

JSC " Tosmare" shipyard

30 september 2005
for 9 months of 2005

Not audited
Financial report

Liepāja

MANAGEMENT REPORT

On the financial statements for 9 months of the year 2005.

Turnover of JSC "Tosmare shipyard" for the first nine months of the year 2005 turnover is 5.541.000 Lats more than for the same period in 2004 or 180% increasing.

Increasing of turnover is mainly caused by shiprepair activity for 2.020.000 Lats although number of repair ships for first 9 months is almost the same (44 ships in 2005, 43 ships in 2004).

In that period, first time in Latvian history, Tosmare successfully delivered first two newbuildins coastal Ro-Ro ferries, on turn key base, i.e. ready to sail.

Net profit for first 9 months of the year is 378.000 Lats what is 16% or 52.000 Lats more than first 9 months in last year.

We are continuing with improvement of Tosmare infrastructure as internal roads, communications, offices and sanitary facilities.

Responsible person

Profit and Loss Account for 9 months of the year 2005

(according to the circulating costs-based method)

Nr.		Notes	2005g. 9 m.		2004 g. 9 m.	
			Ls	EUR	Ls	EUR
1.	Net turnover	1	5540958	7884073	3072777	4372168
2.	Production costs of the products sold	2	4924570	7007032	2662808	3788834
3.	Gross profit or loss		616388	876797	409969	583333
4.	Selling costs	3	7498	10669	21513	30610
5.	Administrative costs	4	82708	117683	69169	98419
6.	Other income as a result of economic activities of the company	5	239915	341368	165002	234777
7.	Other expenses as a result of economic activities the company	6	264206	375931	59745	85009
12.	Interest payment and similar costs	7	30748	43750	19937	28368
15.	Profit or loss before special items and taxes					
			471143	670189	404607	575704
17.	Extra-budgetary expenses					
18.	Profit or loss before taxes		471143	670189	404607	575704
19.	Corporate income tax for the year of account					
20.	Deferred payment		60600	86226	44774	63708
21.	Other taxes	8	32340	46016	32840	46727
22.	Profit or loss for the yer of account (net incomes)					
			378203	537947	326993	465269

30.09.2005.

Ls

1 EUR

0.702804

ASSETS	Notes N	2005.09.30.		2004.09.30.	
		Ls	EUR	Ls	EUR
II Fixed assets					
1. land,buildings and structures and long-term plantings	60	1920849	2733122	1884689	2681671
2. Long term lease fixed assets	70				
3. Machinery and equipment	80	1110092	1579519	1182152	1682051
4. Other fixed assets and inventory	90	22293	31720	13444	19129
5. Fixed assets formation costs	100	140919	200510	64808	92213
6. Advance payments for the fixed assets	110				
TOTAL	120	3194153	4544870	3145093	4475064
III Long-term financial investments					
1. Participation in the related companies capital	130				
2. Loans to the related companies	140				
3. Participation in the associated companies capital	150				
4. Loans to the associated companies	160				
5. Other securities and investments	170				
6. Other loans	180	7021	9990	4106	5842
7. Owners stocks and shares	190				
8. Loans of the Company to joint owners and management	200				
TOTAL	210	7021	9990	4106	5842
TOTAL AMOUNT ACCORDING TO THE PART	220	3201174	4554860	3149199	4480906
CURRENT ASSETS					
I Stocks					
1. Raw materials,direct materials and supplementary materials	230	497333	707641	288840	410982
2. Unfinished products	240	183705	261389	584022	830988
3. Finished products and goods for sales	250				
4. Ongoing orders	260				
5. Advance payments for goods	270	13917	19802	6462	9195
6. Working livestock and productive livestock	280				
TOTAL	290	694955	988832	879324	1251165
II Debtors					
1. Buyers and customers debts	13	1491346	2121994	602574	857386
2. Related companies debts					
3. Associated companies debts					
4. Other accounts receivable	14	47415	67465	36861	52448
5. Unpaid part of the compny capital					
6. Short-term loans of an enterprise to joint owners and managem					
7. Prepaid expenses	15	10193	14503	5380	7655
TOTAL		1548954	2203963	644815	917489
III Vērtspapīri un līdzdalība k securities and sharing in capitals					
1. Participation in the related companies capital					
2. Owners stocks and shares					
3. Other securities and sharing in capitals					
TOTAL		0	0	0	0
IV Cash	16	14391	20477	43605	62044
TOTAL AMOUNT ACCORDING TO THE PART		2258300	3213271	1567744	2230699
BALANCE		5459474	7768132	4716943	6711605

LIABILITIES		Notes N	2005.09.30.		2004.09.30.	
			Ls	EUR	Ls	EUR
I OWNERS EQUITY						
1. Share capital	17	3203397	4558023	3203397	4558023	
2. Share issue extra charge						
3. Long-term investment revaluation reserve						
4. Reserves:						
a) reserves set by law						
b) owners shares reserves						
c) reserves provided for by the company Articles of Association						
d) other reserves						
TOTAL						
5. Undivided profit						
a) undivided profit for the previous year		-207396	-295098	-454934	-647313	
b) undivided profit for the year of account		378203	538134	326993	465269	
		170807	243036	-127941	-182044	
TOTAL AMOUNT ACCORDING TO THE PART 1			3374204	4801060	3075456	4375980
II Savings						
1. Savings for allocated taxes		120298	171169	44774	63708	
TOTAL		120298	171169	44774	63708	
III						
I Creditors						
<u>Long-term accounts payable</u>						
1. loans against bonds						
2. Loans transferred in shares						
3. Loans from credit institutions						
4. Other loans						
5. Advance payments from customers						
6. Debts to suppliers and contractors						
7. Payment bills						
8. Debts to the related companies						
9. Debts to the associated companies						
10. Taxes and social security payments						
11. Other creditors						
12. Prepaid income						
13. Dividends for the year of account						
14 Unpaid dividends for the previous year						
TOTAL		0	0	0	0	
II Short-term accounts payable						
1. Loans against bonds						
2. Loans transferred in shares						
3. Loans from credit institutions	18	1004211	1428864	640080	910752	
4. Other loans						
5. Advance payments from customers	19	74425	105897	267877	381155	
6. Debts to suppliers and contractors	20	783956	1115469	478798	681268	
7. Bills payable						
8. Debts to the related companies						
9. Debts to the associated companies		330	470	124554	177224	
10. Taxes and social security payments	21	29240	41605	39887	56754	
11. Other creditors	22	52810	75142	45517	64765	
12. Prepaid income						
13. Dividends for the year of account						
14. Unpaid dividends for the previous year						
15. Accured liabilities		20000	28457			
TOTAL		1944972	2795903	1596713	2271918	
TOTAL AMOUNT ACCORDING TO THE PART 3			1944972	2795903	1596713	2271918
BALANCE			5439474	7768132	4716943	6711605

Cash flow statement for 9 months of the year 2005

	2005.9 m.		2004.9 m.	
	Ls	EUR	Ls	EUR
I. Cash from primary activity				
Received from buyers	4100146	5833982	2725789	3878448
Paid to suppliers	3944604	5612666	2323207	3305626
Wages and the related taxes paid	415253	590852	344907	490758
Interest paid	29874	42507	17605	25050
Interest received	42	60	20	28
Corporate income tax				
Other tax payments	36281	51623	45954	65387
Other incomes	28661	40781	8975	12770
Other payments	35256	50165	575	818
Net cash flow from the primary activity	-332419	-472990	2536	3608
II. Cash flow from investment activities				
Paid for the fixed assets acquisition	27937	39751	102513	145863
Received for the fixed assets sold	54217	77144		
Paid for long-terms investments				
Loans granted				
Loans repaid				
Shares purchasing				
Shares sales				
Net cash flow from investment activities	26280	37393	-102513	-145863
III. Cash flow from financing				
Loan received	11608774	16517797	888202	1263798
Loan repaid	11292003	16067073	748190	1064578
Dividend paid				
Net cash flow from financial activities	316771	450725	140012	199219
Net cash flow and equivalent changes thereof	10632	15128	40035	56965
Cash and equivalent thereof in the beginning of the period of account	3759	5349	3571	5081
Cash and equivalent there of at the end of the period of account	14391	20477	43606	62046

Report on equity capital change for 9 months of 2005	Stock or share capital, Ls	Stock or share capital, EUR	Profit, Ls	Profit, EUR	TOTAL, Ls	TOTAL, EUR
Balance as of 31.12.2003.	3203397	4558023	-454934	-647313	2748463	3910711
Balance as of 31.12.2004.	3203397	4558023	-207396	-295098	2996001	4262925
Net profit or loss for the period of account			378203	538134	378203	538134
Balance as of 31.03.2005.	3203397	4558023	170807	243036	3374204	4801060

EPS = 0,0533 Ls / akciju
 EPS = 0,0759 EUR / akciju