



**AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA"**

CONSOLIDATE REPORT

For 9 months 2009

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**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 9 months 2009 year joint-stock company „Daugavpils Lokomotīvu Remonta Rūpnīca” has distributed goods for **6 888.0** thousand lats, which constitutes 57.2% 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	9 months 2009	9 months 2008	( +, - )
Diesel locomotive repair, section	3 682.7	8 546.4	-4 863.7
Electric train repair, carriage	20.7	706.0	-685.3
Wheel pair repair, pieces	793.7	1 060.9	-267.2
Electric machines repair, pieces	607.6	599.0	+8.6
Diesel repair, peaces	44.3	204.3	-160.0
Other production	1 734.0	926.8	+807.2
<b>Total</b>	<b>6 883.0</b>	<b>12 043.4</b>	<b>-5 160.4</b>

Table No.2

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

The client	9 months 2009		9 months 2008	
	sum	%	sum	%
Latvia	1 702.8	24.7	1 960.4	16.3
Lithuania	207.5	3.0	715.4	5.9
Estonia	1 263.1	18.4	1 601.3	13.3
Belarus	220.6	3.2	95.1	0.8
Uzbekistan	577.0	8.4	447.0	3.7
Russia	1 518.0	22.1	3 695.4	30.7
Other	1 394.0	20.2	3 528.9	29.3
<b>Total</b>	<b>6 883.0</b>	<b>100.0</b>	<b>12 043.5</b>	<b>100.0</b>

## II. Financial figures.

The enterprise finished 9 months 2009 year at la loses 315.0 thousand Ls.  
The enterprise for the means of the increase of the turnover resources, has invested 80.1 thousand lats of investments, including:

- ❖ Equipment repairs - 73.3 thousand Ls
- ❖ Furniture and equipment - 5.2 thousand Ls
- ❖ Computer programme - 1.6 thousand Ls

Chairman of the board

Aivar Keskuela

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## 30.09.2009. balance Sheet

0.702804

<b>ASSETS</b>						
	30.09.2009.		30.09.2008.		01.01.2009.	
	LVL	EUR	LVL	EUR	LVL	EUR
Non current assets						
Property, plant and equipment:						
Land, buildings and networks	5 310 361	7 555 963	5 310 361	7 555 963	5 420 671	7 712 920
Machinery and equipment	1 168 786	1 663 033	1 168 786	1 663 033	1 241 612	1 766 655
Other property, plant and equipment	184 596	262 656	184 596	262 656	241 864	344 141
Construction in progress	27 911	39 714	27 911	39 714	33 660	47 894
<b>Total property, plant and equipment</b>	<b>6 691 654</b>	<b>9 521 366</b>	<b>6 691 654</b>	<b>9 521 366</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>6 691 654</b>	<b>9 521 366</b>	<b>6 691 654</b>	<b>9 521 366</b>	<b>6 937 807</b>	<b>9 871 610</b>
Current assets						
Inventory	2 525 361	3 593 265	2 525 361	3 593 265	2 684 211	3 819 288
Debtors:						
Debts custom, customer	2 048 847	2 915 247	2 048 847	2 915 247	2 768 903	3 939 794
Other current assets	365 169	519 589	365 169	515 589	213 222	303 387
Corp. income tax (overpay)	15 238	21 682	15 238	21 682	222 625	316 767
Accumulate income	1 652 863	2 351 812	1 652 863	2 351 512	2 227 025	3 168 771
<b>Cash and cash equivalents</b>	<b>219 701</b>	<b>312 606</b>	<b>219 701</b>	<b>312 606</b>	<b>32 581</b>	<b>46 359</b>
<b>Total current assets</b>	<b>6 827 179</b>	<b>9 714 201</b>	<b>6 827 179</b>	<b>9 714 201</b>	<b>8 148 567</b>	<b>11 594 366</b>
<b>Total assets</b>	<b>13 518 833</b>	<b>19 235 567</b>	<b>13 518 833</b>	<b>19 235 567</b>	<b>15 086 374</b>	<b>21 465 976</b>

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## 30.09.2009. balance Sheet

0.702804

<b>LIABILITIES</b>						
	30.09.2009.		30.09.2008.		01.01.2009.	
	LVL	EUR	LVL	EUR	LVL	EUR
<b>SHAREHOLDER' EQUITY</b>						
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	-3 602 677	-5 126 148	-3 544 688	-5 043 636
Previous year unappropriated result	-314 997	-448 200	691 887	984 467	1 430 624	2 035 594
Previous year unappropriated result	5 865 158	8 345 368	5 383 429	7 659 929	6 180 155	8 793 568
Total shareholders' equity						
<b>CREDITORS</b>						
Long-term loan from credit institution	1 909 442	2 716 891	2 286 659	3 253 623	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	2 389 924	3 400 556	2 599 610	3 698 912	2 424 457	3 449 692
<b>Short-term creditors</b>						
Long-term loan from credit institution	1 213 765	1 727 032	2 479 940	3 528 637	2 430 788	3 458 700
Debts provider and employer	2 076 757	2 954 959	2 396 079	3 409 313	2 013 331	2 864 712
Accumulation	220 706	314 036	884 921	1 259 129	238 980	340 038
Corporate income tax liabilities	32 322	45 990			63 994	91 055
Other liabilities	1 720 201	2 447 626	1 662 675	2 365 774	1 734 669	2 468 211
Total current liabilities	5 263 751	7 489 643	7 423 615	10 562 853	6 481 762	9 222 716
Total	7 653 675	10 890 199	10 023 225	14 261 765	8 906 219	12 672 408
<b>TOTAL LIABILITIES</b>	13 518 833	19 235 567	15 406 654	21 921 694	15 086 374	21 465 976

## Profit or loss account

for 9 months 2009

0.702804

	9 months 2009		9 months 2008	
	LVL	EUR	LVL	EUR
Net sales	7 014 264	9 980 399	12 375 152	17 608 255
Cost of sales	-6 061 352	-8 624 527	-9 659 385	-13 744 066
Gross profit (loss)	952 912	1 355 872	2 715 767	3 864 189
Sales and distribution expenses	-100 245	-142 636	-123 625	-175 903
Administrative expense	-998 858	-1 421 247	-1 614 133	-2 296 704
Other operating income	82 490	117 373	86 906	123 656
Other expenses	-8 870	-12 621	-26 569	-37 804
Other credit expenses	-243 000	-345 758	-346 746	-493 375
Other credit income	574	817	287	408
Profit or loss before extraordinary post and taxes	-314 997	-448 200	691 887	984 467
Profit or loss before taxes	-314 997	-448 200	691 887	984 467
Profit or losses report on period	-314 997	-448 200	691 887	984 467
Profit coefficient on stock	-0.038	-0.054	0.0834	0.1187



## OVERVIEW OF EQUITY CAPITAL CHANGES

for 9 months 2009

0.702804

	30.09.2009.		30.09.2008.	
	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	-2 429 061	-3 456 242	-2 910 790	-4 141 681
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	5 865 158	8 345 368	5 383 429	7 659 929

## 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.

	30.09.2009.	30.09.2008.
1 USD	0.48	0.486
1 EUR	0.702804	0.702804
1 LTL	0.204	0.204
1 EEK	0.0449	0.0454
1 RUB	0.0159	0.0194

### **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 of 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

	9 months 2009	9 months 2008
<b>According to operating activities</b>		
Products production	6 883 043	12 043 420
Other	131 221	331 732
<b>Total</b>	<b>7 014 264</b>	<b>12 375 152</b>
<b><u>According to the location</u></b>		
Income from export to Latvia	1 702 843	1 960 400
Income from export to Russia	1 518 000	3 695 400
Income from export to EU market	1 470 600	2 316 700
Income from export to Belarus	220 600	95 100
Income from export to Uzbekistan	577 000	447 000
Other	1 394 000	3 528 820
<b>Total</b>	<b>6 883 043</b>	<b>12 043 420</b>

### 2. Production costs

Goods delivery expenses	57 264	60 680
Raw and material expenses	3 032 971	4 811 978
Utility expenses	478 943	477 850
Salary expenses	1 603 556	2 966 187
Social insurance	377 987	701 137
Depreciation of fixed assets	244 168	216 530
Other production costs	266 463	425 023
<b>Total</b>	<b>6 061 352</b>	<b>9 659 385</b>



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**3. Selling expenses**

Transportation costs	62 433	54 776
Other selling expenses	37 812	68 849
<b>Total</b>	<b>100 245</b>	<b>123 625</b>

**4. Administrative expenses**

Salary expenses	569 494	1 024 669
Social insurance	132 374	244 579
Office expenses	95 198	98 697
Representation costs	1 908	1 823
Depreciation of fixed assets	78 039	82 741
Other administrative costs	121 845	161 624
<b>Total</b>	<b>998 858</b>	<b>1 614 133</b>

**5. Other income**

Income from fixed assets sale	3 887	11 104
Incomes of the basic means	39 753	13 750
Other income	38 850	62 052
<b>Total</b>	<b>82 490</b>	<b>86 906</b>

**6. Other expenses**

Expenses of collective agreement	5 844	22 013
Other expenses	3 026	4 556
<b>Total</b>	<b>8 870</b>	<b>26 569</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		82 636		76 887	159 523
Disposals		88 568	6 069	82 636	177 273
Reclassification					
Revaluation					
30.09.2009.	6 047 478	5 574 358	692 666	27 911	12 342 413
<b>Depreciation</b>					
<b>01.01.2009.</b>	<b>626 807</b>	<b>4 338 678</b>	<b>456 871</b>		<b>5 422 356</b>
Charge	110 310	155 462	57 268		323 040
Disposals		88 568	6 069		94 637
Reclassification					
Corrections for previous year's error					
31.09.2009.	737 117	4 405 572	508 070		5 650 759
<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>30.09.2009.</b>	<b>5 310 361</b>	<b>1 168 786</b>	<b>184 596</b>	<b>27 911</b>	<b>6 691 654</b>

**7. Incomplete products**

Unfinished production	124 091	136 841
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**8. Finished good and goods for sale**

Finished products on stock	479 864	598 367
Canteen	986	325
<b>Total</b>	<b>480 850</b>	<b>598 692</b>

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**10. Trade receivables**

Trade receivables	2 048 847	1 586 869
<b>Total</b>	<b>2 048 847</b>	<b>1 586 869</b>

**11. Other current assets**

VAT overpaid	137 166	134 915
Guarantee	13 776	33 207
Corporate income tax (advance payment)	93 582	129 468
Other debtors	19 339	5 761
Advance payment	94 985	115 146
Payment next periods	6 321	10 840
<b>Total</b>	<b>365 169</b>	<b>429 337</b>

**12. Cash and bank**

Cash in hand	515	1 114
Cash at bank	219 186	14 325
<b>Total</b>	<b>219 701</b>	<b>15 439</b>

**13. Share capital**

As at 30 September 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	1 909 442	2 286 659
Short-term part	1 213 765	2 479 940
<b>Total</b>	<b>3 123 207</b>	<b>4 766 599</b>

**15. Advances received from consumers**

Latvia	2 223	90 963
Russia	223 693	234 544
Estonia	7 472	104 047
Other	292 412	343 914
<b>Total</b>	<b>525 800</b>	<b>773 468</b>

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**16. Trade payables**

Short-term part 2 076 757      2 396 079

**17. Taxes and social insurance**

	01.01. 2009.	Calculated	Budget restore	(Paid)/ repaid	Transferred and corporate income tax (advances payment)	30.09.2009.
VAT	42 568	17 430	+391 170	598 108	+119 526	-27 414
Personnel income tax	175 503	300 453		173 246	-76 823	225 887
Social insurance	297 009	740 776		402 252	-176 400	459 133
Corporate income tax	-158 631	538		31 974	+133 697/+73 454	17 084
Real estate tax (land)		2 889		639		2 250
Real estate tax (buildings)		25 060				25 060
Natural resource tax	1 591	2 042		2 828		805
The state tax for company's business	315	2 266		2 354		227
<b>Total</b>	<b>358 355</b>	<b>1 091 454</b>	<b>+391 170</b>	<b>1 211 401</b>	<b>73 454</b>	<b>703 032</b>

Hereof:

Liabilities/	737 258	855 436
(Overpaid)	378 903	152 404

**18. Average number of employees**

Average number of employees 969      1 286

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 9 month 2009**

Activities	30.09.2009 LVL		30.09.2009 EUR		30.09.2008 LVL		30.09.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Profit before taxes		314 997		448 200	691 887		984 467	
<b>Adjustments:</b> a) depreciation	323 040		459 645		300 387		427 412	
b) provision		18 274		26 002		70 621		100 485
c) profit or loss from fluctuacions of currency exchange		31 482		44 795	68 256		97 120	
Provision decrease						57 989		82 511
Income from sale of fixed assets								
Interest expences					3 696		5 259	
<b>Adjustments:</b> a) Trade	1 349 658		1 920 389		765 753		1 089 568	
b) Net cash flow from operating activities	158 850		226 023			153 174		217 947
c) Cash flow before extraordinary items	17 286		24 596			381 733		543 157
Gross cash flow operating activities	1 848 834	364 753	2 630 653	518 997	1 829 979	663 517	2 603 826	944 100
Corporate income tax paid								
Cash flow before extraordinary items	1 848 834	364 753	2 630 653	518 997	1 829 979	663 517	2 603 826	944 100
<b>Net cash flow from operating activities</b>	<b>1 484 081</b>		<b>2 111 656</b>		<b>1 166 462</b>		<b>1 659 726</b>	

**II. Cash flows from investing activities**

Activities	30.09.2009 LVL		30.09.2009 EUR		30.09.2008 LVL		30.09.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Acquisition of fixed assets and intangible assets		76 887		109 400		244 298		347 605
Income from sale of fixed assets and intangible assets					11 104		15 800	
Participation in other companies								
Net cash flow from investing activities		76 887		109 400		233 194		331 805

**III. Cash flows from financing activities**

Activities	30.09.2009 LVL		30.09.2009 EUR		30.09.2008 LVL		30.09.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Loans from credit institution					45 133		64 218	
Borrowing repaid		1 220 074		1 736 009		1 083 622		1 541 855
Net cash flows from financing activities		1 220 074		1 736 009		1 038 489		1 477 637

**IV. Total cash flow**

Activities	30.09.2009 LVL		30.09.2009 EUR		30.09.2008 LVL		30.09.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Cash flow from operating activities	1 484 081		2 111 656		1 166 462		1 659 726	
Cash flows from investing activities		76 887		109 400		233 194		331 805
Cash flows from financing activities		1 220 074		1 736 009		1 038 489		1 477 637
Net cash flow of the current period	187 120		266 247		105 221		149 716	
Cash and cash equivalents at the beginning of the reporting period	32 581		46 359		120 660		171 684	
Cash and cash equivalents at the end of the reporting period	219 701		312 606		15 439		21 968	

Chairman of the board A.Keskula

Date 25.11.2009