by 2.2% compared to the average tariff of 2008.

In 2009, LG sold natural gas and provided services for LVL 329.7 million, which is by 13% less than in the respective period of 2008. The reduction in net turnover stems from the changes in the natural gas sale price and volume.

During 2009, LG took a number of measures to ensure for the shareholders a profit at the level of 2008 in the case of falling demand. LG introduced new standards for operation of the gas supply system and reorganized the structure by reducing the number of employees by 9.2%. Working under the circumstances of crisis, additional financial and material resources were shifted for natural gas sales and billing control, reducing the funding for the provision of new connections, advertising and marketing purposes. The same as in previous years, the financing of measures related to system security were set as priority. There were also savings due to more favourable prices and the increased competition in outsourced services purchased via tenders.

LG completed the year 2009 with a net profit of LVL 19.97 million, which did not significantly differ from the figure of 2008 (LVL 19.93 million), still it was by LVL 12.3 million less than in 2007. In 2009 was gained more profit from paid services and other economic activity (~ 10% of the total).

Over the reporting period, LVL 72.5 million were paid in taxes and duties (in 2008 – LVL 68.7 million).

The net profitability of business activity in 2009 was 6.1 %, while in 2008 – 5.7 %.

The total number of gas-enabled objects in 2009 reached 442.1 thousand. The reporting year saw 72 new contracts, under which merchants were supplied 18.2 million m³ of gas.

Within the framework of the capital investment programme, LVL 17.2 million were taken up over 12 months of 2009. 31.5% of the total investment was spent on the improvement of operation security and the modernization of equipment at the Inčukalns UGS, 33.2% - on the modernization and repair of the gas transmission pipeline system, and 29.7% - on the extension of the distribution networks and the renewal of existing fixed assets.

Inčukalns UGS:

- completion of the modernization of seven wells for the total amount of LVL 1.96 million;
- completion of the development of project for gas drying shop modernization and the supply of equipment. The costs of the project are LVL 5.2 million, with LVL 2.86 million taken up in 2009;
- selection of service provider and start of the development of GIS system;
- announcement of a tender and reception of part of underground well equipment for the reconstruction of wells planned in 2010;
- examination of technical condition of 20 wells;
- scheduling of geochemical investigation and capital repair of wells for 2010 – 2014 has been prepared;
- diagnostics of technical condition of gas collection point No.2.

Operation unit "Gas Transport":

The programme of gas transmission pipeline diagnostics is in progress. Within its framework the following has been completed:

- **GTP Riga – Panevežys:** the construction of a pig receiver unit. The total costs of the object are LVL 0.65 million;
- **GTP Iecava – Liepāja:** the construction of a pig launcher unit, three line valves and one branch line. In 2008, pipeline-cleaning and intelligent pig units and ball valves were supplied, while in 2009 the object was commissioned. Its total costs are LVL 1.36 million;
- **GTP Riga – Inčukalns UGS:** the construction of a unified pig receiver of line I and II and the replacement of branch valves to GRS Riga-1. The objects were commissioned in 2009, the total costs: LVL 1.58 million;
- aversion of damage found in diagnostics of GTPs. LVL 0.72 million have been spent on renovation;
- completion of the reconstruction of five GRSs for the total amount of LVL 2.53 million;
- completion of equipment of 17 GRSs with specialized communication devices in order to ensure control and management of GTPs in the case of damaged main channel of communication.

Distribution system:

- start of the development of a major consumers' consumption control system. The Project is due for completion in late 2010;
- the construction of the high-pressure gas pipeline of the Riga bypass line. The process is split into 6 stages, the last of which envisages the construction of cathodic stations and is planned for 2011-2012. The total length of the bypass line will reach ~40 km, incl. 9.5 km of the pipeline renovated in 2006 and 30.2 km of the new pipeline. The connection of both lines will conclude the looping, which will stabilize the gas supply of Riga and its vicinity (left and right bank of Daugava), the Pārdaugava district, the parishes of Ķekava, Olaine, Babīte and the town of Jūrmala. The total construction costs of the pipeline and regulation equipment will reach LVL 3.0 million, incl. investment taken up in 2009 – 1.96 million;
- start of the introduction of the Document control and content management system;
- completion of the 1st stage of the Customer portal. Its development will continue in 2010. The portal will enable gas users to provide information on the actual consumption and receive bills in an efficient and convenient way.

Key activities:

- participation in various working groups for development of energy legislation;
- participation in activities of the *International Gas Union*, *Eurogas*, *DVGW (Deutsche Vereinigung des Gas- und Wasserfaches)*, *World Energy Congress*, *Baltic Gas* and the Inter-republic gas applied and science-technical cooperation association;
- participation in the European Commission working group for the Baltic interconnection plan, preparation of the project and its submission to the EU Energy Recovery Programme EEPR for funding.

In the autumn of 2008, following the initiative of the European Commission (hereinafter – EC), the *Baltic Energy Market Interconnection Plan*, BEMIP, was launched. It included the *European Energy Program for Recovery*, EEPR. LG in cooperation with "Lietuvos Dujos" AB prepared documentation of a project for the increase of gas pipeline connection capacity and the improvement of gas supply security between Latvia and Lithuania. It envisaged the reconstruction of 15 wells at the Inčukalns UGS, the construction of a new passage over Daugava and the creation of a new pig receiver in Latvia, as well as the modernization of part of the gas pipeline system of Lithuania and a compressor station in

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Panevežys. The total costs are estimated at EUR 30.0 million. The project is included in the main list of projects selected for funding by the Energy Recovery Programme EEPR. The LG share of investment reaches EUR 20.0 million, half of which will be financed by the EC, while the rest – by LG.

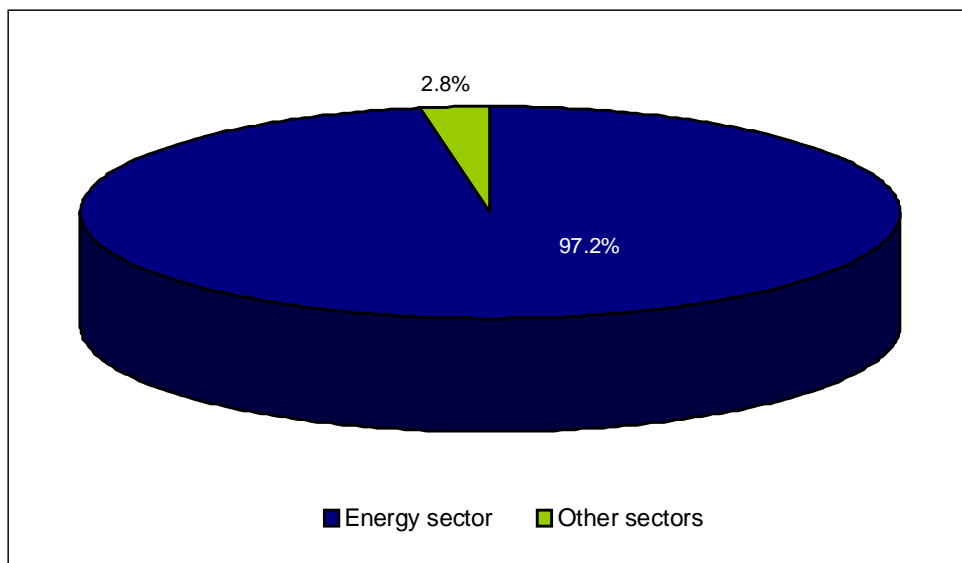
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Shares and shareholders

1) Composition of shareholders¹ of LG as on December 31, 2009:

Shareholder	31.12.2009.	31.12.2008.
“E.ON Ruhrgas International” AG	47.2 %	47.2 %
“Gazprom” OJSC	34.0 %	34.0 %
“Itera Latvija” Ltd	16.0 %	16.0 %
Others	2.8 %	2.8 %
TOTAL	100,0 %	100,0 %

2) Distribution of holdings according to holding groups as on December 31, 2009:



3) List of shareholders with special control rights as on December 31, 2009:

Members of the Board		Number of shares
Chairman of the Board	Adrians Dāvis	417
Deputy Chairman of the Board	Jörg Tumat M.A.	900
Deputy Chairman of the Board	Alexander Mihejev	417
Member of the Board	Anda Ulpe	729
Member of the Board	Gints Freibergs	416

Members of the Council		Number of shares
Chairman of the Council	Kirill Seleznev	0
Vice-chairman of the Council	Achim Saul	0
Vice-chairman of the Council	Juris Savickis	0
Members of the Council:	Eike Benke	0
	Uwe Fip	0
	Marcus Anton Söhrich	0
	Heinz Watzka	0
	Yelena Karpel	0

¹ Shareholders owning not less than 5% of capital

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Alexander Krasnenkov	0
Vlada Rusakova	0
Igor Nazarov	0

4) Share price of LG as on December 31, 2009 and previous period

	2005	2006	2007	2008	2009
<u>Shares price (LVL):</u>					
First	6.20	9.95	10.35	7.25	4.55
Highest	9.90	11.13	11.25	8.20	6.00
Lowest	6.15	9.27	7.05	3.62	3.32
Avarage	7.67	10.22	10.34	6.77	4.31
Last	9.61	10.32	7.12	4.55	4.10
Number of shares	63 360	128 844	154 825	46 565	64 319
Turnover (mio LVL)	0.486	1.316	1.600	0.315	0.277
Number of deals	864	1 066	1 074	1 711	1 267
Capitalization (mio LVL)	383.439	411.768	284.088	181.545	163.590

Source: NASDAQ OMX Riga

Since February 15, 1999, the shares of LG are quoted at the NASDAQ OMX Riga, and its share trade code since August 1, 2004 is GZE1R. The shares of LG were quoted in the Official list of the NASDAQ OMX Riga and the General list of the Baltic Stock Exchange till July 31, 2008. Pursuant to the resolution passed on June 25, 2008 by the Board of the JSC “NASDAQ OMX Riga”, due to the insufficient number of quotable LG shares available in free public trading, the shares of LG were shifted to the Second list of the Baltic Stock Exchange and the NASDAQ OMX Riga as from August 1, 2008.

The capitalization value of LG on the 31 December 2009 reached LVL 163.6 million – by LVL 17.9 million less than on the 31 December 2008. By share market capitalization LG took the 2nd place among companies quoted at NASDAQ OMX Riga and the 9th place at the NASDAQ OMX Baltic.

5) LG share price and extention of OMX Riga, OMX Baltic un OMX Baltic Energy during 12 months of 2009.

The shares of LG are included in the following index baskets – OMX Baltic, OMX Riga, OMX Baltic Energy. From 4th January 2010 also included in OMX Baltic Benchmark index basket.

OMX Baltic

An index of all shares, a Baltic-wide index. Its basket is comprised of the shares of the Official and the Second list of the Baltic exchanges. The index reflects the actual situation and changes in the Baltic market overall.

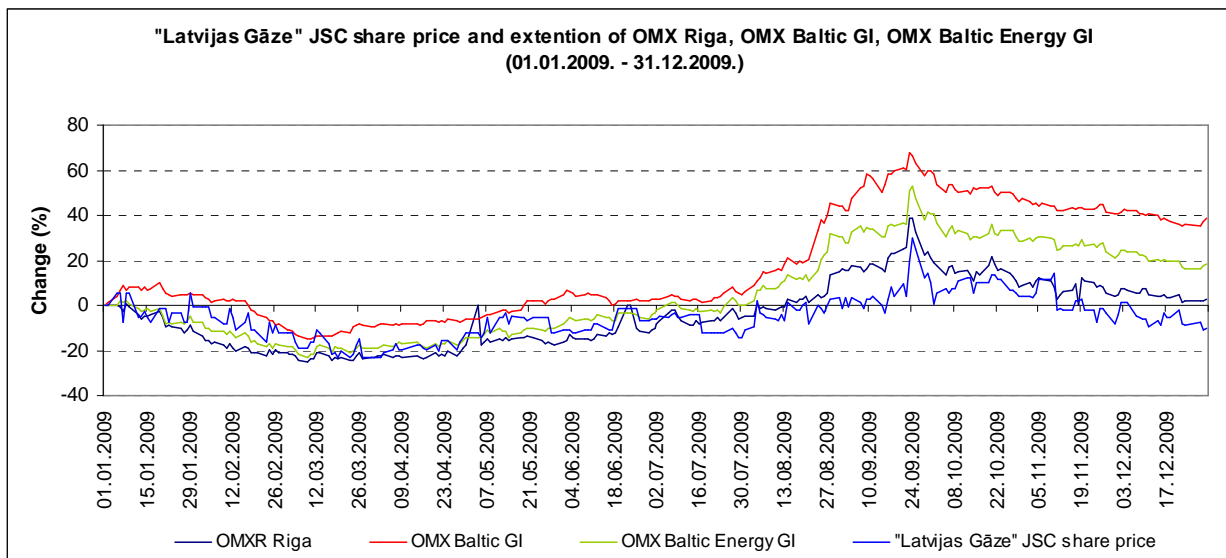
OMX Riga

An index of all shares, a local index. Its basket is comprised of the shares of the Official and the Second list of the NASDAQ OMX Riga. The index reflects the actual situation and changes in the NASDAQ OMX Riga.

OMX Baltic Energy

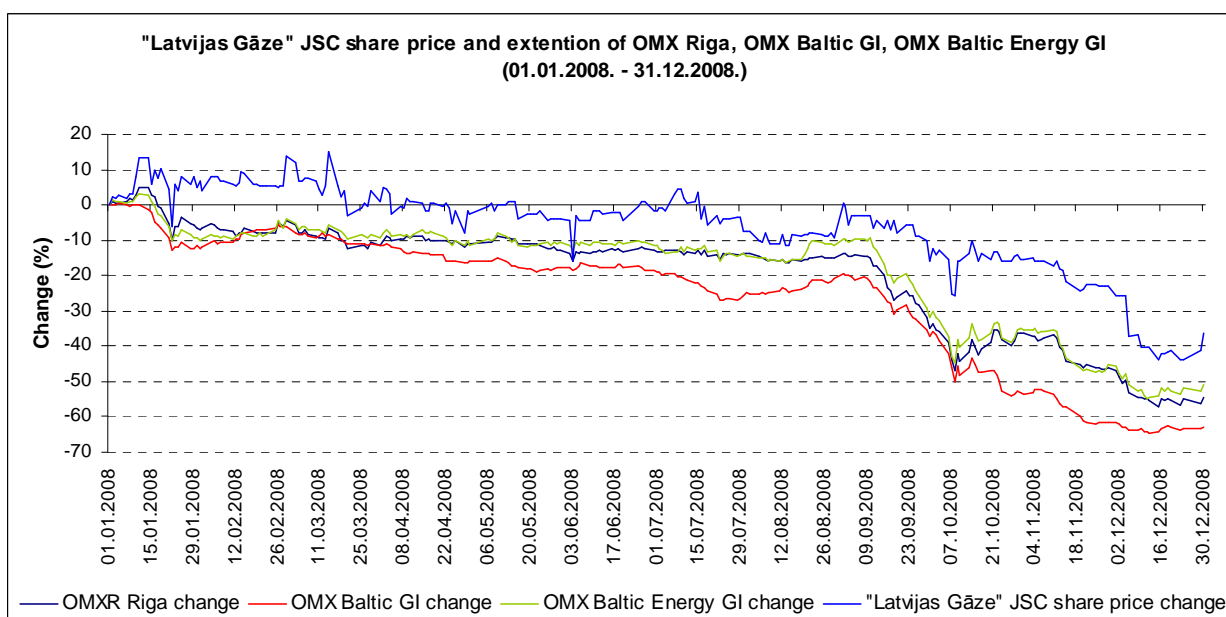
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A sector index, a Baltic-wide index, based on the Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International Inc. (MSCI) in association with Standard & Poor's. The purpose of GICS is to satisfy the investors' need for a more precise, exhaustive and standardized classification of companies. The sector index shows the trends of a sector and enables comparison of similar companies within the sector. The index consists of the shares of the Official and the Second list of the OMX Baltic market, and indexes are calculated for each GICS sector separately.



Source: NASDAQ OMX Riga

Indexes/shares	01.01.2009.	31.12.2009.	Change
OMX Riga	271.29	278.94	2.82%
OMX Baltic GI	190.76	264.23	38.51%
OMX Baltic Energy GI	280.55	332.46	18.50%
LG share price	4.55	4.10	-9.89%



Source: NASDAQ OMX Riga

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Indexes/shares	01.01.2008.	31.12.2008.	Change
OMX Riga	595.30	271.29	-54.43%
OMX Baltic GI	515.40	190.76	-62.99%
OMX Baltic Energy GI	569.41	280.55	-50.73%
LG share price	7.12	4.55	-36.10%

Statement of Director’s responsibility

The Board of Directors of the Joint Stock Company “Latvijas Gāze” (hereinafter – the Company) is responsible of the preparation of the interim financial statements of the Company. Interim financial statements of the Company are not audited.

The financial statements on pages 13 to 18 are prepared in accordance with the underlying accounting records and source documents and present fairly the financial position of the Company as of 31 December 2009 and the result of its operations and cash flows for the period ended 31 December 2009.

The financial statements are prepared in accordance with International Financial Reporting Standards on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The Board of Directors in the preparation of the financial statements has made prudent and reasonable judgements and estimates.

The Board of Directors of JSC “Latvijas Gāze” is responsible for the maintenance of proper accounting records, the safeguarding of the Company’s assets and the prevention and detection of fraud and other irregularities in the Company. The Board of Directors is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

On behalf of the Board of Directors,



Adriāns Dāvis
Chairman of the Board

February 18, 2010

Balance sheet

	31.12.2009.	31.12.2008.	31.12.2009.	31.12.2008.
	Note	LVL'000	LVL'000	EUR'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment		315 109	320 052	448 360
Intangible assets		2 430	2 271	3 458
Trade receivables		4	11	6
Total non-current assets		317 543	322 334	451 824
<u>Current assets</u>				
Inventories	1	83 533	115 681	118 857
Trade receivables		22 203	39 542	31 592
Current income tax receivable		1 357	3 854	1 931
Other current assets		1 048	991	1 491
Cash and cash equivalents		35 810	6 446	50 953
Total current assets		143 951	166 514	204 824
TOTAL ASSETS		461 494	488 848	656 648
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital		39 900	39 900	56 773
Share premium		14 320	14 320	20 376
Revaluation reserve	2	186 360	187 060	265 167
Other reserves		69 540	66 544	98 947
Retained earnings	3	18 940	17 131	26 948
Total equity		329 060	324 955	468 211
<u>Liabilities</u>				
<u>Non-current liabilities</u>				
Deferred income tax liabilities		29 700	29 915	42 259
Accruals for post employment benefits and other employee benefits		4 416	4 672	6 283
Deferred income		13 824	13 460	19 670
Total non-current liabilities		47 940	48 047	68 212
<u>Current liabilities</u>				
Trade payables		60 590	86 060	86 213
Borrowings		-	1 788	-
Deferred income		824	3 674	1 172
Other current liabilities		23 080	24 324	32 840
Total current liabilities		84 494	115 846	120 225
Total liabilities		132 434	163 893	188 437
TOTAL EQUITY AND LIABILITIES		461 494	488 848	656 648

Consolidated income statement – by function of expense

	31.12.2009.	31.12.2008.	31.12.2009.	31.12.2008.
	Note	LVL'000	LVL'000	EUR'000
		LVL'000	LVL'000	EUR'000
Sales		329 705	351 005	469 128
Cost of sales	4	(293 891)	(320 028)	(418 170)
Gross profit		35 814	30 977	50 958
Administrative expenses	5	(12 967)	(9 824)	(18 453)
Other income	6	2 543	2 605	3 620
Other expenses	7	(4 197)	(2 256)	(5 970)
Operating profit		21 193	21 502	30 155
Finance income	8	1 831	1 083	2 605
Finance expenses	8	(9)	(119)	(13)
Finance income, net	8	1 822	964	2 592
Profit before income tax		23 015	22 466	32 747
Income tax expense		(3 850)	(3 420)	(5 478)
Profit for the year		19 165	19 046	27 269
Earnings per share (EPS)		0.480	0.477	0.683

Consolidated statement of recognized income and expense

Items net of tax				
Disposal of revalued property, plant and equipment	2	943	973	1 342
Deferred tax from excluded revaluated fixed assets	2	(141)	(90)	(201)
Net income recognised directly in equity		802	883	1 141
Profit for the year		19 165	19 046	27 269
Total recognised income for the year		19 967	19 929	28 410

Cash flow statement

	31.12.2009.	31.12.2008.	31.12.2009.	31.12.2008.
	LVL'000	LVL'000	EUR'000	EUR'000
Cash flow from operating activities				
Cash generated from operations	62 033	30 214	88 265	42 991
Interest received	2 874	2 366	4 089	3 367
Income tax paid	(1 445)	(9 444)	(2 056)	(13 438)
Net cash generated from operating activities	63 462	23 136	90 298	32 920
Cash flow from investing activities				
Purchase of property, plant and equipment	(16 339)	(21 773)	(23 248)	(30 980)
Proceeds from sale of property, plant and equipment	48	120	68	171
Purchase of intangible assets	(850)	(1 000)	(1 209)	(1 423)
Net cash used in investing activities	(17 141)	(22 653)	(24 389)	(32 232)
Cash flow from financing activities				
Repayment of borrowings	(1 788)	(20 030)	(2 544)	(28 500)
Borrowings received	-	1 788	-	2 544
Interest paid	(9)	(150)	(13)	(214)
Dividends paid	(15 162)	(19 950)	(21 574)	(28 386)
Dividends received	2	-	3	-
Net cash (used in) / generated from financing activities	(16 957)	(38 342)	(24 128)	(54 556)
Net (decrease) / increase in cash and cash equivalents	29 364	(37 859)	41 781	(53 868)
Cash and cash equivalents at the beginning of the year	6 446	44 305	9 172	63 040
Cash and cash equivalents at the end of the year	35 810	6 446	50 953	9 172

Changes in equity capital

	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total
	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000	LVL'000
December 31, 2007	39 900	14 320	187 584	55 416	28 280	325 500
Income in year 2008, total	-	-	(524)	-	19 929	19 405
Transfer to reserves	-	-	-	11 128	(11 128)	-
Dividends for 2007	-	-	-	-	(19 950)	(19 950)
December 31, 2008	39 900	14 320	187 060	66 544	17 131	324 955
December 31, 2008	39 900	14 320	187 060	66 544	17 131	324 955
Income in year 2009, total	-	-	(700)	-	19 967	19 267
Transfer to reserves	-	-	-	2 996	(2 996)	-
Dividends for 2008	-	-	-	-	(15 162)	(15 162)
December 31, 2009	39 900	14 320	186 360	69 540	18 940	329 060

	Share capital	Share premium	Revaluation reserve	Other reserves	Retained earnings	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
December 31, 2007	56 773	20 376	266 907	78 850	40 240	463 146
Income in year 2008, total	-	-	(745)	-	28 356	27 611
Transfer to reserves	-	-	-	15 833	(15 833)	-
Dividends for 2007	-	-	-	-	(28 386)	(28 386)
Rounding	-	-	1	1	(2)	-
December 31, 2008	56 773	20 376	266 163	94 684	24 375	462 371
December 31, 2008	56 773	20 376	266 163	94 684	24 375	462 371
Income in year 2009, total	-	-	(996)	-	28 410	27 414
Transfer to reserves	-	-	-	4 263	(4 263)	-
Dividends for 2008	-	-	-	-	(21 574)	(21 574)
December 31, 2009	56 773	20 376	265 167	98 947	26 948	468 211

Notes to the financial statements

	31.12.2009.	31.12.2008.	31.12.2009.	31.12.2008.
	LVL'000	LVL'000	EUR'000	EUR'000
1 INVENTORIES				
Materials and spare parts (at net realisable value)	2 889	3 031	4 111	4 313
Gas and fuel (at cost)	80 644	112 650	114 746	160 286
	83 533	115 681	118 857	164 599
2 REVALUATION RESERVE				
At the beginning of the period	187 060	187 584	266 163	266 907
Revaluation of property, plant and equipment	120	584	171	831
Deferred tax liabilities from revaluation of fixed assets	(18)	(225)	(26)	(320)
Disposal of revalued property, plant and equipment	(943)	(973)	(1 342)	(1 384)
Deferred tax from excluded revaluated fixed assets	141	90	201	128
Rounding				1
At the end of the period	186 360	187 060	265 167	266 163
3 RETAINED EARNINGS				
At the beginning of the period	17 131	28 280	24 375	40 240
Disposal of revalued property, plant and equipment	802	883	1 141	1 256
Profit for the period	19 165	19 046	27 269	27 100
Transfer to reserves	(2 996)	(11 128)	(4 263)	(15 833)
Dividends for previous period	(15 162)	(19 950)	(21 574)	(28 386)
Rounding				(2)
At the end of the period	18 940	17 131	26 948	24 375
4 COST OF SALES				
Purchase of natural gas	248 198	267 707	353 154	380 913
Salaries	12 414	15 165	17 664	21 578
Social insurance contributions	2 914	3 471	4 146	4 939
Life, health and pension insurance	868	880	1 235	1 252
Materials and spare parts	4 109	7 785	5 847	11 077
Depreciation and amortisation	20 339	18 749	28 940	26 677
Other	5 049	6 271	7 184	8 923
	293 891	320 028	418 170	455 359
5 ADMINISTRATIVE EXPENSES				
Salaries	3 310	3 663	4 710	5 213
Social insurance contributions	771	618	1 097	879
Life, health and pension insurance	156	155	222	221
Maintenance and utilities	1 073	921	1 527	1 310
Real estate tax	162	150	231	213
Depreciation and amortisation	595	469	847	667
Bank charges	369	253	525	360

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Provisions for impairment of bad and doubtful debts, net	5 184	2 107	7 376	2 998
Other expenses	1 347	1 488	1 918	2 117
	12 967	9 824	18 453	13 978

6 OTHER INCOME

Penalties from customers	791	458	1 125	652
Profit on sale of fixed assets	531	497	756	708
Provisions for slow moving and obsolete inventories impairment	-	26	-	37
Other income	471	450	672	639
Net foreign exchange gains	750	1 174	1 067	1 670
	2 543	2 605	3 620	3 706

7 OTHER EXPENSES

Materials	27	13	38	18
Salaries	157	182	223	259
Social insurance contributions	21	24	30	34
Depreciation and amortisation	101	94	144	134
Sponsorship	1 503	731	2 139	1 040
Loss from sale of fixed assets	951	-	1 351	-
Provisions for impairment of slow-moving and obsolete inventories	37	93	53	132
Loss from increase in exchange rates, net	1 165	267	1 658	380
Other expense	235	852	334	1 213
	4 197	2 256	5 970	3 210

EXPENSES BY NATURE

Purchase of natural gas	248 198	267 707	353 154	380 913
Depreciation and amortisation	21 035	19 312	29 931	27 478
Employee benefit expense (see Note 26)	20 611	24 158	29 327	34 375
Material and spare parts	4 136	7 798	5 885	11 095
Net provisions for impaired receivables	5 184	2 107	7 376	2 998
Other expenses	11 891	11 026	16 920	15 688
	311 055	332 108	442 593	472 547

8 FINANCE INCOME, NET

Finance income				
- Interest income	1 831	1 083	2 605	1 541
	1 831	1 083	2 605	1 541
Finance expenses				
- Interest expenses	9	119	13	169
	9	119	13	169
Finance income, net	1 822	964	2 592	1 372