

Name of enterprise (business company): **JSC "Latvijas tilti" [Bridges]**

Registration No.: **50003030441**

Address: **15 Granitu St., Stopiņi Civil Parish, Riga Region LV-1057**

Telephone: **7251822**

Managing Authority: **Riga Regional Department of State Incomes Board**

Tax Inspectorate:

Type of primary activity: building

Unit of measurement: **Ls**

## **NON-AUDITED BALANCE SHEET**

**for the 31<sup>th</sup> December 2005**

# ***C O N T E N T S***

**Data on the enterprise**

**Management's Statement**

**Financial Report**

- Non-audited Balance Sheet
- Profit & Loss Account
- Report on changes in Owner's Capital
- Cash Flow Report
- Supplements to Financial Reports

**JSC "Latvijas tilti" [Bridges]**

**Data on the enterprise**

Name of the enterprise	<b>JSC "Latvijas tilti"</b>
Legal status of the enterprise	<i>Public Joint-stock Company</i>
Unified Registration Number	<b>50003030441</b>
Date of registration with Enterprise Register	<i>October 07, 1991</i>
Date of registration with Commercial Register	<i>June 29, 2004</i>
Legal address	<i>15 Granīta St., Stopiņi Civil Parish, District of Riga, LV-1057</i>
Mailing address	<i>15 Granīta St., Stopiņi Civil Parish, District of Riga, LV-1057</i>

**JSC "Latvijas tilti" [Bridges]  
Management's Statement  
to the Report 2005**

1. JSC "Latvijas tilti" stock or shares capital (fixed capital) is LVL 671,000.
2. Net turnover amount to LVL 7716171.
3. Profit after taxes for the reporting period is LVL 347661.
4. Compared with the corresponding previous period, the amount of work has increased due to successful bids in tenders arranged by the state and municipal authorities.
5. Growth in profit has been attained with skillfully implemented building objects.
6. During the years 2005 – 2006, within the framework of the amounts of work performed by JSC "Latvijas tilti", large-scale projects on bridges reconstruction and building are being implemented (see Annex 1). For example, in the 2005 reconstruction of the bridge across the Lielupe River in Priedaine was completed; building works on the Dienvidu bridge across the Daugava River in Riga are continued, and also building works on other bridges. Besides, manufacture of reinforced concrete and metal structures is being performed.
7. Further development of the enterprise will be promoted by performance of such projects, as participation in implementing building works complex on the Saulkrasti by-pass highway.
8. To replace old, physically and morally obsolete machinery, it is planned to assign a part of profit for purchases of new building machines.
9. During the reporting period, nothing has occurred, which might substantially influence financial health of the enterprise.

Chairman of the Board



A. Guborevičs

**Balance**

	as of December 31, 2005		as of December 31, 2004	
ASSETS				
	LVL	EUR 0,702804 EUR	LVL	EUR 0,703 EUR
<b>LONG-TERM INVESTMENTS</b>				
<b>INTANGIBLE INVESTMENTS</b>				
Licenses and other intangible investments	4772	6790	2657	3780
<b>Subtotal intangible investments</b>	<b>4772</b>	<b>6790</b>	<b>2657</b>	<b>3780</b>
<b>FIXED ASSETS</b>				
Plots of land, buildings, perennial plants	718880	1022874	759855	1080875
Equipment and machinery	478946	681479	246415	350519
Other fixed assets and inventory	169083	240583	75244	107033
Cost of fixed assets formation and unfinished construction objects	3295	4688	570	811
<b>Subtotal fixed assets</b>	<b>1370204</b>	<b>1949625</b>	<b>1082084</b>	<b>1539238</b>
<b>LONG-TERM FINANCIAL INVESTMENTS</b>				
Participation in related enterprises' capital	35208	50096	59574	84743
Participation in associated enterprises' capital	6250	8893	500	711
Own stock and shares	2013	2864	2013	2863
<b>Subtotal long-terms financial investments</b>	<b>43471</b>	<b>61854</b>	<b>62087</b>	<b>88317</b>
<b>Total intangible investments</b>	<b>1418447</b>	<b>2018268</b>	<b>1146828</b>	<b>1631334</b>
<b>CIRCULATING ASSETS</b>				
<b>INVENTORIES</b>				
Raw materials, basic materials and auxiliary materials	474476	675119	308267	438502
Unfinished products	476302	677717	4900	6970
Finished products, and goods for sale	150043	213492	344695	490320
Advance payments for goods	39580	56317	48273	68667
<b>Subtotal inventories</b>	<b>1140401</b>	<b>1622644</b>	<b>706135</b>	<b>1004459</b>
<b>DEBTORS</b>				
Debts of purchasers and customers	622393	885585	471368	670509
Other debtors	95279	135570	99618	141704
Deferred expenses	21305	30314	7857	11176
Accumulated debtors	1420656	2021411	-	-
<b>Subtotal debtors</b>	<b>2159633</b>	<b>3072881</b>	<b>578843</b>	<b>823390</b>
<b>SECURITIES AND PARTICIPATION IN CAPITALS</b>				
Other securities and participation in capitals	4	6	4	6
<b>Subtotal securities and participation in capitals</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>
<b>CASH</b>	<b>13249</b>	<b>18852</b>	<b>9196</b>	<b>13081</b>
<b>Total intangible investments</b>	<b>3313287</b>	<b>4714383</b>	<b>1294178</b>	<b>1840936</b>
<b>TOTAL ASSETS</b>	<b>4731734</b>	<b>6732651</b>	<b>2441006</b>	<b>3472270</b>

**Balance**

	as of December 31, 2005		as of December 31, 2004	
	LVL	EUR 0,702804	LVL	EUR 0,703
<b>LIABILITIES</b>				
<b>OWN CAPITAL</b>				
Stock or share capital (fixed capital)	671000	954747	671000	954481
Reserves:				
a) statutory reserves	29982	42661	29982	42649
b) other reserves	101	144	101	144
Undistributed profit:				
a) undistributed profit for preceding years	411232	585130	307562	437499
b) undistributed profit for accounting year	347661	494677	103670	147468
<b>Subtotal own capital</b>	<b>1459976</b>	<b>2077359</b>	<b>1112315</b>	<b>1582240</b>
<b>PROVISIONS</b>				
Provisions for anticipated taxes	51794	73696	24503	34855
Other provisions	83002	118101	34447	49000
<b>Subtotal provisions</b>	<b>134796</b>	<b>191797</b>	<b>58950</b>	<b>83855</b>
<b>CREDITORS</b>				
<b>LONG-TERM DEBTS</b>				
Other loans	163019	231955	6192	8808
<b>Subtotal long-term debts</b>	<b>163019</b>	<b>231955</b>	<b>6192</b>	<b>8808</b>
<b>SHORT-TERM DEBTS</b>				
Loans from credit institutions	542306	771632	518108	736996
Other loans	58959	83891	18146	25812
Advance payments received from purchasers	500304	711868	130468	185587
Debts to suppliers and contractors	570287	811445	531391	755890
Debts to related enterprises	500	711	500	711
Taxes and social insurance payments	64022	91095	27855	39623
Other creditors	51931	73891	26528	37735
Deferred revenues	-	-	712	1013
Accumulated liabilities	1185634	1687005	9841	13999
<b>Subtotal short-term debts</b>	<b>2973943</b>	<b>4231540</b>	<b>1263549</b>	<b>1797367</b>
<b>Total creditors</b>	<b>3136962</b>	<b>4463495</b>	<b>1269741</b>	<b>1806175</b>
<b>TOTAL LIABILITIES</b>	<b>4731734</b>	<b>6732651</b>	<b>2441006</b>	<b>3472270</b>

Chairman of the Board

signature

A.Guborevičs

name, surname

28 february, 2006

JSC "Latvijas tilti"

**PROFIT & LOSS ACCOUNT**

	as of December 31, 2005		as of December 31, 2004	
	EUR 0,702804		EUR 0,703	
	LVL	EUR	LVL	EUR
Net turnover	7716171	10979122	5028245	7152553
Manufacturing cost of products sold	(7206660)	(10254153)	(5007319)	(7122787)
<b>Gross profit</b>	<b>509511</b>	<b>724969</b>	<b>20926</b>	<b>29767</b>
Cost of sales	(9362)	(13321)	(5962)	(8481)
Administration expenses	(111507)	(158660)	(107252)	(152563)
Other incomes from enterprise's business activity	116200	165338	274737	390807
Other expenses for enterprise's business activity	(86499)	(123077)	(57738)	(82131)
Incomes from participation in capitals of subsidiaries and associated enterprises	-	-	58212	82805
Other interest-bearing income, and similar incomes	571	812	946	1346
Depreciation of long-term financial investments and short-term securities value	-	-	(12926)	(18387)
Interest payments, and similar expenses	(32868)	(46767)	(32963)	(46889)
Profit or loss before taxes	<b>386046</b>	<b>549294</b>	<b>137980</b>	<b>196273</b>
Postponed tax liabilities	(27291)	(38832)	(24503)	(34855)
Other taxes	(11094)	(15785)	(9807)	(13950)
<b>Profit or loss for accounting period after taxes</b>	<b>347661</b>	<b>494677</b>	<b>103670</b>	<b>147468</b>
Dividend "profit on the action" (EPS)	0,5181	0,7372	0,1545	0,2198

Chairman of the board

signature



A. Guborevičs

name, surname

28 february, 2006

Name of the enterprise: "Latvijas tilti" JSC

Unified Reg. No. LV50003030441

Address: 15 Granīta St., Stopiņi Civil Parish, District of Riga, LV-1057

### *Report on changes in owner's capital*

	Fixed capital		Statutory reserves		Other reserves		Undistributed profit		Owner's capital total	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
<b>31.12.2003 EUR 0.674</b>	<b>671000</b>	<b>995549</b>	<b>29982</b>	<b>44484</b>	<b>0</b>	<b>0</b>	<b>396914</b>	<b>588893</b>	<b>1097896</b>	<b>1628926</b>
Profit for reporting year	-	-	-	-	-	-	103670	147468	103670	147468
Distribution of profit	-	-	-	-	101	144	(89352)	(127101)	(89251)	(126957)
<b>31.12.2004 EUR 0.703</b>	<b>671000</b>	<b>954481</b>	<b>29982</b>	<b>42649</b>	<b>101</b>	<b>144</b>	<b>411232</b>	<b>584967</b>	<b>1112315</b>	<b>1582240</b>
Profit for reporting period	-	-	-	-	-	-	347661	494677	347661	494677
Distribution of profit	-	-	-	-	-	-	-	-	-	-
<b>31.12.2005 EUR 0.702804</b>	<b>671000</b>	<b>954747</b>	<b>29982</b>	<b>42661</b>	<b>101</b>	<b>144</b>	<b>758893</b>	<b>1079807</b>	<b>1459976</b>	<b>2077359</b>

Chairman of the Board

signature



A. Guborevičs

name, surname

February 28, 2006



## JSC "Latvijas tilti"

Cash Flow Report

as of December 31, 2005

as of December 31, 2004

	EUR 0.702804		EUR 0.703	
	LVL	EUR	LVL	EUR
<b>Cash flow from basic activity</b>				
Profit (loss) before taxes	386046	549294	137980	196273
Adjustments for:				
Fixed assets and intangible investments wear and tear	156713	222983	106500	151494
Fixed assets exclusion results	2563	3647	91968	130822
Profit or loss from fluctuations in foreign currencies exchange rates	15330	21813	302	430
Incomes from participation in related enterprises' capital			(58212)	(82805)
Depreciation of certificates	(712)	(1013)	(36832)	(52393)
Reserves for vacations	48555	69088	34447	49000
Changes in reserves	(434266)	(617905)	38980	55448
Changes in debtors	(1580790)	(2249262)	326821	464895
Changes in creditors	1645383	2341169	(326997)	(465145)
Property tax	(11094)	(15785)	(9807)	(13950)
<b>Net cash from basic activity</b>	<b>227728</b>	<b>324028</b>	<b>305150</b>	<b>434068</b>
<b>Cash flow from investment activity</b>				
Cash paid for acquisition of fixed assets	(454548)	(646764)	(208578)	(296697)
Incomes from dividends	24366	34670	-	-
<b>Net cash from investment activity</b>	<b>(430182)</b>	<b>(612094)</b>	<b>(208578)</b>	<b>(296697)</b>
<b>Cash flow from financial activity</b>				
Revenues (expenditures) on short-term credit	221838	315647	(88034)	(125226)
<b>Net cash from financial activity</b>	<b>221838</b>	<b>315647</b>	<b>(88034)</b>	<b>(125226)</b>
<b>Result from fluctuations in foreign currencies exchange at increase in cash and its equivalents</b>	<b>(15330)</b> <b>4054</b>	<b>(21813)</b> <b>5768</b>	<b>(302)</b> <b>8236</b>	<b>(430)</b> <b>11716</b>
<b>Cash and its equivalents in the beginning of period</b>	<b>9196</b>	<b>13085</b>	<b>960</b>	<b>1366</b>
<b>Cash and its equivalents in the end of period</b>	<b>13250</b>	<b>18853</b>	<b>9196</b>	<b>13081</b>

Chairman of the Board

signature

A.Guborevičs

name, surname

28 february, 2006

## Accounting policies

### General principles

This Annual Report is drawn up according to the Republic of Latvia laws "On Accountancy", "On Enterprise Annual Reports", as well as Latvian Accounting Standards Nos. 1, 2, 3, 4, 5 and 6.

The Profit&Loss Account is drawn up according to the turnover costs scheme.

The Cash Flow Report is drawn up according to indirect method.

### Converting foreign currencies to Latvian lats

Assets and liabilities in foreign currencies are converted to lats according to the exchange rate established by the Bank of Latvia for the closing day of the reporting year. Either profit or loss resulting from fluctuations in foreign currencies exchange rates, are reflected in Profit&Loss Account for the corresponding period.

	31.12.05.	31.12.04.
	Ls	Ls
1 EUR	0.702804	0.703
1 USD	0.593	0.516
1000 BYR	0.275	0.237
1 MDL	0.0463	0.0416

### Fixed assets

All fixed assets are evaluated at their starting value, gradually deducting their wear and tear. The wear and tear is calculated according to linear method throughout the period of suitable use of the relevant fixed assets.

### Inventories

Inventories are evaluated according to the requirements of law "On Enterprise Annual Reports" at their purchase costs and production prime cost.

### Investments in subsidiaries and associated enterprises

According to the law "On Enterprise Annual Reports", investments in subsidiaries are adjusted correspondingly to the changes in the value of share in subsidiaries' equity.

### Other investments

Long-term investments, except for investments in subsidiaries and associated enterprises, are accounted at their purchase costs.

### Intangible investments

All intangible investments are evaluated at their starting value, gradually deducting their wear and tear. The statutory duration of wear and tear is five years long.

*JSC "Latvijas tilti" [Bridges]*

**Explanations**

**Net turnover**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
Revenues from construction	6.555.471	4.764.287
Revenues from sales of services and building structures	1.160.700	263.958
<b>TOTAL:</b>	<b>7.716.171</b>	<b>5.028.245</b>

**Production costs**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
Material costs (raw materials, materials, services from outside)	1.810.796	1.085.060
Labour payment	473.766	505.152
Social tax	113.206	133.826
Co-operation	4.116.649	2.617.421
Other costs	692.243	665.860
<b>TOTAL:</b>	<b>7.206.660</b>	<b>5.007.319</b>

**Selling costs**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
Transport services	9.362	5.962
<b>TOTAL:</b>	<b>9.362</b>	<b>5.962</b>

**Administrative overheads**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
Administration salaries, social tax	59.744	58.344
Expenses for communications	13.173	14.712
Chancellery costs	5.092	5.262
Expenses for Annual Report and Audit	1.243	3.112
Legal services	3.334	4.942
Bank services	7.463	6.074
Representation expenses	1.802	876
Motor transport maintenance costs	5.218	4.896
Other administrative overheads	14.438	9.034
<b>TOTAL:</b>	<b>111.507</b>	<b>107.252</b>

*JSC "Latvijas tilti" [Bridges]*

**Other revenues from the enterprise economic activity**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
Revenues from selling materials	79.189	157.029
Revenues from services	30.453	55.387
From fluctuations in foreign currencies exchange rates	5.391	4.038
Other revenues	1.167	58.283
<b>TOTAL:</b>	<b>116.200</b>	<b>274.737</b>

**Other expenditure from the enterprise economic activity**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
From fluctuations in foreign currencies exchange rates	20.163	-
Reserves for vacations	48.555	34.447
Other expenditure	17.781	23.291
<b>TOTAL:</b>	<b>86.499</b>	<b>57.738</b>

**Other taxes**

	<b>2005</b>	<b>2004</b>
	<b>Ls</b>	<b>Ls</b>
Calculated land real property tax	3.921	3.921
Calculated buildings and facilities real property tax	7.173	5.886
<b>TOTAL:</b>	<b>11.094</b>	<b>9.807</b>

*JSC "Latvijas tilti" [Bridges]*

**Intangible investments**

	31.12.05.	31.12.04.
	Ls	Ls
Acquisition value	12.441	8.901
Wear and tear	7.669	6.244
Residual value	<u>4.772</u>	<u>2.657</u>

**Fixed assets**

	Land, buildings and facilities	Equipment and machinery	Other fixed assets	Formation of fixed assets
	Ls	Ls	Ls	Ls
Acquisition value as of 31.12.04	1.043.353	1.084.622	214.509	570
Wear and tear	283.498	838.207	139.265	-
Residual value as of 31.12.04	<u>759.855</u>	<u>246.415</u>	<u>75.244</u>	<u>570</u>
Acquisition value as of 31.12.05	1.042.951	1.380.994	340.639	3.295
Wear and tear	324.071	902.048	171.556	-
Residual value as of 31.12.05	<u>718.880</u>	<u>478.946</u>	<u>169.083</u>	<u>3.295</u>

**Participation in subsidiaries capital**

	Share of participation - subsidiary purchase price		Share of participation	
	31.12.05.	31.12.04.	31.12.05.	31.12.04.
	Ls	Ls	%	%
"Mostdorstroj", Byelorussia	14.694	14.694	100	100
LTM "Poduri", Moldova	20.014	44.380	65.78	65.78
Partnership with unlimited liability "LT&UZ-Be", Latvia	500	500	50	50

**Participation in associated enterprises capital**

	Share of participation - purchase price		Share of participation	
	31.12.05.	31.12.04.	31.12.05.	31.12.04.
	Ls	Ls	%	%
Partnership with unlimited liability "Dienvidu tilts" [South Bridge], Latvia	6.250	6.250	12.5	12.5

*JSC "Latvijas tilti" [Bridges]*

**Debts of purchasers and customers**

	31.12.05.	31.12.04.
	Ls	Ls
Debts of purchasers and customers	466.359	300.089
Deferred payments	156.034	171.279
	<u>622.393</u>	<u>471.368</u>

**Other debtors**

	31.12.05.	31.12.04.
	Ls	Ls
Other debtors	23.289	18.974
Overpaid VAT	67.610	76.280
Overpaid real property tax	16	
Overpaid enterprise income tax	4.364	4.364
	<u>95.279</u>	<u>99.618</u>

**Deferred expenses**

	31.12.05.	31.12.04.
	Ls	Ls
Insurance premiums	11.857	6.580
Riga Stock Exchange	5.000	-
Others	4.448	1.277
	<u>21.305</u>	<u>7.857</u>

**Money**

	31.12.05.	31.12.04.
	Ls	Ls
Cash at Cashier's Desk	103	9.196
Money with bank	13.146	-
Money total:	<u>13.249</u>	<u>9.196</u>

*JSC "Latvijas tilti" [Bridges]*

**Other reserves**


	31.12.05.	31.12.04.
	Ls	Ls
Reserves for foreseen taxes	51.794	24.503
Reserves for vacations	83.002	34.447
	<u>134.796</u>	<u>58.950</u>

**Taxes and social insurance payments**

	31.12.05.	31.12.04.
	Ls	Ls
State social insurance obligatory premiums	30.041	16.813
Population income tax	19.633	10.895
VAT	14.193	-
Other taxes	155	147
	<u>64.022</u>	<u>27.855</u>

**Other debets to creditors**

	31.12.05.	31.12.04.
	Ls	Ls
Settlements on wages	50.917	26.521
Other creditors – settlement parties	1.014	7
	<u>51.931</u>	<u>26.528</u>

  
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 Anatolijs Guborevičs  
 Chairman of the Board - Director

February 28, 2006

Name of enterprise (business company): JSC "Latvijas tilti" [Bridges]

Registration No.: 50003030441

Address: 15 Granitu St., Stopiņi Civil Parish, Riga Region LV-1057

Telephone: 7251822

Managing Authority: Riga Regional Department of State Incomes Board

Tax Inspectorate:

Type of primary activity: building

Unit of measurement: Ls

## **NON-AUDITED CONSOLIDED BALANCE SHEET**

**for the 31<sup>th</sup> December 2005**



**JSC "Latvijas tilti" [Bridges]**

***Related Enterprises***

Name of enterprise	<b>ИП «Мостдорстрой», Byelorussia</b>
Registration number and date with Enterprise Register	Reg. No. 800016175 September 25, 2002
Legal status	Unitary enterprise
Line of activity	Building
Reporting period	Not included in the consolidated data due to unavailability of the necessary documents
Director	Boris Zaricer

Name of enterprise	<b>"LTM Podori, Moldova</b>
Registration number and date with Enterprise Register	Reg. No. AA 082123 February 14, 2001
Legal status	Enterprise with foreign capital
Line of activity	Building
Reporting period	January 1, 2005 - December 31, 2005
Director	Andrey Bochkaryov

Name of enterprise	<b>PS "LT &amp; Uz-Būve", Latvia</b>
Registration number and date with Enterprise Register	Reg. No. 40003608393 November 04, 2002
Legal status	Unlimited liability company
Line of activity	Building
Reporting period	January 1, 2005 - December 31, 2005
Director	Eduards Begens

**Balance**

	as of December 31, 2005		as of December 31, 2004	
ASSETS				
	LVL	EUR 0,702804 EUR	LVL	EUR 0,703 EUR
<b>LONG-TERM INVESTMENTS</b>				
<b>INTANGIBLE INVESTMENTS</b>				
Licenses and other intangible investments	5242	7459	2665	3791
Consolidated difference	(1026)	(1460)	(21290)	(30284)
<b>Subtotal intangible investments</b>	<b>4216</b>	<b>5999</b>	<b>(18625)</b>	<b>(26494)</b>
<b>FIXED ASSETS</b>				
Plots of land, buildings, perennial plants	718880	1022874	761277	1082898
Equipment and machinery	509766	725332	270547	384846
Other fixed assets and inventory	169083	240583	75244	107033
Cost of fixed assets formation and unfinished construction objects	3295	4688	570	811
<b>Subtotal fixed assets</b>	<b>1401024</b>	<b>1993478</b>	<b>1107638</b>	<b>1575587</b>
<b>LONG-TERM FINANCIAL INVESTMENTS</b>				
Participation in related enterprises' capital	14694	20908	0	0
Participation in associated enterprises' capital	6250	8893	500	711
Own stock and shares	2013	2864	2013	2863
<b>Subtotal long-terms financial investments</b>	<b>22957</b>	<b>32665</b>	<b>2513</b>	<b>3575</b>
<b>Total intangible investments</b>	<b>1428197</b>	<b>2032141</b>	<b>1091526</b>	<b>1552669</b>
<b>CIRCULATING ASSETS</b>				
<b>INVENTORIES</b>				
Raw materials, basic materials and auxiliary materials	482392	686382	318934	453676
Unfinished products	476302	677717	4900	6970
Finished products, and goods for sale	150043	213492	365751	520272
Advance payments for goods	39991	56902	52849	75176
<b>Subtotal inventories</b>	<b>1148728</b>	<b>1634493</b>	<b>742434</b>	<b>1056094</b>
<b>DEBTORS</b>				
Debts of purchasers and customers	622393	885585	518181	737100
Other debtors	102534	145893	114123	162337
Deferred expenses	21305	30314	8094	11514
Accumulated debtors	1420656	2021411	-	-
<b>Subtotal debtors</b>	<b>2166888</b>	<b>3083204</b>	<b>640398</b>	<b>910950</b>
<b>SECURITIES AND PARTICIPATION IN CAPITALS</b>				
Other securities and participation in capitals	4	6	4	6
<b>Subtotal securities and participation in capitals</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>
<b>CASH</b>	<b>20274</b>	<b>28847</b>	<b>20934</b>	<b>29778</b>
<b>Total intangible investments</b>	<b>3335894</b>	<b>4746550</b>	<b>1403770</b>	<b>1996828</b>
<b>TOTAL ASSETS</b>	<b>4764091</b>	<b>6778691</b>	<b>2495296</b>	<b>3549496</b>

**Balance**

	as of December 31, 2005		as of December 31, 2004	
	LVL	EUR 0,702804 EUR	LVL	EUR 0,703 EUR
<b>LIABILITIES</b>				
<b>OWN CAPITAL</b>				
Stock or share capital (fixed capital)	671000	954747	671000	954481
Reserves:				
a) statutory reserves	29982	42661	32115	45683
b) other reserves				
Undistributed profit:				
a) undistributed profit for preceding years	414470	589738	274608	390623
b) undistributed profit for accounting year	357597	508815	103670	147468
Interest of minority	17712	25202	23384	33263
<b>Subtotal own capital</b>	<b>1490761</b>	<b>2121162</b>	<b>1104777</b>	<b>1571518</b>
<b>PROVISIONS</b>				
Provisions for anticipated taxes	51794	73696	24503	34855
Other provisions	83002	118101	34447	49000
<b>Subtotal provisions</b>	<b>134796</b>	<b>191797</b>	<b>58950</b>	<b>83855</b>
<b>CREDITORS</b>				
<b>LONG-TERM DEBTS</b>				
Debts to suppliers and contractors	163019	231955	6192	8808
<b>Subtotal long-term debts</b>	<b>163019</b>	<b>231955</b>	<b>6192</b>	<b>8808</b>
<b>SHORT-TERM DEBTS</b>				
Loans from credit institutions	542306	771632	518108	736996
Other loans	58959	83891	18146	25812
Advance payments received from purchasers	500304	711868	144914	206137
Debts to suppliers and contractors	572359	814393	550244	782708
Taxes and social insurance payments	64022	91095	43849	62374
Other creditors	51931	73891	39563	56277
Deferred revenues	-	-	712	1013
Accumulated liabilities	1185634	1687005	9841	13999
<b>Subtotal short-term debts</b>	<b>2975515</b>	<b>4233776</b>	<b>1325377</b>	<b>1885316</b>
<b>Total creditors</b>	<b>3138534</b>	<b>4465732</b>	<b>1331569</b>	<b>1894124</b>
<b>TOTAL LIABILITIES</b>	<b>4764091</b>	<b>6778691</b>	<b>2495296</b>	<b>3549496</b>

Chairman of the Board

signature

A.Guborevičs

name, surname

February 28, 2006

## PROFIT &amp; LOSS ACCOUNT

as of December 31, 2005

as of December 31, 2004

EUR 0,702804

EUR 0,703

	LVL	EUR	LVL	EUR
Net turnover	8244357	11730663	6189809	8804849
Manufacturing cost of products sold	(7644163)	(10876664)	(6059010)	(8618791)
<b>Gross profit</b>	<b>600194</b>	<b>853999</b>	<b>130799</b>	<b>186058</b>
Cost of sales	(9390)	(13361)	(6305)	(8969)
Administration expenses	(175726)	(250036)	(121904)	(173405)
Other incomes from enterprise's business activity	119773	170422	293224	417104
Other expenses for enterprise's business activity	(97984)	(139419)	(79171)	(112619)
Incomes from participation in capitals of subsidiaries and associated enterprises	-	-	-	-
Other interest-bearing income, and similar incomes	571	812	7117	10124
Depreciation of long-term financial investments and short-term securities value	-	-	(12926)	(18387)
Interest payments, and similar expenses	(32868)	(46767)	(32963)	(46889)
Profit or loss before taxes	<b>404570</b>	<b>575651</b>	<b>177871</b>	<b>253017</b>
Postponed tax liabilities	(27291)	(38832)	(24503)	(34855)
Corporation (income) tax	(3419)	(4865)	(16778)	(23866)
Other taxes	(11094)	(15785)	(10281)	(14624)
Interest of minority	(5169)	(7355)	(22639)	(32203)
<b>Profit or loss for accounting period after taxes</b>	<b>357597</b>	<b>508815</b>	<b>103670</b>	<b>147468</b>

Chairman of the board

signature



A. Guborevičs

name, surname

February 28, 2006