

JSC [A/S] "Rīgas juvelierizstrādājumu rūpnīca"
Single reg.№ 40003044420
Adress: Terēzes iela 1, Rīga, LV-1012

Types of basic activities:
processing of precious metals

Unit: LVL, EUR

Financial account
for the period from 01.01.2008 to 31.03.2008

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INFORMATION ON THE COMPANY

Company name	JSC AS "Rīgas juvelierizstrādājumu rūpnīca"
Company legal status	Joint-Stock Company
Single identification №, place and date of incorporation	40003044420, 10 December 1991
Legal address	Terēzes iela 1, Rīga, LV-1012, tel 7272790
Mailing adress	Terēzes iela 1, Rīga, LV-1012
Type of activity	Processing precious metals
Name, address. Tel.of Unit of Business Activities	workshop: Terēzes iela 1, Rīga, LV-1012 pawnshop: Terēzes iela 1, Rīga, LV-1012
Member composition of the JSC Council	Vidis Zaķis Igors Istomins Eļena Vasuļa Jurijs Čerņecovs Tatjana Reznigskā
Member composition of the JSC Board of Directors	Vladimirs Cadovičs Alefīna Struļeviča Aleksandrs Ančevskis
Bank account JSC "SEB BANKA"	LV62UNLA0001000243901
Chief Accountant	Raisa Korņilova
Aaccount for the period	from 01.01.2008 to 31.03.12.2008
Auditor	LLC SIA "Auditoru firma "Finansists" Tālavas gatve 11-4, Rīga, LV-1029 ID.№ LV40002046180 Nelli Jermoljicka Qualified Auditor (Latvian Association of Qualified Auditors cert
Average number of employees	37 peple

**Profits or loss statements for the period from
01.01.2008 to 31.03.2008 and 01.01.2007 to 31.03.2007**

Parameter designation	Appendices	2008 Ls	2007 Ls	2008 EUR	2007 EUR
Net turnover	1	90 733	99 390	129 101	141 419
Manufacturing expenditures of sold products	2	-85 873	-98 125	-122 186	-139 619
Gross profit or loss		4 860	1 265	6 915	1 800
Selling costs	3	-2 833	-2 117	-4 031	-3 012
Administrative expenses	4	-27 731	-22 746	-39 458	-32 365
Other revenue of the Company business operations	5	16 337	7 963	23 245	11 330
Other expenses of the Company business operations	6	-26	-2 127	-37	-3 026
Other interests income and similar	7	54	40	77	57
Profit or loss before extraordinary items and taxations		-9 339	-17 722	-13 289	-25 216
Other taxes	8	-1 164	-1 264	-1 656	-1 799
Loss for the year of account (net income)		-10 503	-1 264	-14 945	-27 015
Profit or loss for ONE stock, annual		-0,002	-0,004	-0,002	-0,004
Profit or loss for ONE stock as from commencement of operations		-0,785	-0,0786	-0,785	-0,0786

Appendix from Page 9 to 14 shall constitute an integral part to the present financial statement

Balance sheet at 31 march 2008 and 2007

ASSETS	Appen- dices	2008 Ls	2007 Ls	2008 EUR	2007 EUR
Long-term investments					
II Fixed assets					
Building, constructions		136 900	145 920	194 791	207 625
Long-term investments in the rented fixed assets		2 602	18 212	3 702	25 913
Equipment and machinery		831	1 116	1 182	1 588
Other fixed assets and inventory		17 697	6 180	25 181	8 793
Total fixed assets		158 030	171 428	224 856	243 919
Investments property		44 270	47 205	62 990	67 167
Total investments property		44 270	47 205	62 990	67 167
Total long-term investments	1	202 300	218 633	287 846	311 086
Current assets					
I Inventory					
Raw materials, direct materials and auxiliary materials	2	200 850	193 543	285 784	275 387
Unfinished products		138 116	147 406	196 521	209 740
Finished goods and goods for sale		184 073	182 667	261 912	259 912
Advance payment for goods	3	17774	348	25 290	495
Total inventory		540 813	523 964	769 507	745 534
II Debtors' indebtedness					
Indebtedness of customers and clients	4	336 896	388 365	479 360	552 593
Other debtors	5	160	227	228	323
Expenses of subsequent perios	6	5 268	10 347	7 496	14 723
Total debtors		342 324	398 939	487 084	567 639
Funds (total)	7	83 516	69 838	118 833	99 371
Total current assets		966 653	992 741	1 375 424	1 412 544
Assets grand total		1 168 953	1 211 374	1 663 270	1 723 630

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Account for the period from 01.01.2008 to 31.03.2008

LIABILITIES	Appendices	2008 Ls	2007 Ls	2008 EUR	2007 EUR
<i>I Equity capital</i>					
Stock or share capital (fixed capital)	8	4 742 980	4 742 980	6 748 653	6 748 653
Revaluation reserve of long-term investments		135 091	176 474	192 217	251 100
<i>Retained earnings</i>					
a) retained earnings from previous year		-3 715 292	-3 712 042	-5 286 384	-5 281 760
b) retained earnings for the year of account		-10 503	-18 986	-14 945	-27 015
Total retained earnings		-3 725 795	-3 731 028	-5 301 329	-5 308 775
<i>Total equity capital</i>		1 152 276	1 188 426	1 639 541	1 691 978
<i>III Creditors</i>					
<i>1. Long-term debts</i>					
Deffered tax liability amounts			2 789		3 968
<i>Total long-term debts</i>			2 789		3 968
<i>2. Short-term debts</i>					
Prepayments received from customers	9		54		77
Taxes and social security liabilities	10	7 279	13 100	10 357	18 640
Other creditors	11	9 398	7 005	13 372	9 967
<i>Total short-term debts</i>		16 677	20 159	23 729	28 684
<i>Total creditors</i>		16 677	22 948	23 729	32 652
<i>Liabilities grand total</i>		1 168 953	1 211 374	1 663 270	1 723 630

Appendix from Page 9 to 14 shall constitute an integral part to the present financial statement

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Alefina Struļeviča

Member of the Board
Aleksandrs Ančevskis

Account on changes in equity capital
for period from 01.01.2008 to 31.03.2008 and 01.01.2007 to 31.03.2007

	Stock or share capital (fixed)	Revaluatio n reserve of long- term invest ments	Retained earnings from previous year	Profit for the year of account	Total equity capital
	LVL	LVL	LVL	LVL	LVL
Remaining amount on 31 march 2007	4 742 980	176 474	-3 712 042	-18 986	1 188 426
Remaining amount on 31 march 2008	4 742 980	135 091	-3 715 292	-10 503	1 152 276

	Stock or share capital (fixed)	Revaluatio n reserve of long- term invest ments	Retained earnings from previous year	Profit for the year of account	Total equity capital
	EUR	EUR	EUR	EUR	EUR
Remaining amount on 31 march 2007	6 748 653	251 100	-5 281 760	-27 015	1 690 978
Remaining amount on 31 march 2008	6 748 653	192 217	-5 286 384	-14 945	1 639 541

Chairman of the Board
Vladimirs Cadovičs

Member of the Board
Aleŭtina Struļeviča

Member of the Board
Aleksandrs Ančevskis

**ACCOUNT ON CASH FLOW for the PERIOD having EXPIRED
on 31 march 2008.(by direkt method)**

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
I. Cash flow from basic activities				
Proceeds from no product selling and provision of services	131 485	120 453	187 086	171 389
Payments to suppliers, staff, other expenditures of basic activities	-158 200	-168 647	-225 098	-239 966
Receipts and expenditures from other basic activities of the Company	28 532	21 848	40 597	31 087
Gross basic activities cash flow	1 817	-26 346	2 585	-37 490
Expenditures for interest payments				
Expenditures for real property tax payments (-)	-1 068	-1 290	-1 519	-1 835
Cash flow before extraordinary items	749	-27 636	1 066	-39 325
Net basic activities cash flow	749	-27 636	1 066	-39 325
II. Cash flow of investment operations				
Interest received (+)	54	40	77	60
Net cash flow of investment operations	54	40	77	60
V. Net cash flow for the yer of account	803	-27 596	1 143	-39 265
VI. Cash and equivalents thereof at the begininig of period	82 713	97 434	117 690	138 636
VII. Cash and equivalents thereof at the end of period	83 516	69 838	118 833	99 371

Appendix from Page 9 to 14 shall constitute an integral part to the present financial statement

Chairman of the Board
Vladimirs Cadovičs

Member ot the Board
Aleŭtina Struļeviĉa

Member ot the Board
Aleksandrs Anĉevskis

Appendices to the annual account

1. Accounting policy and methods applied

The accounting policy and applied methods in the accounting periods has not changed

Annual account for the period: from 01 January 2008 to 31 March 2008

Money value and revaluation of foreign currency : EUR= 0.702804.Ls

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Account for the period from 01.01.2008 to 31.03.2008

Appendices to the financial account

2. Explanatory notes to items of the profit or loss calculation

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
1. Net turnover				
Jewelry production	66 707	81 031	94 915	115 297
Workshop (jewelry repairs)	17 868	14 627	25 424	20 812
Pawnshops (jewelry)	339	247	482	351
Production of thermal energy	5 819	3 485	8 280	4 959
Total	90 733	99 390	129 101	141 419
2. Manufacturing expenditures of sold products				
Labour wages	30 047	23 609	42 753	33 593
Labour state social security obligatory contributions	7 125	5 565	10 138	7 918
Water	350	107	498	152
Electric energy	1 994	1 855	2 837	2 639
Gas	7 891	5 349	11 228	7 611
Direct materials	75 451	105 569	107 357	150 211
Branding of jewelry at State Assay Supervision Inspection	1 677	1 396	2 386	1 986
Low-grade inventory, and tools	295	198	420	282
Auxiliary materials	749	522	1 066	742
Depreciation of fixed assets	180	180	256	256
Current repairs (equipment, facilities)	21	5701	30	8 112
Long-term investments' writing-off in the leased fixed assets	3 903	3 903	5 553	5 553
Lease payments for the production facilities	2 529	2 529	3 598	3 599
Changes in stock and value of the unfinished products	-35 957	-69 202	-51 162	-98 465
Changes in stock and value of the finished products	-10 423	10 826	-14 830	15 404
Transitional expenses	41	18	58	26
Total	85 873	98 125	122 186	139 619
3. Selling costs				
Labour wages	1 860	1 620	2 647	2 305
Labour state social security obligatory contributions	448	390	637	555
Advertising	519	107	738	152
Other selling costs	6		9	
Total	2 833	2 117	4 031	3 012
4. Administration expenditures				
Communication expenditures	474	581	674	826
Annual account expenditures	31	84	44	119
Business activity risk duty	28	27	40	38
Bank services	85	96	121	137
To REB and the Financial and Capital Market Commission	1 252	1 250	1 782	1 778
Office costs	430	332	612	472
Electric energy	35	30	50	43
Depreciation of fixed assets	2 716	1 250	3 864	1 778

"Rīgas juvelierizstrādājumu rūpnīca" JSC /AS/
single ID.40003044420
Account for the period from 01.01.2008 to 31.03.2008

Appendices to the profit or loss calculation (continued)

	2008 LVL	2007 LVL	2008 EUR	2007 EUR
Deratization costs	13	30	18	43
Traveling allowances		286		410
Administration wages	11 335	10 050	16 128	14 300
Administration state social security obligatory contributions	2 715	2 402	3 863	3 418
Lease of land	803	830	1 143	1 181
Waste disposal	137	107	195	152
Security services	5 775	3 776	8 217	5 373
Carpet replacement(workshop)	14	27	20	38
Computer, printer, telefax, cash register servicing costs	421	172	599	245
Expenditures of statutory regulary	111	103	158	146
Expenditures for organization of annual general meeting and amendments to Articles of Association	314	228	447	324
Expenditors for insurance of motor transport	17	49	24	70
Motor transport expenditures for administration	820	760	1 167	1 081
Water	50	40	71	57
Other administration expenditures	155	236	221	336
Total	27 731	22 746	39 458	32 365

5. Other income from the Company business activities

Income from revaluation of finished goods	8 094		11 517	
Return of hopeless debts		427		607
Income from the currency selling or buying	55	104	78	148
Leasing out premises	8 188	7432	11 650	10575
Total	16 337	7 963	23 245	11 330

6. Other expenditures from the Company business activities

Expreses for write-off a fixed assets		2 127		3 026
Other expenditures	26		37	
Total	26	2 127	37	3026

7. Other interest and similar income

Interest on the remaining amount of monies in bank	54	40	77	57
Total	54	40	77	57

8. Real property tax

1 164	1 264	1 656	1 799
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Appendices to the financial account

3. Explanatory notes to the balance sheet items

1. Long-term investment

	Fixed assets				Investment property	Total	
	Lands, buildings construction	Long-term investments leased fixed	Equipment and machinery	Other fixed assets			
	LVL	LVL	LVL	LVL	LVL	LVL	EUR
Initial value							
31.03.2007	180 389	74 026	64 099	42 692	58 700	419 906	597 472
Initial value							
31.03.2008	180 389	74 026	64 099	45 959	58 700	423 173	602 121
Depreciation							
31.03.2007	34 469	55 814	62 983	36 512	11 495	201 273	286 386
Depreciation							
31.03.2008	43 489	71 424	63 269	28 262	14 430	220 874	314 275
Residual value	Ls	145 920	18 212	1 116	6 180	47 205	218 633
31.03.2007	EUR	207 625	25 913	1 588	8 793	67 167	311 086
Residual value	Ls	136 900	2 602	831	17 697	44 270	202 300
31.03.2008	EUR	194 791	3 702	1 182	25 181	62 990	287 846

Fixed assets in the balance sheet are reflected as the residual value.

Vehicles are insured.

Fixed assets are not encumbered.

2. Raw materials, direct material and aux	2008	2007	2008	2007
	LVL	LVL	EUR	EUR
gold	132 086	125 678	187 942	178 824
silver	2 479	2 958	3 527	4 209
precios stones, semiprecious stones	58 893	57 973	83 797	82 488
other auxiliary materials	882	261	1 255	371
low-value mateials and inventory	1 400	1 385	1 992	1 971
fuel	32	17	46	24
motor transport tyres	292	159	415	226
tools	4 670	5 064	6 645	7 206
construction materials for current repairs	116	48	165	68
Total	200 850	193 543	285 784	275 387

Appendices to the balance sheet (continued)

	2008	2007	2008	2007
	LVL	LVL	EUR	EUR
3. Advance payments for products				
To LLC /SIA/ NESTE for fuel	115	235	164	334
TO State Assay Supervision Inspectorate for	493	113	701	161
OA "BRONICKIJ JUVELIR"	12 879		18 325	
"APRAKS" Istanbul	4 287		6 100	
Total	17 774	348	25 290	495

4. Indebtedness of customers and clients

Indebtedness of customers and clients	319 655	367 240	454 828	522 535
Settlements with other debtors	754	905	1 073	1 288
Settlements for lease	16 487	20 220	23 459	28 770
Customer and client accounting value, to	336 896	388 365	479 360	552 593

5. Other debtors

Settlement with employees	160	227	228	323
Total	160	227	228	323

6. Expenditures for the subsequent period

Payment for the rented ground	802	886	1 141	1 261
Advertising costs	288	59	410	84
Insurance of vehicles	17	63	24	90
Deratization	30	10	43	14
Lietišķas informācijas dienests (laws of the	268	246	381	350
Newspaper, journals	113	65	161	92
Project documentation		5 268		7 496
Riga Stock Exchange for the stock quotation	3 750	3 750	5 336	5 336
Total	5 268	10 347	7 496	14 723

7. Monetary instruments

Monetary instruments in cash	15 741	8 291	22 398	11 797
Monetary instruments in operating accounts	67 775	61 547	96 435	87 574
Total	83 516	69 838	118 833	99 371

8. Information of the aggregate Company own stock and shares

The JSC was founded on 10 December 1991 with fixed capital Ls 4742980, composed of 4742980 shares, share par value constituting Ls 1,-

All the stocks are ordinary stocks with voting rights.

From the totality of Company stocks 4 493 700 stocks are bearer stocks in dematerialized form

From the totality of Company stocks 249 280 are registered stocks in dematerialized form

Appendices to the balance sheet (continued)

	2008	2007	2008	2007
	LVL	LVL	EUR	EUR
9. Advance payments received from customers				
JULARS SIA		54		77
Total		54		77

11. Taxes and social security payments

Personal income tax	2 503	2 213	3 561	3 149
State social security obligatory payments	4 746	3 864	6 753	5 498
Natural resources tax		2		3
Business activity duty	9	9	13	13
VAT	21	7 012	30	9 977
Total	7 279	13 100	10 357	18 640

12. Other creditors (short-term)

Wages	9 368	6 975	13 329	9 924
Alimonies	30	30	43	43
Total	9 398	7 005	13 372	9 967