

“RIGA SHIPYARD” JSC /AS “RĪGAS KUĢU BŪVĒTAVA /

***“RIGA SHIPYARD” JSC  
financial statements for 6 months of the year 2009  
(not audited)  
(not consolidated)***

***Riga, 2009***

***Content***

	<i>Pages</i>
Information on the company	3
Directorship report	4
Profit& loss calculation	6
Balance sheet	7
Cash flow statement	9
Equity changes report	10
Notes to the financial statements	11

**Information on the company**

Name of the company	<b>Joint stock company “Riga shipyard”</b>	
Legal status	Joint stock company	
Incorporation number, place and date	000304589, 5 December 1991, companies register, Riga 40003045892, 26 August 2004, commercial register, Riga	
Registered office	2 Gales street, Riga, LV-1015	
Stock capital of the enterprise	Ls 11 672 107	
Core business of the enterprise	– building and repair of ships, yachts, catamarans, roll trailers and technological equipment – Port services – Wood processing, manufacturing of furniture designed for various functional purposes etc.	
Associate enterprise	“Tosmare Shipyard” JSC	
Address	42/44 Generala Baloza Street, Liepaya	
Partnership	49,72%	
Associate enterprise	“Remars Granula” SIA	
Address	2 Gales street, Riga, LV-1015	
Partnership	49,80%	
Name, surnames and positions of members of the Board		
Vasilijs Melniks	Chairman of the Board,	p. ID 310867-10726
Igors Komarovs	Member of the Board,	p. ID 040756-10902
Larisa Artemenko	Member of the Board,	p. ID 030349-12926
Irina Rudzate	Member of the Board,	p. ID 091066-11012
Name, surnames and positions of members of the Council		
Sergejs Golicins	Chairman of the Council,	p.ID 250154-10952
Anatolijs Ustinovs	Deputy Chairman of the Council,	p.ID 010146-10964
Aleksandrs Cernavskis	Member of the Council,	p. ID 230770-10102
Andris Kravalis	Member of the Council,	p. ID 250977-11002 (resigned on 04.06.2009)
Juris Kaksitis	Member of the Council,	p. ID 270443-10124
Gaidis Andrejs Zeibots	Member of the Council,	p. ID 260645-10807 (appointed on 05.06.2009)
Chief accountant	Marina Pudova	Phone 67080868
Annual report	<b>1 January – 30 June 2009</b>	
Tax authority	SRS Large tax payers department	
Name and address of an auditor	Natalija Zaiceva, p ID 140366-10722 Sworn auditors firm KSIA “ORIENTS N” LSAA certificate No 28	
Responsible person	Larisa Artemenko Member of the board t. 67353411, E-mail: larisa@riga-shipyard.com	

**“Riga shipyard” JSC directorship statement to the year 2009 6 month report**

In the past 6 months of the year 2009 JSC's "Riga shipyard" total net turnover made up Ls 11692327, including shipbuilding - Ls 5495254, ship repairing - Ls 6139178 (compared to 2008 6 months Ls 18074955, including ship building - Ls 6886203, ship repairing - Ls 11003126). Company's gross losses made up Ls 1044668, which is respectively four times less than the previous year period (compared to 2008 6 months - Ls 152826). The net losses after tax deduction in 2009 6 months made up Ls 971741, which is accordingly two times less than in the previous year (compared to Ls 498754 in 2008 6 months).

During the 6 months of the year 2009 JSC "Riga Shipyard" repaired 34 ship in total (compared to 41 ship in 2008 6 months), also it has built up and launched on water 7 hulls (compared to 6 hulls in 2008 6 months, as well as two brand new complete tug boats have been built and transferred to Riga Free Port Authorities).

"Riga shipyard" JSC's products and services as well as material suppliers did not change dramatically: Western Europe, Russia, Ukraine, Lithuania as well as Latvia. Traditionally, the major ship repair customers have been Western European, Russian, Lithuanian and Latvian ship owners, however hull-building customers are mostly from the Scandinavian states.

During 6 months period of the year 2009, JSC "Riga shipyard" has invested approximately 250 thousands Ls into a new technological equipment acquisition and reconstruction (compared to 793 thousands Ls in 2008 6 months).

According to the previous submitted information, JSC “Riga Shipyard” labor main indices deterioration is represented as the consequence of world’s financial and bank crisis that is straightforwardly related to the sea cargo shipping, its exploitation and new project development in the new building sphere. Despite all mentioned above, JSC “Riga Shipyard” continues its activity as well as searching for new business development opportunities. JSC “Riga Shipyard” is focused on economic industry revision in the crisis conditions in order to stimulate its activity and do not allow external factors influence on enterprise’s general activity principles.

Chairmen of the Board

**V. MELNIKS**

August 31th, 2009  
“Riga Shipyard” JSC

***Notification on liability of the board***

The board of the enterprise is liable for preparation of a financial report, grounding on initial accountancy per each accounting period, which correctly reflects financial situation of the enterprise as at the end of the year of account, as well as results and cash flow for this period.

The board endorses that, preparing this report for the period ended on June 30th 2009, there were used corresponding accounting methods, their application was consequent, there were made reasonable and prudent resolutions. The board endorses that corresponding International Accounting standards are observed and financial reports are prepared in compliance with principle of continuation of business.

The board is liable for administering of respective accounting reports, for perseverance of means of the enterprise, as well as for elimination of deceit and other dishonest acts.

Chairman of the Board

**V. MELNIKS**

August 31th, 2009  
“Riga Shipyard” JSC

**Profit & Loss calculation for 2009 year 3 months and 2008 year 3 months**

	Remarks	<b>2009 6 months Ls</b>	<b>2008 6 months Ls</b>	<b>2009 6 months EUR</b>	<b>2008 6 months EUR</b>
Net turnover	1	11692327	18074955	16636682	25718344
Sold production operating costs	2	12736995	18227781	18123111	25935796
<b>Gross profit or losses</b>		<b>(1044668)</b>	<b>(152826)</b>	<b>(1486429)</b>	<b>(217452)</b>
Selling costs	3	16940	20600	24103	29311
Administration costs	4	389183	424265	553758	603675
Other enterprise's business activity's income	5	523076	541466	744270	770437
Other enterprise's business activity's costs	6	436127	419607	620553	597047
<b>Profit &amp; Losses of business activity's</b>		<b>(1363842)</b>	<b>(475832)</b>	<b>(1940573)</b>	<b>(677048)</b>
Income from investments in capital of related and associated companies					
Other percents and the like income	7	551488	260335	784697	370423
Payment off percents and the like costs	8	94881	220898	135004	314310
<b>Profit &amp; Losses prior to extra ordinary items and taxes</b>		<b>(907235)</b>	<b>(436395)</b>	<b>(1290880)</b>	<b>(620935)</b>
<b>Profit &amp; loss prior to taxes</b>		<b>(907235)</b>	<b>(436395)</b>	<b>(1290880)</b>	<b>(620935)</b>
Income taxes of the enterprise	9	16700	12404	23762	17649
Other taxes	10	47806	49955	68021	71080
<b>Year of account profit &amp; loss (net income)</b>		<b>(971741)</b>	<b>(498754)</b>	<b>(1382663)</b>	<b>(709664)</b>

Chairman of the Board

**V. MELNIKS**

Member of the Board

**L.ARTEMENKO**

August 31th, 2009

*“Riga shipyard” JSC*  
*financial statements for 6 months of the year 2009*

ASSETS	Rem arks	2009 6 months Ls	2008 6 months Ls	2009 6 months EUR	2008 6 months EUR
<b>Long-term investments</b>					
<b>I Intangible investments</b>					
1. Research and development costs					
2. Concessions, patents, licences, trade-marks and similar right					
3. Other intangible investments		23298	33693	33150	47941
4. Goodwill					
5. Advance payments of intangible investments		167895	167238	238893	237958
<b>Intangible investments in total</b>	11	<b>191193</b>	<b>200931</b>	<b>272043</b>	<b>285899</b>
<b>II Fixed assets</b>					
1. Lands, buildings, constructions, perennial plants		3824699	3514248	5442056	5000326
2. Long-term investments into leased fixed assets		28615	3304	40715	4701
3. Equipment and machinery		13830638	14093557	19679224	20053323
4. Other fixed assets and stock		372826	448539	530484	638213
5. Up building of fixed assets and unfinished building objects costs		306309	281020	435838	399856
6. Advanced payments for fixed assets			5388		7667
<b>Fixed assets in total</b>		<b>18363087</b>	<b>18346056</b>	<b>26128317</b>	<b>26104086</b>
<b>III Property deposit</b>					
		438907	433984	624509	617504
<b>Fixed assets and property deposit in total</b>	12	<b>18801994</b>	<b>18780040</b>	<b>26752826</b>	<b>26721590</b>
<b>IV Long-term financial investments</b>					
1. Participation in capital of related companies					
2. Participation in capital of associated companies	13	3008147	3008147	4280207	4280207
3. Loans to the associated companies			283540		403441
4. Other equities and investments	14	165	165	235	235
5. Other loans and other long-term debtors	15	555394	566474	790255	806020
6. Loans to copartners of the enterprises and to the directorship	16	332284	342284	472798	487026
7. Long-term deposits	17	4322245		6150000	
<b>Long-term financial investments in total</b>		<b>8218235</b>	<b>4200610</b>	<b>11693495</b>	<b>5976929</b>
<b>Long-term investments in total</b>		<b>27211422</b>	<b>23181581</b>	<b>38718364</b>	<b>32984418</b>
<b>Current assets</b>					
<b>I Reserves</b>					
1. Raw materials, direct materials and auxiliary materials	18	3466658	3110108	4932610	4425285
2. Unfinished production	19	805611	651100	1146281	926432
3. Unfinished order	20	247945	1161100	352794	1652096
4. Advance payments for goods	21	3848088	4164433	5475336	5925454
<b>Reserves in total</b>		<b>8368302</b>	<b>9086741</b>	<b>11907021</b>	<b>12929267</b>
<b>II Debts of debtors</b>					
1. Debts of buyers and customers	22	3502519	4605724	4983636	6553355
2. Debts of related companies	23	386719	96155	550252	136816
3. Associated companies debts	24	430542	482406	612606	686402
4. Other debtors	25	224366	222676	319244	316839
6. Next period costs	26	81950	160160	116604	227887
7. Accrued proceeds	27	5715848	7148614	8132919	10171561
<b>Debtors in total</b>		<b>10341944</b>	<b>12715735</b>	<b>14715261</b>	<b>18092860</b>
<b>III Short-term financial investments</b>					
1. Participation in capital of related companies					
<b>Short-term financial investments in total</b>					
<b>Cash assets</b>	28	<b>11383113</b>	<b>5129707</b>	<b>16196711</b>	<b>7298915</b>
<b>Current assets in total</b>		<b>30093359</b>	<b>26932183</b>	<b>42818993</b>	<b>38321042</b>
<b>Assets in total</b>		<b>57304781</b>	<b>50113764</b>	<b>81537357</b>	<b>71305460</b>

Chairman of the Board  
Member of the Board

**V. MELNIKS**  
**L. ARTEMENKO**

*“Riga shipyard” JSC*  
*financial statements for 6 months of the year 2009*

LIABILITIES	Remarks	2009 6 months Ls	2008 6 months Ls	2009 6 months EUR	2008 6 months EUR
<b>I Equity capital</b>					
1. Stock or share capital (equity capital)		11672107	11672107	16607912	16607912
2. Long-term investment revaluation reserve		8752572	10666906	12453788	15177640
3. Retained earnings					
a) previous years retained earnings		3286347	3077375	4676051	4378710
b) year of account retained earnings		-971741	-498754	-1382663	-709664
<i>Retained earnings in total</i>		<i>2314606</i>	<i>2578621</i>	<i>3293388</i>	<i>3669046</i>
<b>Equity capital in total</b>	29	<b>22739285</b>	<b>24917634</b>	<b>32355088</b>	<b>35454598</b>
<b>II Provision for liabilities and charges</b>					
1. Provision for pensions and similar obligations					
2. Provision for contingent tax					
3. Other provisions					
<b>Provision for liabilities and charges in total</b>					
<b>III Creditors</b>					
<b>I Long-term debts</b>					
1. Liability of leasing		6842		9735	
2. Deferred taxation reserves liabilities		2024555	417985	2880682	594739
<b>Long-term debts in total</b>		<b>2031397</b>	<b>417985</b>	<b>2890417</b>	<b>594739</b>
<b>II Short-term debts</b>					
1. Loans from credit institutions	30	5987226	5407948	8519055	7694817
2. Liability of leasing	31	1074		1528	
3. Advance payments received from buyers	32	23381411	13979309	33268751	19890765
4. Debts to suppliers and contractors	33	2104305	3899228	2994156	5548102
5. Debts to associated companies	34	1200	293	1707	417
6. Taxes and social insurance payments	35	213913	278395	304371	396120
7. Other creditors	36	285056	313670	405598	446311
8. Next period income	37	6833	8000	9722	11383
9. Unpaid previous years dividends	38	24915	25044	35451	35634
10. Accrued liabilities	39	528166	866258	751513	1232574
<b>Short-term creditors in total</b>		<b>32534099</b>	<b>24778145</b>	<b>46291852</b>	<b>35256123</b>
<b>Creditors in total</b>		<b>34565496</b>	<b>25196130</b>	<b>49182269</b>	<b>35850862</b>
<b>Total</b>		<b>57304781</b>	<b>50113764</b>	<b>81537357</b>	<b>71305460</b>

Chairman of the Board

**V. MELNIKS**

Member of the Board

**L.ARTEMENKO**

August 31th, 2009



**Cash flow statement for 2009 year 3 months and 2008 year 3 months**

	2009 6 months Ls	2008 6 months Ls	2009 6 months EUR	2008 6 months EUR
<b>A Cash flow from primary activity</b>				
Sales income	12284639	19548804	17479467	27815442
Cash to suppliers, personnel and others primary activity costs	13020068	21287756	18525887	30289747
<b>Gross cash flow from primary activity</b>	<b>(735429)</b>	<b>(1738952)</b>	<b>(1046420)</b>	<b>(2474305)</b>
Interest paid	50825	177010	72317	251863
Corporate income tax	3747		5332	
Primary activity before extraordinary items	(790001)	(1915962)	(1124069)	(2726168)
Cash flow from extraordinary items				
<b>Net cash flow from primary activity</b>	<b>(790001)</b>	<b>(1915962)</b>	<b>(1124069)</b>	<b>(2726168)</b>
<b>B Cash flow from investment activity</b>				
Selling out of shares				
Paid for fixed assets acquisition	151531	528270	215609	751660
Received for the fixed assets sold	3201	42400	4555	60330
Loans granted	3651	2706	5195	3850
Repayment of loans		4215		5997
Interest received	553561	260335	787646	370423
<b>Net cash flow from financial activity</b>	<b>401580</b>	<b>(224026)</b>	<b>571397</b>	<b>(318760)</b>
<b>C Cash flow from financial activities</b>				
Loan received	142773		203148	
Loan repaid	255	1933287	363	2750821
Dividend paid	2	484	3	689
<b>Net cash flow from financial activities</b>	<b>142516</b>	<b>(1933771)</b>	<b>202782</b>	<b>(2751510)</b>
Result of currency exchange rates changing	(6242)	(31607)	(8882)	(44972)
<b>Net cash flow and equivalent increase or decrease (A+B+C)</b>	<b>(252147)</b>	<b>(4105366)</b>	<b>(358772)</b>	<b>(5841410)</b>
<b>Cash and equivalent thereof at beginning of the period of accounts</b>	<b>11635260</b>	<b>9235073</b>	<b>16555483</b>	<b>13140325</b>
<b>Cash and equivalent thereof at the end of the period of account</b>	<b>11383113</b>	<b>5129707</b>	<b>16196711</b>	<b>7298915</b>

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Member of the Board

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August 31th, 2009

### Changes in own capital report for 2009 year 6 months and 2008 year 6 months

Types of changes	Stock or Share capital		Long-term asset reevaluation reserve		Retained earnings		Total	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
<b>Balance as at 31.12.2007</b>	<b>11672107</b>	<b>16607912</b>	<b>10666906</b>	<b>15177640</b>	<b>3077375</b>	<b>4378710</b>	<b>25416388</b>	<b>36164262</b>
Reevaluation reserve								
Dividends								
Period of account net profit & loss					(498754)	(709664)	(498754)	(709664)
<b>Balance as at 31.06.2008</b>	<b>11672107</b>	<b>16607912</b>	<b>10666906</b>	<b>15177640</b>	<b>2578621</b>	<b>3669046</b>	<b>24917634</b>	<b>35454598</b>
<b>Balance as at 31.12.2008</b>	<b>11672107</b>	<b>16607912</b>	<b>8868979</b>	<b>12619419</b>	<b>3286347</b>	<b>4676051</b>	<b>23827433</b>	<b>33903382</b>
Reevaluation reserve			(116407)	(165631)			(116407)	(165631)
Dividends								
Period of account net profit & loss					(971741)	(1382663)	(971741)	(1382663)
<b>Balance as at 31.06.2009</b>	<b>11672107</b>	<b>16607912</b>	<b>8752572</b>	<b>12453788</b>	<b>2314606</b>	<b>3293388</b>	<b>22739285</b>	<b>32355088</b>

*EPS uz 30.06.2008. LVL(498754) :11672107 =(0,04) LVL vai (0,06) EUR ;*  
*EPS uz 30.06.2009. -(0,08) LVL vai (0,11) EUR*

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**L.ARTEMENKO**

August 31th, 2009

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 30.06.2009.

## **Notes to the financial statements**

### **Accounting policy**

#### **(1) General principles**

The annual report has been prepared in compliance with “International Accounting Standard”(IAS) and “International Reporting Standard”(IFRS).

Profit & Loss calculation has been prepared as per turnover costs scheme.

Cash flow statement has been prepared as per third method.

Comparing to previous year of account methods of accountancy and evaluation applied in the Company have been changed.

The annual report has been prepared basing on the conception of continuation of business.

Financial reports, which are applied to the given annual report, are made in the Latvian national currency - in an LVL and counted in EURO.

#### **(2) Agency continuation**

Present financial report has been prepared with reference to uninterrupted operation of company that an active realization and repayment liability is preceding in an ordinary way.

#### **(3) Income recognition and net sales**

Net sales contains the total value of goods and services sold during the period under review excluding discounts and value added tax.

Income is recognized according to the following principles:

Sales of goods - after significant ownership risk and rewards have been passed to the buyer;

Rendering of services - under the percentage of completion method;

Income from fines and penalties - at the moment of receiving the payments;

Interest income - on an accrual basis;

Dividends - at the moment of acquiring legal rights to receive them.

#### **(4) Revaluation of foreign currency in lats**

All the company accounting is carried out into lats.

All monetary assets in foreign currency were revaluated in lats in the end of the year of account pursuant to the currency exchange rate officially established by the Bank of Latvia

Cash, debtors and creditors in currency at the end of the year was converted in Ls in accordance to the Bank of Latvia currency rate at the last day of year of the account. Net income or losses at the result of exchange rate fluctuations was reflected in profit-loss statement.

Currency rate for financial statements at June:

	<b>30.06.2009.</b>	<b>30.06.2008.</b>
	<b>Ls</b>	<b>Ls</b>
1 USD	0,501	0,447
1 EUR	0,702804	0,702804
1 NOK	0,0776	0,0882
1 GBP	0,826	0,888
1 RUB	0,0161	0,019

## **(5) Fixed assets and low-grade stock**

Intangible and fixed assets are initially defined at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are defined at purchase cost or revalued amount less depreciation.

Increase in value arising from revaluation is shown in equity under “Long-term investments revaluation reserve”.

Depreciation is calculated on a straight-line basis applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets:

<b>Depreciation % per annum</b>	
Buildings	2 – 15
Other buildings and constructions	3,5 – 20
Technological equipment	5 – 50
Other fixed assets and stock	10 – 40

Wear of basic means begins to count from the first date of the next month after its delivery to exploitation and is finished by the first date of the next after its exclusion from the basic means.

Company capitalizes permanent assets with value more than Ls 100 and time of valid usage is more than 1 year. Increased value of revaluing permanent assets is reflected as moving towards long-term investments revaluation reserve. It is attributed to the dissolution of permanent assets in the calculation of profits, incomes losses.

In case of the obvious evident that as a result of fixed asset’s repair and reconstruction in the future the economical achieved effect would be higher that the primary defined output, then such investments are capitalized as an additional cost of fixed assets staff. With capitalization of the spare parts installation expense the remaining cost of exchange spare parts is written off to the profit or losses account.

Net profit or losses from fixed assets disposal is calculated as the difference between fixed assets balanced value and income received from the sales and defined in the income or loss calculation of the period where they had occurred from.

To calculate enterprise’s income tax the depreciation of the fixed assets was estimated pursuant to rates and requirements under article 13 of LR law “On enterprises’ income tax”.

Low-grade stock booked at the purchase prices and costs was 100% written off after commissioning.

## **(6) Property deposit**

There is some property that is hold in order to gain cost for the rent.

## **(7) Affiliated undertaking deposits.**

Affiliated undertaking deposits are shown taking into account SGS Nr.27, 28, 36 as well as SFPS Nr.3 requirements. Though since year 2004 goodwill amortization and 36 SGS requirements were suspended.

**(8) Other long-term investments.**

Other long-term investments have been reflected in purchase costs.

**(9) Reserves**

Raw materials, materials and goods subject to sale were booked at the purchase price, including costs related to purchase, and were accounted as per FIFO methods. Sum of illiquid assets', stored in the enterprise's warehouses, in comparison to total commodity stock was not essential.

Balance of reserves has been shown at the lowest costs.

Unfinished production has been reflected at the prime cost, excluding administration costs.

**(10) Long-term contract**

Initial and final dates of execution of the contract about creation of an active are in the different accounting periods.

Incomes of long-term contracts admit according to a degree of their readiness. The degree of readiness is determined surveying results of work personally and physically ascertaining the termination of a part of works of the named contracts.

**(11) Debtors**

Debtors' debts in the balance sheet have been shown at the net value. Debtors' actual sum complies with contracts and other accounting basic documents.

**(12) Accumulated income**

Riga Shipyard's new building incomes are acknowledged respective to its executive degree.

**(13) Cash and cash equivalents**

In the report of cash flow consist of the money in cash-box and remnants of active bank cont.

**(14) Reserves for unused vocations**

Vocation cost reserves was calculated considering vocation days and average earnings for all workers.

**(15) Income tax of the enterprise**

Enterprise income tax was calculated according to Latvia Republic tax laws. Tax laws in 2009 and further fix 15% tax rate.

Deferred taxation was referable to all short-term distinctions, which appear as a result of making accountancy of earnings and expenses according to tax laws. Deferred taxation is liability, which was calculated using tax rates. The main short-term distinctions appear from distinctions of fixed assets and nonmaterial wealth depreciation norms in taxes and financial bookkeeping calculation.

Deferred taxation assets item was included in financial reports only when regain of assets is real.

**(16) Taxes**

There has been made reconciliation of taxes liabilities by State Revenue Service data.

**(17) Bookkeeping arrangement**

The bookkeeping accountancy has been arranged with the help of computers using the software (Microsoft Business Solutions – NAVISION 4.0).

**(18) Use of estimation**

In financial reports enterprise management must make estimations, assumptions which influence presented assets and liabilities at the date of annual report processing. Real results can differ from estimations.

**(19) Financial risks**

The principal financial instruments of the Company are money. The main objective of these financial instruments is to provide financing for the operations of the Company. The Company interacts with various other financial instruments, for example, trade receivables and payables and other creditors, following directly from its operations.

Financial risks, connected with the financial instruments of the Company, mainly, are interest rate risk, liquidity risk and credit risk.

In the conditions of regular activities the Enterprise is subject to credit and foreign exchange risks.

**(20) Credit risk**

The Company is subject to the credit risk with respect to the debts of its buyers and customers, issued short-term loans and money and its equivalents. The Company manages its credit risk constantly reviewing the repayment history of the client debts and stating the credit conditions for each client separately.

The Company has no significant concentration of credit risk on any separate business partner or group of partners corresponding to the similar description.

**(21) Percentage risk**

Enterprise is subjected from credit interest rate changing risk.

**(22) Currency risk**

The company is subject to foreign currency exchange rate fluctuations; mainly due to its loans and other operations performed in euro currency as well as trade receivables is also in euro.

Since 2005 the Bank of Latvia has stated a fixed official currency exchange rate for lats against euro, i.e. 0.702804, and ensure that the market rate will not differ from the official rate by more than 1%. As far as the Bank of Latvia maintains the above mentioned exchange corridor, the Company will not have a significant currency exchange risks in respect of assets and liabilities nominated in euro.

**(23) Dividend**

Dividend was reflex as fixed in announced period.

**(24) Retraining**

In comparative readings for year 2008 in necessary cases individual post classification is changed in order to meet post classification for year 2009.

**Profit & Loss calculation supplement**

<b>(1) Net turnover</b>	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
<b>On aspects of business</b>				
Shipbuilding	5495254	6886203	7819042	9798184
Ship repair	6139178	11003126	8735263	15656038
Mechanical engineering	20911	71281	29754	101424
Other works	36984	114345	52623	162698
<b>Total</b>	<b>11692327</b>	<b>18074955</b>	<b>16636682</b>	<b>25718344</b>
<b>(2) Sold products operating costs</b>	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Material costs (raw materials and materials, value of goods, services from outside)	9455347	14548947	13453747	20701287
Remuneration of labor	2121654	2393598	3018842	3405783
Social insurance costs	497273	555314	707556	790141
Depreciation of fixed assets	447862	461348	637250	656439
Other costs	214859	268574	305716	382146
<b>Total</b>	<b>12736995</b>	<b>18227781</b>	<b>18123111</b>	<b>25935796</b>
<b>(3) Selling costs</b>	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
<b>Advertisement</b>	16940	20600	24103	29311
<b>Total</b>	<b>16940</b>	<b>20600</b>	<b>24103</b>	<b>29311</b>
<b>(4) Administration costs</b>	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Liaison costs	4523	6142	6436	8739
Office maintenance costs	3763	3210	5354	4567
Salary of administration	37012	24694	52663	35136
Remuneration of the board	117595	140749	167323	200268
Remuneration of the council	94500	106000	134461	150824
Social insurance costs	57856	57459	82322	81757
Depreciation of fixed assets	11870	19688	16890	28014
Transport costs, travel allowances	34259	46165	48746	65687
Legal services	0	1431	0	2036
Insurance	3893	5745	5539	8174
Representation costs	9603	8509	13664	12107
Transport representative costs	14309	4473	20360	6366
<b>Total</b>	<b>389183</b>	<b>424265</b>	<b>553758</b>	<b>603675</b>



**Profit & Loss calculation supplement**

**(5) Other enterprise’s business activity’s income**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Income generated by transport services rendering	45	598	64	851
Income generated by leased FA payments and public services	322674	281419	459124	400423
Tugboat services income	64347	47751	91558	67944
Selling out of raw materials and materials	118980	185695	169293	264220
Educational services	187	2526	266	3594
Income generated by chemical analyses	1210	1954	1722	2780
Income generated by realization of fixed assets	1335	12852	1900	18287
Education expenses recovery	0	2302	0	3275
Profit gained from currency exchange rate difference	0	2097	0	2984
Previous year income	8494	0	12086	0
Other income	5804	4272	8257	6079
<b>Total</b>	<b>523076</b>	<b>541466</b>	<b>744270</b>	<b>770437</b>

**(6) Other enterprise’s business activity’s costs**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Material purchase costs	97395	168779	138581	240151
Losses due to currency rate fluctuation	744	0	1059	0
Losses incurred by currency selling out	93603	35706	133185	50805
Medical services	5489	6072	7810	8640
Costs on tugboat services	23957	24471	34088	34819
Donations	2111	2750	3004	3913
Material benefits	220	110	313	157
Burial costs	940	1144	1337	1628
Costs incurred by fixed assets’ exclusion	0	1387	0	1974
Representation costs	6886	5937	9798	8448
Costs on maintenance of leased FA	188838	165826	268692	235949
Other costs	15944	7425	22686	10563
<b>Total</b>	<b>436127</b>	<b>419607</b>	<b>620553</b>	<b>597047</b>

**Profit & Loss calculation supplement**

**(7) Other percents and the like income**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Depositing percentage	551265	258063	784379	367191
Bank interests	223	1135	318	1615
Interests income for loans	0	1137	0	1617
<b>Total</b>	<b>551488</b>	<b>260335</b>	<b>784697</b>	<b>370423</b>

**(8) Payment off percents and the like costs**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Paid off penalty	595	500	847	711
Paid off interests	59588	179018	84786	254720
Guarantee maintenance	34698	41380	49371	58879
<b>Total</b>	<b>94881</b>	<b>220898</b>	<b>135004</b>	<b>314310</b>

**(9) Income taxes of the enterprise**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Income tax advance payments	16700	12404	23762	17649
<b>Total</b>	<b>16700</b>	<b>12404</b>	<b>23762</b>	<b>17649</b>

**(10) Other taxes**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Real estate tax	47806	49955	68021	71080
<b>Total</b>	<b>47806</b>	<b>49955</b>	<b>68021</b>	<b>71080</b>

**Supplement to the balance sheet**

**(11) Other intangible investments LVL**

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments Total
<b>Initial value</b>						
01.01.2009.			70409		167701	<b>238110</b>
Bought			3880		1694	<b>5574</b>
Written off					1500	<b>1500</b>
Relocated						
Revaluated						
30.06.2009.			74289		167895	<b>242184</b>
<b>Depreciation</b>						
01.01.2009			43756			<b>43756</b>
Estimated			7235			<b>7235</b>
Written off						
30.06.2009.			50991			<b>50991</b>
<b>Balance value 01.01.2009.</b>			<b>26653</b>		<b>167701</b>	<b>194354</b>
<b>Balance value 30.06.2009.</b>			<b>23298</b>		<b>167895</b>	<b>191193</b>

**(11) Other intangible investments EUR**

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments total
<b>Initial value</b>						
01.01.2009.			100183		238617	<b>338800</b>
Bought			5521		2410	<b>7931</b>
Written off					2134	<b>2134</b>
Relocated						
Revaluated						
30.06.2009.			105704		238893	<b>344597</b>
<b>Depreciation</b>						
01.01.2009.			62259			<b>62259</b>
Estimated			10295			<b>10295</b>
Written off						
30.06.2009.			72554			<b>72554</b>
<b>Balance value 01.01.2009.</b>			<b>37924</b>		<b>238617</b>	<b>276541</b>
<b>Balance value 30.06.2009.</b>			<b>33150</b>		<b>238893</b>	<b>272043</b>

**Supplements to the balance sheet**

**(12) Report on long-term investments movement LVL**

	Land, buildings, constructions Ls	Investment assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction Ls	Advance Payment for FA Ls	Total Ls
<b>Initial value</b>								
01.01.2009.	5825261	531039	28615	18495598	960479	128891	5835	<b>25975718</b>
Bought	56308			186829	2476	423031	54617	<b>723261</b>
Written off	140			41942	348	245613	60452	<b>348495</b>
<b>30.06.2009.</b>	<b>5881429</b>	<b>531039</b>	<b>28615</b>	<b>18640485</b>	<b>962607</b>	<b>306309</b>	<b>0</b>	<b>26350484</b>
<b>Depreciation</b>								
01.01.2009.	1964620	89279		4490582	546962			<b>7091443</b>
Estimated	92250	2853		244643	43167			<b>382913</b>
Written off	140			41784	348			<b>42272</b>
Relocated				116406				<b>116406</b>
<b>30.06.2009.</b>	<b>2056730</b>	<b>92132</b>		<b>4809847</b>	<b>589781</b>			<b>7548490</b>
<b>Balance value 01.01.2009.</b>	<b>3860641</b>	<b>441760</b>	<b>28615</b>	<b>14005016</b>	<b>413517</b>	<b>128891</b>	<b>5835</b>	<b>18884275</b>
<b>Balance value 30.06.2009.</b>	<b>3824699</b>	<b>438907</b>	<b>28615</b>	<b>13830638</b>	<b>372826</b>	<b>306309</b>	<b>0</b>	<b>18801994</b>

**(12) Report on long-term investments movement (EUR)**

	Land, buildings, constructions	Investment assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
<b>Initial value</b>								
01.01.2009.	8288600	755600	40715	26316865	1366639	183395	8302	<b>36960116</b>
Bought	80119			265834	3523	601919	77713	<b>1029108</b>
Written off	199			59678	495	349476	86015	<b>495863</b>
<b>30.06.2009.</b>	<b>8368520</b>	<b>755600</b>	<b>40715</b>	<b>26523021</b>	<b>1369667</b>	<b>435838</b>	<b>0</b>	<b>37493361</b>
<b>Depreciation</b>								
01.01.2009.	2795403	127032	0	6389523	778257	0	0	<b>10090215</b>
Estimated	131260	4059	0	348096	61421	0	0	<b>544836</b>
Written off	199	0	0	59453	495	0	0	<b>60147</b>
Relocated				165631				<b>165631</b>
<b>30.06.2009.</b>	<b>2926464</b>	<b>131091</b>	<b>0</b>	<b>6843797</b>	<b>839183</b>	<b>0</b>	<b>0</b>	<b>10740535</b>
<b>Balance value 01.01.2009.</b>	<b>5493197</b>	<b>628568</b>	<b>40715</b>	<b>19927342</b>	<b>588382</b>	<b>183395</b>	<b>8302</b>	<b>26869901</b>
<b>Balance value 30.06.2009.</b>	<b>5442056</b>	<b>624509</b>	<b>40715</b>	<b>19679224</b>	<b>530484</b>	<b>435838</b>	<b>0</b>	<b>26752826</b>

**Supplement to the balance sheet**

**(13) Partnership in capital of associated companies**

	<b>30.06.2009.</b> <b>Ls</b>	<b>30.06.2008.</b> <b>Ls</b>	<b>30.06.2009.</b> <b>EUR</b>	<b>30.06.2008.</b> <b>EUR</b>
Branch enterprise “Tosmare shipyard” JSC investment value	2164782	2164782	3080207	3080207
SIA “Remars Granula”	843365	843365	1200000	1200000
<b>Investments</b>	<b>3008147</b>	<b>3008147</b>	<b>4280207</b>	<b>4280207</b>

**(14) Other equities and investments**

Name enterprise	Parts or shares	Parts or shares value		30.06.2009.			30.06.2008.		
		2009	2008	Quantity	Ls	EUR	Quantity	Ls	EUR
“Baltic International Bank” JSC	33	5	5	33	165	235	33	165	235
<b>Total</b>	<b>33</b>	<b>5</b>	<b>5</b>	<b>33</b>	<b>165</b>	<b>235</b>	<b>33</b>	<b>165</b>	<b>235</b>

**(15) Other loans and other long-term debtors**

	<b>2009 year</b> <b>6 months</b> <b>Ls</b>	<b>2008 year</b> <b>6 months</b> <b>Ls</b>	<b>2009 year</b> <b>6 months</b> <b>EUR</b>	<b>2008 year</b> <b>6 months</b> <b>EUR</b>
Student loan payout	56952	53026	81036	75449
Shares loan payout	498442	513448	709219	730571
<b>Total</b>	<b>555394</b>	<b>566474</b>	<b>790255</b>	<b>806020</b>

**(16) Loans to copartners of the enterprises and to the directorship**

	<b>2009 year</b> <b>6 months</b> <b>Ls</b>	<b>2008 year</b> <b>6 months</b> <b>Ls</b>	<b>2009 year</b> <b>6 months</b> <b>EUR</b>	<b>2008 year</b> <b>6 months</b> <b>EUR</b>
Long-term loans	332284	342284	472798	487026
<b>Total</b>	<b>332284</b>	<b>342284</b>	<b>472798</b>	<b>487026</b>

**Supplement to the balance sheet**

**(17) Long-term deposit**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
	4322245	0	6150000	0
<b>Total</b>	<b>4322245</b>	<b>0</b>	<b>6150000</b>	<b>0</b>

The enterprise had made investments at JSC “UniCredit Bank” with final term 2011-2012 that serves as a loan (financial guarantee) to 4 signed guarantee agreements dated July 10<sup>th</sup> 2008 referring guarantee delivery and agreements dated January 28<sup>th</sup> 2009 on issuance of letters of credit concluded between “JSC “Riga Shipyard” and JSC “UniCredit Bank” based on May 30 2008 agreement concluded between “JSC “Riga Shipyard” and ‘Abeking & Rasmussen” Schiffts- un Yachtwerft GMBH & Co. KG about 5 SWAT vessels building and delivery to the Ministry of Defense.

**(18) Raw materials, direct materials and auxiliary materials**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
1. Metal ware	70908	74082	100893	105409
2. Timbering	4268	14994	6073	21335
3. Metal, non-ferrous metals, pipes	2434987	2104474	3464674	2994397
4. Wire cables	5687	5696	8092	8105
5. Fuel	7806	10068	11107	14325
6. Coveralls	4194	7866	5968	11192
7. Equipment	5456	6657	7763	9472
8. Cables	29199	30917	41546	43991
9. Varnish and paint	112962	69052	160730	98252
10. Tools	4409	5186	6273	7379
11. Technical rubber ware	12744	14135	18133	20112
12. Other	774038	766981	1101358	1091316
<b>Total</b>	<b>3466658</b>	<b>3110108</b>	<b>4932610</b>	<b>4425285</b>

**(19) Unfinished production**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
Shipbuilding orders	805611	651100	1146281	926432
<b>Total</b>	<b>805611</b>	<b>651100</b>	<b>1146281</b>	<b>926432</b>

**Supplement to the balance sheet**

**(20) Unfinished orders**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
1) Ship repair orders	230056	1143691	327340	1627326
2) Mechanical engineering orders	8182	15029	11642	21384
3) Various	9707	2380	13812	3386
<b>Total</b>	<b>247945</b>	<b>1161100</b>	<b>352794</b>	<b>1652096</b>

**(21) Advance payments for goods**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
For materials	404349	720694	575337	1025455
For goods	3443739	3443739	4899999	4899999
<b>Total</b>	<b>3848088</b>	<b>4164433</b>	<b>5475336</b>	<b>5925454</b>

**(22) Debts of buyers and customers**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Buyers and customers accounting value	3730735	4830454	5308358	6873117
Generated reserves	(228216)	(224730)	(324722)	(319762)
<b>Balance net value</b>	<b>3502519</b>	<b>4605724</b>	<b>4983636</b>	<b>6553355</b>

**(23) Associated companies debts**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
“Tosmare shipyard” JSC	16002	1000	22769	1423
SIA “Remars Granula”	370717	95155	527483	135393
<b>Total</b>	<b>386719</b>	<b>96155</b>	<b>550252</b>	<b>136816</b>

**Supplement to the balance sheet**

**(24) Other debtors**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
Accounting value	572021	616406	813912	877067
Generated reserves	(141479)	(134000)	(201306)	(190665)
<b>Balance net value</b>	<b>430542</b>	<b>482406</b>	<b>612606</b>	<b>686402</b>

Other debtors debts are as following:

Accounted VAT	2815	2816	4005	4007
Overpaid taxes				
– Value added tax	116931	0	166378	0
– Enterprise income tax	32528	22108	46283	31457
Payments personal debts	2407	587	3425	835
Payment of salary				
Short-term loans for “Tosmare Shipyard” JSC’S shares	14961	14955	21288	21279
Short-term loans				
Advance payment of service	258882	395136	368356	562228
Other debtors	2018	46804	2871	66596
<b>Total</b>	<b>430542</b>	<b>482406</b>	<b>612606</b>	<b>686402</b>

**(25) Short-term loans to the enterprise’s copartners and directorship**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
	224366	222676	319244	316839
<b>Total</b>	<b>224366</b>	<b>222676</b>	<b>319244</b>	<b>316839</b>

	Directorship, copartners Ls	Directorship, copartners EUR
JSC “Remars Riga”	214366	305015
Leaders debt for shares	10000	14229
<b>30.06.2009.</b>	<b>224366</b>	<b>319244</b>



**Supplement to the balance sheet**

**(26) Next period costs**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Enterprise’s property insurance premium sum	6751	28657	9606	40775
Subscription to the press	289	311	411	443
Inviting of specialists	11175	32317	15901	45983
Insurance of health	4298	5259	6116	7483
Check of floating means	16480	13857	23449	19717
Expenses for repair of the rented basic means	18140	58348	25811	83022
Advertisement	11530	787	16406	1120
Exhibition	0	10694	0	15216
Transport representative costs	6073	7657	8641	10894
Other costs	7214	2273	10263	3234
<b>Total</b>	<b>81950</b>	<b>160160</b>	<b>116604</b>	<b>227887</b>

**(27) Accrued proceeds**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Shipbuilding	5715848	7148614	8132919	10171561
<b>Total</b>	<b>5715848</b>	<b>7148614</b>	<b>8132919</b>	<b>10171561</b>

**(28) Cash assets**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Money at a cash department	2886	2594	4106	3691
Money on current accounts	74725	17218	106324	24499
Deposit	11305502	5109895	16086281	7270725
<b>Total</b>	<b>11383113</b>	<b>5129707</b>	<b>16196711</b>	<b>7298915</b>

**(29) Stock or share capital (equity capital)**

“Riga shipyard” JSC was founded in 1995 with the equity capital of Ls 10 000 000, which was comprised of 10 000 000 shares, face value of one share made up Ls 1.

The joint stock company is public and its shares are quoted on Securities Exchange.

Amendments to the Acts:

1. Growth of the equity capital up to Ls 11 000 000 on 31 December 1998.
2. Growth of the equity capital up to Ls 11 672 107 on 30 December 1999.

Supplement to the balance sheet

**(30) Loans from credit institutions (short-term)**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
	5987226	5407948	8519055	7694817
<b>Total</b>	<b>5987226</b>	<b>5407948</b>	<b>8519055</b>	<b>7694817</b>

**(31) Liability of leasing**

	2009.g. 6mēn. Ls	2008.g. 6mēn. Ls	2009.g. 6mēn. EUR	2008.g. 6mēn. EUR
UniCredit Leasing including				
Long (-term)	6842	0	9735	0
Short (-term)	1074	0	1528	0
<b>Total</b>	<b>7916</b>	<b>0</b>	<b>11263</b>	<b>0</b>

**(32) Advance payments received from buyers**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
For shipbuilding	23368499	13914382	33250378	19798382
For ship repair	10937	60224	15562	85691
Others	1975	4703	2811	6692
<b>Total</b>	<b>23381411</b>	<b>13979309</b>	<b>33268751</b>	<b>19890765</b>

**(33) Debts to suppliers and contractors**

	2009 year 6 months Ls	2008 year 6 months Ls	2009 year 6 months EUR	2008 year 6 months EUR
Debts for services				
Debts for materials	691765	1431885	984293	2037389
Debts subcontractors	1412540	2467343	2009863	3510713
<b>Total</b>	<b>2104305</b>	<b>3899228</b>	<b>2994156</b>	<b>5548102</b>

**Supplement to the balance sheet**

**(34) Debts to associated companies**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
“Tosmare shipyard” JSC	1200	293	1707	417
<b>Total</b>	<b>1200</b>	<b>293</b>	<b>1707</b>	<b>417</b>

**(35) Taxes and social insurance payments**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Social insurance payments	149365	135059	212527	192172
Residents income tax	60814	86056	86531	122447
VAT	0	53215	0	75718
Risk tax	202	202	287	287
Natural resources tax	3532	3863	5026	5496
<b>Total</b>	<b>213913</b>	<b>278395</b>	<b>304371</b>	<b>396120</b>

**(36) Other creditors**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Salary	244678	267143	348145	380110
Payments for deductions from salary	1123	1639	1598	2332
Payments for debts to other enterprises	39255	44888	55855	63869
<b>Total</b>	<b>285056</b>	<b>313670</b>	<b>405598</b>	<b>446311</b>

**(37) Next period income**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
Free of charge received base means had been formed that will be referred to PL incomings at the period of base means use.	6833	8000	9722	11383
<b>Total</b>	<b>6833</b>	<b>8000</b>	<b>9722</b>	<b>11383</b>

**Supplement to the balance sheet**

**(38) Unpaid previous years dividends**

	<u>Ls</u>	<u>EUR</u>
<b>31.12.2008.</b>	<b>24917</b>	<b>35454</b>
Calculated	0	0
Paid off	2	3
<b>30.06.2009.</b>	<b>24915</b>	<b>35451</b>

**(39) Accrued liabilities**

	<b>2009 year 6 months Ls</b>	<b>2008 year 6 months Ls</b>	<b>2009 year 6 months EUR</b>	<b>2008 year 6 months EUR</b>
For services	265174	621914	377309	884904
Accruals for vocations	262992	244344	374204	347670
<b>Total</b>	<b>528166</b>	<b>866258</b>	<b>751513</b>	<b>1232574</b>

We confirm pages 1 through 28 of the “*Financial Statements for 6 months of the Year 2009*”:

Chairman of the Board

**V. MELNIKS**

Member of the Board

**I.KOMAROVS**

Member of the Board

**L.ARTEMENKO**

Member of the Board

**I.RUDZATE**

August 31st, 2009