



**AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA"**

CONSOLIDATE REPORT

For six months 2009

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Report for six months 2009

**INFORMATION ON THE COMPANY**

<i>Name of the company</i>	DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA
<i>Legal status of the company</i>	Joint-stock company
<i>Number, place and date of registration</i>	Enterprise Register Nr.40003030219 Riga, 3 October 1991  Commercial register Riga, 8 June 2004
<i>Address</i>	Marijas street 1, Daugavpils LV-5401 Latvia
<i>Type of operations</i>	Railway rolling stock overhaul repair, maintenance and upgrade, manufacturing and repair of its spare parts
<i>Names of the major shareholders</i>	AS SKINEST RAIL - 47,97% Kadaka tee 1, 10621 Tallinn, Estonia  AS SPACECOM - 25,27% Kadaka tee 1, 10621 Tallinn, Estonia  LLC LOKOMOTIIV IVESTEERINGUUD - 6,09% Tartu street 18-18, 10115 Tallinn, Estonia  AAS "DORMASHINVEST" - 5% 5 Orlikov cross street, office 235, 107996 Moscow, Russia  VAS Valsts sociālās apdrošināšanas aģentūra -3,2% 70a Lāčplēša Street LV-1011, Riga, Latvia  Other shareholders - 12,47%
<i>Names and positions of the Counsel members</i>	Oleg Ossinovski - Chairman of the Counsel Juri Krasnošlik - Vice Chairman of the Counsel Vasily Barashkov - Member of the Counsel Roman Ait - Member of the Counsel (until 9 August 2008) Aleksandr Snatkin - Member of the Counsel (until 9 August 2008) Maarika Piir - Member of the Counsel (from 10 August 2008) Oleg Rumjantsev - Member of the Counsel (from 10 August 2008)
<i>Names and positions of the Board members</i>	Aivar Keskula – Chairman of the Board Andrejs Šilovs – Member of the Board Natālija Petrova – Member of the Board Kazimirs Steļmačēnoks - Member of the Board
<i>Auditor`s name and address</i>	Report not vise

## Report of the management.

### I. The key figures of the enterprise.

In 6 months 2009 year joint-stock company „Daugavpils Lokomotīvu Remonta Rūpnīca” has distributed goods for **3 986.2** thousand lats, which constitutes -48.2% compared to the appropriate period of 2008.

Displayed below is the dynamics of the output of the production of the basic classification.

Table No.1

#### The basic classification of the production.

thousands,Ls

Designation	6 months 2009	6 months 2008	( +, - )
Diesel locomotive repair, section	2 048.5	5 450.8	-3 402.3
Electric train repair, carriage	20.7	465.0	-444.3
Wheel pair repair, pieces	597.4	714.5	-117.1
Electric machines repair, pieces	394.9	441.6	-46.7
Diesel repair, peaces	-	146.9	-146.9
Other production	924.7	479.3	+445.4
<b>Total</b>	<b>3 986.2</b>	<b>7 698.1</b>	<b>-3 711.9</b>

Table No.2

#### The structure of the distributed goods by the clients.

The client	6 months 2009		6 months 2008	
	sum	%	sum	%
Latvia	1 297.3	32.6	1 403.8	18.2
Lithuania	202.4	5.1	462.4	6.0
Estonia	108.7	2.7	758.3	9.9
Belarus	175.5	4.4	41.0	0.5
Uzbekistan	383.5	9.6	225.7	2.9
Russia	1 205.4	30.2	2 100.7	27.3
Other	613.4	15.4	2 706.2	35.2
<b>Total</b>	<b>3 986.2</b>	<b>100.0</b>	<b>7 698.1</b>	<b>100.0</b>

## II. Financial figures.

The enterprise finished 6 months 2009 year at la loses 512.7 thousand Ls.  
The enterprise for the means of the increase of the turnover resources, has invested 65.6 thousand lats of investments, including:

- ❖ Equipment repairs - 62.0 thousand Ls
- ❖ Furniture and equipment - 3.6 thousand Ls

Chairman of the board

Aivar Keskuela

## **Statement of Director's responsibility**

The Board of Directors of the Joint Stock Company "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA" (hereinafter – the Company) is responsible for the preparation of the interim financial statements of the Company. Interim financial statements of the Company are not audited.

The financial statements on pages 7 to 21 are prepared in accordance with the underlying accounting records and source documents and present fairly the financial position of the Company as of June 30, 2009 and the result of its operations and cash flows for 6 months of the year 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. Prudent and reasonable judgements and estimates have been made by the Board of Directors in the preparation of the financial statements.

The Board of Directors of JSC "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA" 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.

Aivar Keskuela  
Chairman of the Board

August 26, 2009

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## 30.06.2009. balance Sheet

0.702804

<b>A S S E T S</b>						
	30.06.2009.		30.06.2008.		01.01.2009.	
	LVL	EUR	LVL	EUR	LVL	EUR
Non current assets						
Property, plant and equipment:						
Land, buildings and networks	5 344 357	7 604 335	5 465 502	7 776 709	5 420 671	7 712 920
Machinery and equipment	1 212 631	1 725 418	1 198 221	1 704 915	1 241 612	1 766 655
Other property, plant and equipment	203 204	289 133	253 639	360 896	241 864	344 141
Construction in progress	21 280	30 279	54 755	77 909	33 660	47 894
<b>Total property, plant and equipment</b>	<b>6 781 472</b>	<b>9 649 165</b>	<b>6 972 117</b>	<b>9 920 429</b>	<b>6 937 807</b>	<b>9 871 610</b>
Embedding long-term financial						
Other embedding long-term financial						
Total embedding long-term financial						
<b>Total embedding long-term</b>	<b>6 781 472</b>	<b>9 649 165</b>	<b>6 972 117</b>	<b>9 920 429</b>	<b>6 937 807</b>	<b>9 871 610</b>
Current assets						
Inventory	2 529 471	3 599 113	3 698 353	5 262 282	2 684 211	3 819 288
Debtors:						
Debts custom, customer	2 193 779	3 121 466	2 325 475	3 308 853	2 768 903	3 939 794
Other current assets	246 848	351 233	156630	222 865	213 222	303387
Corp. income tax (overpay)	19 042	27 094	156 630	222 865	222 625	316 767
Accumulate income	1 918 268	2 729 449	2 960 047	4 211 767	2 227 025	3 168 771
<b>Cash and cash equivalents</b>	<b>165 401</b>	<b>235 344</b>	<b>65 126</b>	<b>92 666</b>	<b>32 581</b>	<b>46 359</b>
<b>Total current assets</b>	<b>7 072 809</b>	<b>10 063 699</b>	<b>9 205 631</b>	<b>13 098 433</b>	<b>8 148 567</b>	<b>11 594 366</b>
<b>Total assets</b>	<b>13 854 281</b>	<b>19 712 864</b>	<b>16 177 748</b>	<b>23 018 862</b>	<b>15 086 374</b>	<b>21 465 976</b>

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## 30.06.2009. balance Sheet

0.702804

<b>LIABILITIES</b>						
	30.06.2009.		30.06.2008.		01.01.2009.	
	LVL	EUR	LVL	EUR	LVL	EUR
SHAREHOLDER' EQUITY						
Share capital	8 294 219	11 801 610	8 294 219	11 801 610	8 294 219	11 801 610
Topheavy reserves	-2 114 064	-3 008 042	-3 596 644	-5 117 563	-3 544 688	-5 043 636
Previous year unappropriated result	-512 676	-729 472	802 555	1 141 933	1 430 624	2 035 594
Previous year unappropriated result	5 667 479	8 064 096	5 500 130	7 825 980	6 180 155	8 793 568
Total shareholders' equity						
CREDITORS						
Long-term loan from credit institution	1 957 788	2 785 681	2 183 407	3 106 708	1 943 975	2 766 027
Other liability	105 561	150 200	105 561	150 200	105 561	150 200
Deffered tax liability	374 921	533 465	207 390	295 089	374 921	533 465
Total	2 438 270	3 469 346	2 496 358	3 551 997	2 424 457	3 449 692
<b>Short-term creditors</b>						
Long-term loan from credit institution	1 699 326	2 417 923	2 832 128	4 029 755	2 430 788	3 458 700
Debts provider and employer	1 638 530	2 331 418	2 671 380	3 801 031	2 013 331	2 864 712
Accumulation	220 834	314 218	886 944	1 262 008	238 980	340 038
Corporate income tax liabilities	63 994	91 055	-	-	63 994	91 055
Other liabilities	2 125 848	3 024 808	1 790 808	2 548 091	1 734 669	2 468 211
Total current liabilities	5 748 532	8 179 424	8 181 260	11 640 885	6 481 762	9 222 716
Total	8 186 802	11 648 768	10 677 618	15 192 882	8 906 219	12 672 408
<b>TOTAL LIABILITIES</b>	13 854 281	19 712 864	16 177 748	23 018 862	15 086 374	21 465 976



## Profit or loss account

for 6 months 2009

0.702804

	6 months 2009		6 months 2008	
	LVL	EUR	LVL	EUR
Net sales	4 089 985	5 819 524	7 958 258	11 323 581
Cost of sales	3 735 984	5 315 825	6 144 283	8 742 527
Gross profit (loss)	354 001	503 699	1 813 975	2 581 054
Sales and distribution expenses	69 217	98 487	70 424	100 204
Administrative expense	635 362	904 039	1 038 130	1 477 126
Other operating income	59 475	84 625	59 450	84 590
Other expenses	5 678	8 079	13 979	19 890
Other credit expenses	216 159	307 567	202 335	287 897
Other credit income	264	376	253 998	361 406
Profit or loss before extraordinary post and taxes	-512 676	-729 472	802 555	1 141 933
Profit or loss before taxes	-512 676	-729 472	802 555	1 141 933
Corporate income tax of account period	0	0	0	0
Profit or losses report on period	-512 676	-729 472	802 555	1 141 933
Profit coefficient on stock	-0.062	-0.088	0.0968	0.1377

## OVERVIEW OF EQUITY CAPITAL CHANGES

for 6 months 2009

0.702804

	30.06.2009.		30.06.2008.	
	LVL	EUR	LVL	EUR
Share capital				
Post-balance residue at the beginning of year	8 294 219	11 801 610	8 294 219	11 801 610
Post-balance residue at the end of period	8 294 219	11 801 610	8 294 219	11 801 610
Retained profit				
Post-balance residue at the beginning of year	-2 114 064	-3 008 042	-3 544 688	-5 043 636
Post-balance residue at the end of period	-2 626 740	-3 737 514	-2 794 089	-3 975 630
Share capital (total)				
Post-balance residue at the beginning of year	6 180 155	8 793 568	4 749 531	6 757 974
Post-balance residue at the end of period	5 667 479	8 064 096	5 500 130	7 825 980

## NOTES

### Standard passing

a) Interpretations, which are effective from 1 January 2007 and are related to Company's activity

IFRS 7 Financial instruments: disclosures and complementary amendments to IAS 1, Presentation of financial statements – Capital disclosures (effective from 1 January 2007). IFRS 7 introduces new disclosures of information relating to financial assets. The standard requirements include both qualitative and quantitative data about risks arising from the financial instruments, incorporating specific requirements to disclosures about credit risk, liquidity risk and market risk. The standard replaces IAS 32, Financial instruments: Disclosures. The standard must be adopted by all companies which prepare financial statements in compliance with IFRS. Amendments to IAS 1 introduce disclosures requirements about sufficiency of the capital and management of the capital by the Company.

b) Standards, amendments and interpretations that are effective from 1 January 2007, and relevant for operations of the Company

There is published or transcribed IFRS interpretations, which are obligatory for periods of accounting which begin from 1 January 2007, but do not relevant for operations of the Company:

IFRS 7 "Repeated adoption of IAS 39 „Financial reporting in hyperinflation cautionary economies"

IFRS 8 "Scope of IFRS No. 2"

IFRS 9 "Reassessment of embedded derivatives"

IFRS 10 "Interim financial reporting and impairment"

c) Standards, amendments and interpretations, which are not yet obligatory adaptive and their adaptation previously Company has not done

IAS 1 Presentation of financial statements

IAS 27 – Consolidated and separate financial statements

Processed standard requires that changes in participation in subsidiaries is considered as transactions of equity. Calculation of losses of subsidiaries was changed. The Company now is appraising influence of processed standards to further financial statements and planning to make allegations of IAS 27 starting from accounting period on 1 January 2009.

d) Standards, amendments and interpretations that are not yet effective and not relevant for operations of the Company

IFRS 3- Business combinations and – revised (effective for periods beginning on or after 1 January 2009).

IFRIC 11, "IFRS 2 – "Group and treasury share transactions" (effective for periods beginning on or after 1 March 2007).

IFRIC 12, "Service concession arrangements (effective for periods beginning on or after 1 January 2008).

IFRIC 13, "Customer loyalty programs" (effective for periods beginning on or after 1 July 2008).

IFRIC 14, "IAS No. 19 – The limit on a defined benefit asset, minimum funding and their interaction" (effective for periods beginning on or after 1 January 2008).

## Accounting policies

### Principles of consolidation and purchase of companies

Consolidated financial statement includes financial statements of the Company and its subsidiaries. Accounting policy and financial year of the Company and subsidiaries do not differ. Financial statements of the subsidiaries included in consolidated financial statements of the Company under the full consolidation method. Since the Company has established all of the subsidiaries no goodwill arise. Subsidiaries are consolidated from their incorporation date.

### Segment reporting

A business segment is the identified business segment engaged in selling goods and providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is the identified business segment engaged in selling goods or providing services within a particular economic environment that are subject to risks and returns that are different from those of business segments operating in other economic environments.

### Foreign currency translation to LVL

#### (a) Functional and presentation currency

Items are shown in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). Financial statements are presented in Latvian lat (LVL), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

All foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement for the period.

	30.06.2009.	30.06.2008.
1 USD	0.501	0.447
1 EUR	0.702804	0.702804
1 LTL	0.204	0.204
1 EEK	0.0449	0.0449
1 RUB	0.0161	0.0190

### **Income recognition**

Main operation of the Company is repair and modernization of railway rolling stock. Net sales represent the total of goods and services sold during the year net of discounts, value added tax and excise tax.

Income from repairing and modernizing services are recognized by percentage completion method.

Income from sales of goods in Latvia is recognized when the customer has accepted the goods. Income from sales of goods outside Latvia is recognized in accordance with the terms of delivery. Income from penalties is recognized at the moment of receipt. Income from provision of other services is recognized at the period of rendering the services.

Interest income or expenses are recognized in the income statement for all loans and borrowings assessed at amortized cost applying the effective interest rate method.

### **Long term contracts**

Costs which are connected with longterm contract are recognised at the time when they appear. If result of long term contract is not possible to estimate, then Company recognises the income at the amount of contract related expenses which is possible to recover. If it is probable to estimate the financial result and it is planned to be a profit the income recognised during the period of contract. If there is material probability that total expenses of this agreement will exceed total income, then potential losses are recognised immediately as expenses.

Company applies percentage completion method to estimate the recognized income amount in the current period. According to that method the Company determines completion degree of work by as percentage of total planned contract expenses toward contract expenses which are ensued until balance sheet date or by reviewing the actual work done. Expenses which are incurred in current period but related to work in future periods, are extracted from current year expenses in calculating of work percentage completion. These expenses are recognized as inventories or other assets, depends from the nature of expenses.

### **Property, plant and equipment (fixed assets)**

Fixed assets are initially accounted at the purchase cost. Purchase cost includes costs, which are directly related to the purchase of fixed assets. In financial statements the intangible and fixed assets are shown at purchase cost less depreciation.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revaluated amounts to their residual values over their estimated useful live, as follows:

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	Depreciation % per year
Buildings	1, 11-20
Plant and equipment	20-50
Other fixtures and fittings, motor vehicles	20

The Company capitalizes its fixed assets valued over Ls 300 with useful life exceeding 1 year. Depreciation for improvements and other low costs items valued less than 50 Ls is recalculated as 100% of purchase amount after putting into operation.

Repair and maintenance costs of fixed assets are expensed when incurred. If sufficient evidence is acquired that by repair and maintenance future economic benefit associated with it will flow to the Company, which exceeds the previously set return, costs are capitalized as additional costs to the fixed asset. Capitalizing the cost of mounted spare parts, the carrying value of the part replaced is expensed.

Net profit or loss from disposal of fixed assets is calculated, as the difference between the carrying amount of the fixed asset and the income from sale, and expensed when disposal are incurred.

If any circumstances or events exist, by which it could be concluded, that the carrying amount of a fixed asset could be higher of its recoverable value, the value of a fixed or intangible asset is written down to its recoverable amount. Recoverable value is the higher of the fair value less costs to sell and the value in use of the related fixed asset.

### **Inventory**

Inventory is recorded at the lower of purchase or production costs and net realizable value. Purchase costs consists of purchase value and overheads, which have been acquired, by delivering inventory at their current position and value. The costs of used materials and other expenses that are directly connected with the production of the appropriate item. Cost is stated on the FIFO method. When the net realizable value of inventories is lower than their cost, provisions are created to reduce the value of inventories.

### **Impairment of tangible assets**

All material assets of the Company have their estimated useful lives and they are amortized or depreciated. Assets that are subject to amortization and depreciation are revaluated every time when events or circumstances evidence of probable non-recoverability of their carrying amount. Loss from value decrease is recognized at difference between book value of the asset and its recoverable value. Recoverable value is the higher of an asset's fair value less costs to sell and its value in use. In order to determine decrease of the value, assets are classified based on the lower level of identifiable cash flows (cash-bearing units). Assets, which value has been decreased, are assessed at the end of every reporting year to identify the probable value decrease reservation.

### **Account receivable**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective rate. Changes in inventories are shown in the income statement.

### **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise the remaining cash, balance of current bank accounts and current deposits with maturities up to 90 days.

### **Share capital and dividends**

Ordinary shares are classified as equity. Dividends to be paid to shareholders of the Company are represented as liabilities during the financial period of the Company, within which shareholders of the Company approve the dividends.

### **Provisions**

Provisions are recognized, when there is a present obligation as a result of current or previous years events, it is probable that an outflow or resources will be required, and the amount has been reliably estimated.

### **Loans**

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Accruals for unused annual leave**

Accruals for unused annual leave are based on actual number of outstanding days of paid leave as at the end of the reporting period multiplied by the average daily salary over the last six months of each employee.

**Corporate income tax**

Corporate income tax is calculated in accordance with tax laws of the Republic of Latvia. Effective laws provide for 15 % tax rate.

**Disability pension**

Company has obligation to make long term payments to existing and previous employees if some of them now are disabled person because of injury of work.

Amount of this pension depends from the form of disability, total income of employee and overall indexation of pensions. Liability about further disability pensions is appreciated as amortized costs of future payments of pensions at balance sheet's date. In calculation is supposed that that effective interest rate is equal with indexation percentage of pensions.

**Earnings per share**

Earnings per share are determined dividing the net gains or losses attributable to shareholders of the Company by the average weighted quantity of the shares in the reporting year.



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### 1. Net sales

	6 months 2009	6 months 2008
<b>According to operating activities</b>		
Products production	3 986 170	7 698 055
Other	103 815	260 203
<b>Total</b>	<b>4 089 985</b>	<b>7 958 258</b>
<b><u>According to the location</u></b>		
Income from export to Latvia	1 297 300	1 403 800
Income from export to Russia	1 205 400	2 100 700
Income from export to EU market	311 100	1 220 700
Income from export to Belarus	175 500	41 000
Income from export to Uzbekistan	383 500	225 700
Other	613 370	2 706 155
<b>Total</b>	<b>3 986 170</b>	<b>7 698 055</b>

### 2. Production costs

Goods delivery expenses	37 691	81 961
Raw and material expenses	1564674	2 991 022
Utility expenses	359 917	369 850
Salary expenses	1162033	1 922 103
Social insurance	274185	455 466
Depreciation of fixed assets	149 240	141 677
Other production costs	188 244	182 204
<b>Total</b>	<b>3 735 984</b>	<b>6 144 283</b>

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**3. Selling expenses**

Transportation costs	43 740	27 167
Other selling expenses	25 477	43 257
<b>Total</b>	<b>69 217</b>	<b>70 424</b>

**4. Administrative expenses**

Salary expenses	350 500	658 983
Social insurance	81 279	157 586
Office expenses	68 285	56 307
Representation costs	1 244	1 074
Depreciation of fixed assets	50 250	54 989
Other administrative costs	83 804	109 191
<b>Total</b>	<b>635 362</b>	<b>1 038 130</b>

**5. Other income**

Income from fixed assets sale	3 887	2 460
Incomes of the basic means	26 922	8 808
Other income	28 666	48 182
<b>Total</b>	<b>59 475</b>	<b>59 450</b>

**6. Other expenses**

Expenses of collective agreement	3 610	10 821
Other expenses	2 068	3 158
<b>Total</b>	<b>5 678</b>	<b>13 979</b>

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**7. Fixed assets**

	Land and buildings	Equipment and machinery	Other fixed assets and inventory	Fixed assets under construction	<b>Total</b>
<b>Cost / Valuation</b>					
<b>01.01.2009.</b>	<b>6 047 478</b>	<b>5 580 290</b>	<b>698 735</b>	<b>33 660</b>	<b>12 360 163</b>
Additions	0	74 350	0	61 970	136 320
Disposals	0	54 357	6 069	74 350	134 776
Reclassification	0	0	0	0	0
Revaluation	0	0	0	0	0
30.06.2009.	6 047 478	5 600 283	692 666	21 280	12 361 707
<b>Depreciation</b>					
<b>01.01.2009.</b>	<b>626 807</b>	<b>4 338 678</b>	<b>456 871</b>	<b>0</b>	<b>5 422 356</b>
Charge	76 314	103 330	38 661		218 305
Disposals		54 356	6 070		60 426
Reclassification					
Corrections for previous year's error					
31.03.2009.	703 121	4 387 652	489 462		5 580 235
<b>Net book value</b>					
<b>01.01.2009.</b>	<b>5 420 671</b>	<b>1 241 612</b>	<b>241 864</b>	<b>33 660</b>	<b>6 937 807</b>
<b>Net book value</b>					
<b>30.06.2009.</b>	<b>5 344 357</b>	<b>1 212 631</b>	<b>203 204</b>	<b>21 280</b>	<b>6 781 472</b>

**7. Incomplete products**

Unfinished production	190 902	121 664
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**8. Finished good and goods for sale**

Finished products on stock	350 422	692 116
Canteen	199	325
<b>Total</b>	<b>350 621</b>	<b>692 441</b>

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**10. Trade receivables**

Trade receivables	2 193 779	2 325 475
<b>Total</b>	<b>2 193 779</b>	<b>2 325 475</b>

**11. Other current assets**

VAT overpaid	110 584	9 678
Guarantee	13 776	34 568
Housing and Communal Service	2 149	2 205
Other debtors	93 317	4 503
Advance payment	20 091	95 432
Payment next periods	6 931	10 244
<b>Total</b>	<b>246 848</b>	<b>156 630</b>

**12. Cash and bank**

Cash in hand	688	294
Cash at bank	164 713	64 832
<b>Total</b>	<b>165 401</b>	<b>65 126</b>

**13. Share capital**

As at 30 Junie 2009 the subscribed and fully paid share capital consists of 8294219 ordinary shares with a nominal value of Ls 1 each.

**14. Loans from credit institutions**

Long-term part	1 957 788	2 183 407
Short-term part	1 699 326	2 832 128
<b>Total</b>	<b>3 657 114</b>	<b>5 015 535</b>

**15. Advances received from consumers**

Latvia	2 161	150 425
Russia	222 964	186 010
Estonia	416 938	16 807
Other	332 485	222 796
<b>Total</b>	<b>974 548</b>	<b>576 038</b>

AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA"  
Report for six months 2009

**16. Trade payables**

Short-term part 1 638 530 2 671 380

**17. Taxes and social insurance**

	01.01. 2009.	Calculated	Budget restore	(Paid)/ repaid	Transferred and corporate income tax (advances payment)	30.06.2009.
VAT	42 568	33 701	+177 815	-310 458	+119 526	63 152
Personnel income tax	175 503	187 433		-76 266	-76 823	209 847
Social insurance	297 009	505 028		-227 021	-176 400	398 616
Corporate income tax	-158 631	238			+203 344	44 951
Real estate tax (land)						
Real estate tax (buildings)						
Natural resource tax	1 591	1 221		-2 422		390
The state tax for company's business	315	1 581		-1 659		237
<b>Total</b>	<b>358 355</b>	<b>729 202</b>	<b>+177 815</b>	<b>-617 826</b>	<b>+69 647</b>	<b>717 193</b>

Hereof:

Liabilities/	737 258	846 820
(Overpaid)	378 903	129 627

**18. Average number of employees**

Average number of employees 1 012 1 288

Aivar Keskuela  
Chairman of the board

**AS "Daugavpils Lokomotīvu Remonta Rūpnīca"**

Unified registration number 40003030219

Address: Daugavpils, Marijas iela 1

rate 0.702804

**Cash flow statement**

**I. Cash flow from operating activities for 6 month 2009**

Activities	30.06.2009 LVL		30.06.2009 EUR		30.06.2008 LVL		30.06.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Profit before taxes		512 676		729 472	802 555		1 141 933	
<b>Adjustments:</b> a) depreciation	218 305		310 620		197 409		280 889	
b) provision		18 146		25 820		68 598		97 606
c) profit or loss from fluctuacions of currency exchange	19 741		28 089			201 759		287 077
Provision decrease						51 956		73 927
Income from sale of fixed assets								
Interest expences					72		101	
<b>Adjustments:</b> a) Trade	1 053 837		1 499 475			440 953		627 420
b) Net cash flow from operating activities	154 740		220 175		326 485		464 546	
c) Cash flow before extraordinary items	16 378		23 304		21 701		30 878	
Gross cash flow operating activities	1 463 001	530 822	2 081 663	755 292	1 348 222	763 266	1 918 347	1 086 030
Corporate income tax paid								
Cash flow before extraordinary items	932 179		1 326 371		1 348 222	763 266	1 918 347	1 086 030
<b>Net cash flow from operating activities</b>					584 956		832 317	

**II. Cash flows from investing activities**

Activities	30.06.2009 LVL		30.06.2009 EUR		30.06.2008 LVL		30.06.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Acquisition of fixed assets and intangible assets		61 970		88 175		120 952		172 099
Income from sale of fixed assets and intangible assets								
Participation in other companies								
Net cash flow from investing activities		61 970		88 175		120 952		172 099

**III. Cash flows from financing activities**

Activities	30.06.2009 LVL		30.06.2009 EUR		30.06.2008 LVL		30.06.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Loans from credit institution					168 051		239 115	
Borrowing repaid		737 389		1 049 210		687 589		978 351
Net cash flows from financing activities		737 389		1 049 210		519 538		739 236

**IV. Total cash flow**

Activities	30.06.2009 LVL		30.06.2009 EUR		30.06.2008 LVL		30.06.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Cash flow from operating activities	932 179		1 326 371		584 956		832 317	
Cash flows from investing activities		61 970		88 175		120 952		172 099
Cash flows from financing activities		737 389		1 049 210		519 538		739 236
Net cash flow of the current period		132 820		188 986		55 534		79 018
Cash and cash equivalents at the beginning of the reporting period	165 401		235 344		120 660		171 684	
Cash and cash equivalents at the end of the reporting period	32 581		46 358		65 126		92 666	

Chairman of the board A.Keskula

Date 26.08.2009