



**AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA"**

CONSOLIDATE REPORT

For 2009

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Report for 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 - 49% Moisa 4, 13522 Tallinn, Estonia  AS SPACECOM - 25,27% Kadaka tee 1, 10621 Tallinn, Estonia  LLC LOKOMOTIIV IVESTEERINGUUD - 11,09% Tartu street 18-18, 10115 Tallinn, Estonia  VAS Valsts sociālās apdrošināšanas aģentūra -3,2% 70a Lāčplēša Street LV-1011, Riga, Latvia  Other shareholders - 11,44%
<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 (until 29.11.2009.) Natālija Petrova – Chairman of the Board (from 30.11.2009.) Natālija Petrova – Member of the Board (until 29.11.2009.) Andrejs Šilovs – Member of the Board Kazimirs Steļmačenoks - 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 2009 year joint-stock company „Daugavpils Lokomotīvu Remonta Rūpnīca” has distributed goods for **11 243.3** thousand lats, which constitutes 64.2% 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	2009	2008	(+, -)
Diesel locomotive repair, section	5 268.7	12 750.6	-7 481.9
Electric train repair, carriage	20.7	673.7	-653.0
Wheel pair repair, pieces	938.6	1 531.3	-592.7
Electric machines repair, pieces	748.0	830.5	-82.5
Diesel repair, peaces	44.3	308.1	-263.8
Other production	4 223.0	1 428.7	+2 794.3
<b>Total</b>	<b>11 243.3</b>	<b>17 522.9</b>	<b>-6 279.6</b>

Table No.2

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

The client	2009		2008	
	sum	%	sum	%
Latvia	2 340.8	20.8	3 316.2	18.9
Lithuania	244.7	2.2	987.4	5.6
Estonia	2 162.9	19.2	2 148.9	12.3
Belarus	319.4	2.8	142.7	0.8
Uzbekistan	577.0	5.1	1 661.0	9.5
Russia	2 451.7	21.8	5 633.7	32.2
Other	3 146.8	28.1	3 633.0	20.7
<b>Total</b>	<b>11 243.3</b>	<b>100.0</b>	<b>17 522.9</b>	<b>100.0</b>

## II. Financial figures.

The enterprise finished 2009 year at la loses 83.6 thousand Ls.

The enterprise for the means of the increase of the turnover resources, has invested 108.4 thousand lats of investments, including:

- ❖ Equipment putting into operation - 14.3 thousand Ls
- ❖ Equipment repairs - 87.3 thousand Ls
- ❖ Furniture and equipment - 5.2 thousand Ls
- ❖ Acquisition computer programme - 1.6 thousand Ls

Chairman of the board

Natālija Petrova

## **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 December 31, 2009 and the result of its operations and cash flows for 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.

Natālija Petrova  
Chairman of the Board

February 24, 2010

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## 31.12.2009. balance Sheet

0.702804

<b>A S S E T S</b>				
	31.12.2009.		31.12.2008.	
	LVL	EUR	LVL	EUR
Non current assets				
Property, plant and equipment:				
Land, buildings and networks	5 272 798	7 502 515	5 420 671	7 712 920
Machinery and equipment	1 137 651	1 618 731	1 241 612	1 766 655
Other property, plant and equipment	166 118	236 365	241 864	344 141
Construction in progress	21 736	30 928	33 660	47 893
<b>Total property, plant and equipment</b>	<b>6 598 303</b>	<b>9 388 539</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>6 598 303</b>	<b>9 388 539</b>	<b>6 937 807</b>	<b>9 871 610</b>
Current assets				
Inventory	2 515 431	3 579 135	2 684 211	3 819 288
Debtors:				
Debts custom, customer	2 313 840	3 292 298	2 768 903	3 939 794
Other current assets	870 171	1 238 142	213 222	303 388
Corp. income tax (overpay)	11 450	16 292	222 625	316 767
Accumulate income	1 339 819	1 906 391	2 227 025	3 168 771
<b>Cash and cash equivalents</b>	<b>110 529</b>	<b>157 268</b>	<b>32 581</b>	<b>46 359</b>
<b>Total current assets</b>	<b>7 161 240</b>	<b>10 189 526</b>	<b>8 148 567</b>	<b>11 594 366</b>
<b>Total assets</b>	<b>13 759 543</b>	<b>19 578 065</b>	<b>15 086 374</b>	<b>21 465 976</b>

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## 31.12.2009. balance Sheet

0.702804

<b>LIABILITIES</b>				
	31.12.2009.		31.12.2008.	
	LVL	EUR	LVL	EUR
<b>SHAREHOLDER' EQUITY</b>				
Share capital	8 294 219	11 801 610	8 294 219	11 801 610
Topheavy reserves	-2 114 064	-3 008 042	-3 544 688	-5 043 637
Previous year unappropriated result	-83 595	-118 945	1 430 624	2 035 595
Previous year unappropriated result	6 096 560	8 674 623	6 180 155	8 793 568
Total shareholders' equity				
<b>CREDITORS</b>				
Long-term loan from credit institution	1 565 863	2 228 022	1 943 975	2 766 028
Other liability	105 561	150 200	105 561	150 200
Deffered tax liability	374 921	533 465	374 921	533 465
Total	2 046 345	2 911 687	2 424 457	3 449 692
<b>Short-term creditors</b>				
Long-term loan from credit institution	1 177 865	1 675 950	2 430 788	3 458 700
Debts provider and employer	2 090 041	2 973 860	2 013 331	2 864 712
Accumulation	116 276	165 446	238 980	340 038
Corporate income tax liabilities	-	-	63 994	91 055
Other liabilities	2 232 456	3 176 499	1 734 669	2 468 212
Total current liabilities	5 616 638	7 991 755	6 481 762	9 222 716
Total	7 662 983	10 903 442	8 906 219	12 672 408
<b>TOTAL LIABILITIES</b>	<b>13 759 543</b>	<b>19 578 065</b>	<b>15 086 374</b>	<b>21 465 976</b>



## Profit or loss account

for 2009

0.702804

	2009		2008	
	LVL	EUR	LVL	EUR
Net sales	11 243 286	15 997 755	17 522 874	24 932 803
Cost of sales	-9 668 810	-13 757 477	-12 779 097	-18 183 017
Gross profit (loss)	1 574 476	2 240 278	4 743 777	6 749 786
Sales and distribution expenses	-122 661	-174 531	-212 666	-302 596
Administrative expense	-1 323 202	-1 882 748	-2 146 615	-3 054 358
Other operating income	112 355	159 867	150 885	214 690
Other expenses	-11 712	-16 665	-66 954	-95 267
Other credit expenses	-313 706	-446 363	-805 324	-1 142 873
Other credit income	855	1 217	450	940
Profit or loss before extraordinary post and taxes	-83 595	-118 945	1 663 553	2 367 022
Profit or loss before taxes			-232 929	-331 428
Profit or losses report on period	-83 595	-118 945	1 430 624	2 035 594
Profit coefficient on stock	-0.01	-0.014	0.172	0.245

## OVERVIEW OF EQUITY CAPITAL CHANGES

for 2009

0.702804

	31.12.2009.		31.12.2008.	
	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	-5 043 637
Post-balance residue at the end of period	-2 197 659	-3 126 987	-2 114 064	-3 008 042
Share capital (total)				
Post-balance residue at the beginning of year	6 180 155	8 793 568	4 749 531	6 757 973
Post-balance residue at the end of period	6 096 560	8 674 623	6 180 155	8 793 568

## 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.

	31.12.2009.	31.12.2008.
1 USD	0.489	0.495
1 EUR	0.702804	0.702804
1 LTL	0.204	0.203
1 EEK	0.0449	0.0449
1 RUB	0.0164	0.0171

### **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	1,67-10
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

	<b>2009</b>	<b>2008</b>
<b>According to operating activities</b>		
Products production	11 107 709	17 064 827
Other	135 577	458 047
<b>Total</b>	<b>11 243 286</b>	<b>17 522 874</b>
<b><u>According to the location</u></b>		
Income from export to Latvia	2 307 755	3 316 234
Income from export to Russia	2 451 700	5 633 749
Income from export to EU market	2 440 622	3 136 300
Income from export to Belarus	319 400	142 700
Income from export to Uzbekistan	577 000	1 661 000
Other	3 146 809	3 632 891
<b>Total</b>	<b>11 243 286</b>	<b>17 522 874</b>

### 2. Production costs

Goods delivery expenses	71 706	146 346
Raw, material and spare parts expenses	5 637 446	6 407 740
Utility expenses	715 434	758 929
Salary expenses	2 068 618	3 868 129
Social insurance	489 470	914 541
Depreciation of fixed assets	298 979	294 964
Other production costs	387 157	388 448
<b>Total</b>	<b>9 668 810</b>	<b>12 779 097</b>

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**3. Selling expenses**

Salary expenses	40 045	77 764
Social insurance	9 534	18 733
Transportation costs	73 082	112 328
Other selling expenses	-	3 841
<b>Total</b>	<b>122 661</b>	<b>212 666</b>

**4. Administrative expenses**

Salary expenses	752 688	1 349 964
Social insurance	176 307	319 834
Office expenses	43 100	49 480
Profes. service costs	19 357	24 000
Depreciation of fixed assets	98 920	112 884
Other administrative costs	232 830	290 453
<b>Total</b>	<b>1 323 202</b>	<b>2 146 615</b>

**5. Other income**

Income from fixed assets sale	6 874	29 026
Incomes of the basic means	58 661	18 432
Other income	47 420	103 427
<b>Total</b>	<b>112 355</b>	<b>150 885</b>

**6. Other expenses**

Expenses of collective agreement	7 365	17 437
Other expenses	4 347	49 517
<b>Total</b>	<b>11 712</b>	<b>66 954</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		103 196		91 272	194 468
Disposals	1 269	90 671	7 339	103 196	202 475
Reclassification					
Revaluation					
31.12.2009.	<b>6 046 209</b>	<b>5 592 815</b>	<b>691 396</b>	<b>21 736</b>	<b>12 352 156</b>
<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	147 873	207 157	75 746		430 776
Disposals	1 269	90 671	7 339		99 279
Reclassification					
Corrections for previous year's error					
31.12.2009.	<b>773 411</b>	<b>4 455 164</b>	<b>525 278</b>		<b>5 753 853</b>
<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>31.12.2009.</b>	<b>5 272 798</b>	<b>1 137 651</b>	<b>166 118</b>	<b>21 736</b>	<b>6 598 303</b>

**7. Incomplete products**

Unfinished production	196 198	114 455
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**8. Finished good and goods for sale**

Finished products on stock	508 726	460 481
Canteen	128	199
<b>Total</b>	<b>508 854</b>	<b>460 680</b>

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**10. Trade receivables**

Trade receivables	2 313 840	2 768 903
<b>Total</b>	<b>2 313 840</b>	<b>2 768 903</b>

**11. Other current assets**

VAT overpaid	118 762	156 278
Guarantee	15 489	13 354
Corporate income tax (advance payment)	107 084	-
Other debtors	10 588	8 787
Advance payment	612 604	25 792
Payment next periods	5 644	9 011
<b>Total</b>	<b>870 171</b>	<b>213 222</b>

**12. Cash and bank**

Cash in hand	946	867
Cash at bank	109 583	31 714
<b>Total</b>	<b>110 529</b>	<b>32 581</b>

**13. Share capital**

As at 31 December 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	1 565 863	1 943 975
Short-term part	1 177 865	2 430 788
<b>Total</b>	<b>2 743 728</b>	<b>4 374 763</b>

**15. Advances received from consumers**

Latvia	1 672	24 249
Russia	276 319	46 786
Estonia	663 168	40 411
Other	153 790	433 565
<b>Total</b>	<b>1 094 949</b>	<b>545 011</b>

AS "DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA"  
Report for 2009

**16. Trade payables**

Short-term part

2 090 041

2 013 331

**17. Taxes and social insurance**

	01.01. 2009.	Calculated	Budget restore	(Paid)/ repaid	Transferred and corporate income tax (advances payment)	31.12.2009.
VAT	42 568	-18 633	551 851	760 799	+152 561	-32 452
Personnel income tax	175 503	420 310		301 804	-76 823	217 186
Social insurance	297 009	990 709		639 742	-209 435	438 541
Corporate income tax	-158 631	1 543		65 537	+133 697/88 928	-
Real estate tax (land)		44 421		44 421		-
Real estate tax (buildings)		4 250		4 250		-
Natural resource tax	1 591	3 060		3 650		1 001
The state tax for company's business	315	2 928		3 025		218
<b>Total</b>	<b>358 355</b>	<b>1 448 588</b>	<b>+551 851</b>	<b>1 823 228</b>	<b>+88 928</b>	<b>624 494</b>

Hereof:

Liabilities/ 737 258

118 762

(Overpaid) 378 903

743 256

**18. Average number of employees**

Average number of employees

940

1 274

Natālija Petrova

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 2009**

Activities	31.12.2009 LVL		31.12.2009 EUR		31.12.2008 LVL		31.12.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Profit before taxes		83 595		118 945	1 663 553		2 225 949	
<b>Adjustments:</b> a) depreciation	430 776		612 939		409 337		582 434	
b) provision		122 704		174 592		632 487		899 948
c) profit or loss from fluctuacions of currency exchange		10 878		15 478	96 370		137 122	
Provision decrease								
Income from sale of fixed assets						10 848		15 435
Interest expences								
<b>Adjustments:</b> a) Trade	896 495		1 275 598		1 192 553		1 696 850	
b) Net cash flow from operating activities	168 780		240 152		598 890		852 144	
c) Cash flow before extraordinary items	510 503		726 380			1 582 614		2 251 858
Gross cash flow operating activities	2 006 554	217 177	2 855 069	309 015	3 960 703	137 122	5 635 573	3 167 241
Corporate income tax paid						76 743		109 195
Cash flow before extraordinary items	2 006 554	217 177	2 855 069	309 015	3 960 703	2 302 692	5 635 573	3 276 436
<b>Net cash flow from operating activities</b>	<b>1 789 377</b>		<b>2 546 054</b>		<b>1 658 011</b>		<b>2 359 137</b>	

**II. Cash flows from investing activities**

Activities	31.12.2009 LVL		31.12.2009 EUR		31.12.2008 LVL		31.12.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Acquisition of fixed assets and intangible assets		91 272		129 868		316 675		450 588
Income from sale of fixed assets and intangible assets					29 026		41 300	
Participation in other companies								
<b>Net cash flow from investing activities</b>		<b>91 272</b>		<b>129 868</b>		<b>287 649</b>		<b>409 288</b>

**III. Cash flows from financing activities**

Activities	31.12.2009 LVL		31.12.2009 EUR		31.12.2008 LVL		31.12.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Loans from credit institution								
Borrowing repaid		1 620 157		2 305 276		1 458 441		2 075 174
<b>Net cash flows from financing activities</b>		<b>1 620 157</b>		<b>2 305 276</b>		<b>1 458 441</b>		<b>2 075 174</b>

**IV. Total cash flow**

Activities	31.12.2009 LVL		31.12.2009 EUR		31.12.2008 LVL		31.12.2008 EUR	
	income	expences	income	expences	income	expences	income	expences
Cash flow from operating activities	1 789 377		2 546 054		1 658 011		2 385 137	
Cash flows from investing activities		91 272		129 868		287 649		409 288
Cash flows from financing activities		1 620 157		2 305 276		1 458 441		2 075 174
<b>Net cash flow of the current period</b>	<b>77 948</b>		<b>110 910</b>		<b>88 079</b>		<b>125 325</b>	
Cash and cash equivalents at the beginning of the reporting period	32 581		46 359		120 660		171 684	
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>110 529</b>		<b>157 269</b>		<b>32 581</b>		<b>46 359</b>	

Chairman of the board N.Petrova

Date 24.02.2010