Stock corporation's "Tosmare shipyard" for 3 months of years 2008

(not audited)

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AS"Tosmare shipyard" report for 3 m. of 2008

Information about the Company

Name of the Company "Tosmare shipyard"

Legal status of the Company Stock company

Registration number, place and date 210302283, 3 January 200, Company register, Liepaja.

42103022837, 12 May, 2004 Commercial register, Liepaja

Address 42/44G. Baloza Street, Liepaja, LV-3402

The main forms of Company's activities

Construction and repair of technological equipment, ships, yachts,

catamarans, containers, roltrailers

port services

Names, surnames and held positions of

members of the board

Ivica GalicChairman of the board, Id. No. 190463-14655Igors KomarovsMember of the board, Id. No.040756-10902Boriss GalkovičsMember of the board, Id. No.020774-12900

Names, surnames and held positions of

members of the council

Vasilijs Melniks
Chairman of the council, Id. No.310867-10726
Sergejs Golicin
Vice-chairman of the council Id. No.250154-10952
Anatolijs Ustinovs
Member of the council, Id. No.010146-10964
Larisa Artemenko
Member of the council, Id. No. 030349-12926

Period of account 1 January 2008 - 31. March 2008

Name and address of the auditor

Natalija Zaiceva

Certified auditor

(LZRA certificate No.138)

Company of certified auditors KSIA "ORIENTS N"

LZRA License No.28 A.Caka Street 83/85-12

Riga LV-1011

PROFIT OR LOSS STATEMENT

for 3 months of years 2007 and 2008

	Appendix	LVL		EUR	
		2008	2007	2008	2007
Net turnover	(1)	1 603 865	1 044 932	2 282 094	1 486 804
Production costs of sold output	(2)	1 536 812	1 009 624	2 186 686	1 436 565
Gross profit or losses		67 053	35 308	95408	50 239
Selling costs	(3)	8 079	6 826	11 495	9 713
Administration costs	(4)	37 770	46 420	53 742	66 049
Other company's economic activity incomes	(5)	22 679	27 778	32 269	39 524
Other company's economic activity costs	(6)	18 201	9 300	25 898	13 232
Incomes from membership in holding company's branch and associated companies					
Incomes from securities and loans that have formed the long-term investments					
Other interest incomes and similar incomes	(7)	23	44	33	62
Long-term financial investments and write off of short-term securities values					
Interest payments and similar costs	(8)	13 736	10 845	19 545	15 431
Profit or loss before extraordinary items and taxes		11 969	(10 261)	17 030	(14 600)
Extraordinary incomes					
Extraordinary costs					
Profit or loss before taxes		11 969	(10 261)	17030	(14 600)
Company's income tax for the year of account					
Deferred tax					
Other taxes					
Profit or loss of the year of account		11 969	(10 261)	17030	(14 600)

Chairman of the board 30may 2008

/Ivica Galich/

BALANCE on 31. March 2008 and 2007	LVL		EUR		
	Appendix	2008	2007	2008	2007
<u>ACTIVE</u>	**				
Long-term investments					
I. Intangible investments					
Company's development costs					
Concessions, patents, licenses, trade marks and similar rights					
Other intangible investments		7 301	9 348	10 388	13301
Intangible value of the company					
Advance payments for intangible investments					
Intangible investments total	(9)	7 301	9 348	10388	13 301
II. Fixed assets					
Lands, buildings, constructions, perennial plantations		1 712 342	1 577 310	2 436 443	2 244 310
Long-term investments in leased fixed assets					
Equipment and machines		1 138 521	1 229 336	1 619 969	1 749 187
Other fixed assets and inventory		59 284	58 580	84 354	83 352
Forming of fixed assets and costs of unfinished objects of construction		20 250		28813	
Advance payments for fixed assets					
Fixes assets total	(10)	2 930 397	2 865 226	4169579	4076849
III. Investment property					
IV. Biological actives					
V. Long-term financial investments					
Participation in capital of related companies					
Loans to related companies					
Participation in capital of affiliated companies					
Loans to affiliated companies					
Other securities and investments	(11)	8 654	8 415	12314	11 973
Other loans and other long-term debtors					
Own stocks and shares					
Loans to shareholders or participants and management					
Long-term financial investments total		8 654	8 415	12314	11 973
Long-term investments total		2 946 352	2 882 989	4192281	4 102 123
Current assets					
I. Stocks Row materials, direct materials and auxiliary materials	(12)	1 062 958	810.015	1 512 453	1 152 547
Unfinished products	(12)	1 002 938	010 013	1 312 433	1 132 347
Complete products and goods for sale					
Unfinished orders	(13)	439 656	460 579	625 574	655 345
Advance payments for goods	(14)	9 617	281	13684	400
Stocks totally		1 512 231	1 270 875	2 151 711	1 808 292
II. For selling held long-term investments III. Debtors					
Debts of customers and clients	(15)	1 520 309	1 425 498	2163205	2 028 301
Debts of associated companies	(13)	1 320 30)	1 123 190	2103203	2 020 301
Other debtors	(16)	50 372	95 775	71673	136 275
Undeposited shares in company's capital	(10)	20372	,,,,,	,10,5	150 270
Short - term loans to joint owners and management					
Next periods costs	(17)	19 533	11 894	27793	16 924
Debtors total IV. Short-term financial investments		1 590 214	1 533 167	2262671	2 181 500
Participation in capital of related companies					
Own stocks and shares					
Other securities and participation in capitals					
Derivative financial instruments					
Securities and participation in capitals total	(10)	0.707	(770	12027	0.77
V. Cash assets	(18)	9 787	6 779	13926	9 646 3 999 438
Current assets total Actives total		3 112 232 6 058 584	2 810 821 5 693 810	4428308 8620589	8 101 561
Chairman of the board	/T:	Galich/	3 073 010	0040307	0 101 301

Chairman of the board

30may 2008

retained profit of the year of accountant retained profit, amont 1 1969 (1026) 17030 164 1600 retained profit, amont 49013 36141 69746 512 246 Equity capital toal 3693 \$37 36481 25540 502 246 I. Provisions 3693 \$37 36481 25540 502 246 Provision for prospective taxes 3693 \$37 36481 25540 502 246 Provision for prospective taxes 3693 \$37 36481 25540 360 24 Provision for prospective taxes 3693 \$37 3693 \$37 364 36 360 36	BALANCE on 31.march 2008 and 2007	LVL		EUR		
Pasily		Appendix	2008	2007	2008	2007
Scoke issue capital (equity capital) (a) 3203 397 558023 458023 Rock issue carturaley 100 et al. (190	PASSIVE	••		<u>.</u>		
Slock size extra charge Charge - term involument receitmant on reserve Charge - term involuments receitmant on reserves Charge - term involuments receitmant on reserves Charge - term involuments receitmant on reserves Charge - term involuments reserved by company's statutes Charge - term involuments reserved by charge - term involuments reserved for the year of accountant Charge - term involuments reserved received for the year of accountant Charge - term involuments reserved received by company involved reserved by charge - term involved received by company statutes Charge - term involved received by charge - term involved received	I. Equity capital					
Content instruments restrimation reserve February	Stock or share capital (equity capital)	(19)	3203397	3 203 397	4558023	4 558 023
Financial ristruments resimination reserve Reserves: Reserves: Reserves: Reserves for own stock law after serves for serves f	Stock issue extra charge					
Financial ristruments resimination reserve Reserves: Reserves: Reserves: Reserves for own stock law after serves for serves f	Long - term investment reestimation reserve					
reserves prescribed hy law reserves for own stocks and shares reserves prescribed by company's statutes other reserves Retained profit of previous years retained brother years retained years retai	Financial instruments reestimantion reserve					
Persent For form stocks and shatters other reserves prescribed by company's statutes other reserves prescribed by company's statutes other reserves prescribed by company's statutes of their reserves prescribed profit of the year of accountant of the year of a solid prescribed profit of the year of accountant of the year of accountant of the year of accountant of the year of a solid provisions of the year of accountant of the year of accountant of the year of a year of a year of a year of year	Reserves:					
Persent For form stocks and shatters other reserves prescribed by company's statutes other reserves prescribed by company's statutes other reserves prescribed by company's statutes of their reserves prescribed profit of the year of accountant of the year of a solid prescribed profit of the year of accountant of the year of accountant of the year of accountant of the year of a solid provisions of the year of accountant of the year of accountant of the year of a year of a year of a year of year	reserves prescribed by law					
Retained profit of previous years 1988						
Retained profit 47871 371675 680376 28 8 2 8 4 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	reserves prescribed by company's statutes					
rating profit of previous years 478171 371 67 608076 258 846 retained profit of the year of accountant 11 969 10261 10300 164 600 teating profit, amount 40 901 36 93 13 13 414 60 700 51 22 60 Ly Provision 36 93 53 3 54 811 25 2529 50 22 26 Provision for pensions and similar obligations The provision of pensions and similar obligations The provision of pensions and similar obligations 8 9	other reserves					
rating profit of previous years 478171 371 67 608076 258 846 retained profit of the year of accountant 11 969 10261 10300 164 600 teating profit, amount 40 901 36 93 13 13 414 60 700 51 22 60 Ly Provision 36 93 53 3 54 811 25 2529 50 22 26 Provision for pensions and similar obligations The provision of pensions and similar obligations The provision of pensions and similar obligations 8 9	Retained profit					
actional profit of the year of accountant tenting profit, among the profit and profit an			478171	371 675	680376	528 846
Page			11 969	(10261)	17030	(14 600)
I. Provision for pensions and similar obligations Provision for prospective taxes Other provisions Other borrowings Other provisions O	retained profit, amont		490 140	361 414	697406	514 246
Provision for pensions and similar obligations Provisions Provisions for prospective taxes Other provisions TI. Creditors II. Cenditors Borrowings from credit institutions Other borrowings Cleasing liabilities From customers received borrowings Debts to suppliers and contractors Debts to realcate companies Tax and social security payments Other provisions Deferred income liabilities Received the state of the sta	Equity capital total		3 693 537	3 564 811	5255429	5 072 269
Provision for prospective taxes Other provisions Other provisions Other provisions Other provisions Other provisions Other borrowings Other borrowing	II. Provisions					
Chies provisions total Characteristic Chies Ch	Provision for pensions and similar obligations					
Provisions total 10	Provision for prospective taxes					
III. Creditors	Other provisions					
Long-term debts to creditors Sorrowings from credit institutions Sorrowings from credit institutions Sorrowings	Provisions total		0	0		0
Borrowings from credit institutions Chebrorowings Chebrit borrowings Chebrorowings Chebrit borrowings Chebrit borrowings Chebrit borrowings Chebrit to suppliers and contractors Chebrit to related companies Chebrit to associated companies Chebrit to associa	III. Creditors					
Other borrowings Leasing liabilities Part P	I. Long-term debts to creditors					
Leasing liabilities From customers received borrowings Pobets to suppliers and contractors Debts to suppliers and contractors Pobets to associated companies Debts to associated companies Poblication Tax and social security payments (20) 207 321 171 147 294991 243 520 Unpaid dividends Very Companies Ver	Borrowings from credit institutions					
Prom customers received borrowings Debts to suppliers and contractors Debts to related companies Debts to related companies Debts to related companies Debts to related companies Debts to associated companies Deferred income liabilities (20) 207 321 371 147 294991 243 520	Other borrowings					
Debts to suppliers and contractors Debts to related companies Debts to related companies Debts to related companies Debts to related companies Deferred income liabilities Deferred incomes Deferred incomes Deferred bets to creditors total Deferred bets to creditors total Deferred bets to creditors total Deferred bets to creditors Deferred bets	Leasing liabilities					
Debts to related companies Debts to associated companies Tax and social security payments Comparison of the creditors Comparison of the creditor of the creditors of the creditors total Comparison of the creditor of the creditors of the creditors of the creditors Comparison of the creditor of the creditors of the creditor of the creditors of the creditors of the creditor of the creditor of the creditors of the creditor of	From customers received borrowings					
Debts to associated companies Tax and social security payments Other creditors Other borrowings Other borrowings from credit institutions Other borrowings Other b						
Tax and social security payments Other creditors Case of the part of the p						
Other creditors (20) 207 321 171 147 294991 243 520 Unpaid dividends Very priods incomes Next periods incomes Very priods incomes Long-term debts to creditors total 207 321 171 147 294991 243 520 In Short-term debts to creditors Case of the prior of the prior of the prior of the prior of the provings Case of the prior of						
Deferred income liabilities (20) 207 321 171 147 294991 243 520						
Unpaid dividends Next periods incomes N		(20)	207 321	171 147	20/1001	243 520
Next periods incomes 207 321 171 147 294991 243 520 I. Short-term debts to creditors		(20)	207 321	1/1 14/	294991	243 320
Long-term debts to creditors total 207 321 171 147 294991 243 520						
In Short-term debts to creditors	1		207 321	171 147	294991	243 520
Borrowings from credit institutions (21) 1 024 329 1 006 697 1 457489 1 432 401 Other borrowings T 884 11 218 Leasing liabilities 7 884 11 218 From customers received borrowings 57 900 23 078 82384 32 837 Debts to suppliers and contractors 908 837 785 392 1293159 1 117 512 Debts to related companies Tax and social security payments (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes 4 6 6 Unpaid dividends 4 6 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments 2 157 726 1 957 852 3070169 2 785 772 Short-term debts to creditors total: 2 365 047 2 128 999 3365160 3 029 292			20,021	1,111,	29.591	210 020
Other borrowings 7 884 11 218 From customers received borrowings 57 900 23 078 82384 32 837 Debts to suppliers and contractors 908 837 785 392 1293159 1 117 512 Debts to related companies 20 52 931 40 795 75314 58 046 Other creditors (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes 4 6 6 Unpaid dividends 4 6 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments 2 157 726 1 957 852 3070169 2 785 772 Short-term debts to creditors total: 2 365 047 2 128 999 3365160 3 029 292		(21)	1 024 329	1 006 697	1457489	1 432 401
Leasing liabilities 7 884 11 218 From customers received borrowings 57 900 23 078 82384 32 837 Debts to suppliers and contractors 908 837 785 392 1293159 1 117 512 Debts to related companies Pobles to associated companies 20 52 931 40 795 75314 58 046 Other creditors (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes 4 6 6 Unpaid dividends 4 6 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292		(21)	1 02 1 32)	1 000 057	1137105	1 132 101
From customers received borrowings 57 900 23 078 82384 32 837 Debts to suppliers and contractors 908 837 785 392 1293159 1 117 512 Debts to related companies Debts to associated companies Tax and social security payments (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes 4 6 Unpaid dividends 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments Short-term debts to creditors total: 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292				7 884		11 218
Debts to suppliers and contractors 908 837 785 392 1293159 1 117 512 Debts to related companies Debts to associated companies Tax and social security payments (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes Unpaid dividends 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments Short-term debts to creditors total: 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292			57 900		82384	
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Debts to associated companies Tax and social security payments (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes Unpaid dividends 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments Short-term debts to creditors total: 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292			300 057	700 372	12,510,	111,012
Tax and social security payments (22) 52 931 40 795 75314 58 046 Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes 4 6 Unpaid dividends 4 6 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292	•					
Other creditors (23) 72 515 58 096 103180 82 663 Next periods incomes 4 6 Unpaid dividends 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292		(22)	52 931	40 795	75314	58 046
Next periods incomes 4 6 Unpaid dividends 4 10 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments Short-term debts to creditors total: 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292						82 663
Unpaid dividends 4 6 Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments Short-term debts to creditors total: 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292		, ,				
Accrued liabilities (24) 41 210 35 910 58637 51 095 Derivative financial instruments Short-term debts to creditors total: 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292			4		6	
Derivative financial instruments 2 157 726 1 957 852 3070169 2 785 772 Creditors total: 2 365 047 2 128 999 3365160 3 029 292		(24)	41 210	35 910	58637	51 095
Creditors total: 2 365 047 2 128 999 3365160 3 029 292		. ,				
Creditors total: 2 365 047 2 128 999 3365160 3 029 292	Short-term debts to creditors total:		2 157 726	1 957 852	3070169	2 785 772
Passives total 6 058 584 5 693 810 8620589 8 101 561	Creditors total:		2 365 047	2 128 999	3365160	3 029 292
<u> </u>	Passives total		6 058 584	5 693 810	8620589	8 101 561

Chairman of the board

/Ivica Galich/

30may 2008

CASH FLOW STATEMENT

for 3 month of years 2008 and 2007 (according to direct method)

	LVI	L	EU	J R
I. Cash flow of basic activity	2007	2006	2007	2006
Incomes from selling the products and rendering of services	1 445 298	1 000 391	2056474	1423429
Payments to suppliers, employees, other basic activity expenses	1 645 726	1 278 107	2341657	1818584
Other company's basic activity incomes or expenses	(11546)	(4 207)	(16428)	(5 986)
Gross cash flow of basic activity	(211 974)	(281 923)	(301 611)	(401 141)
Expenses for interest payments	13 736	10 607	19545	15 092
Expenses for company's income tax payments				
Cash flow before extraordinary items	(225 710)	(292 530)	(321 156)	(416 233)
Cash flow from extraordinary items				
Net cash flow of basic activity	(225 710)	(292 530)	(321 156)	(416 233)
II. Cash flow of investment activity				
Acquisition of stocks or shares of related or associated companies				
Incomes from detinue of stocks or shares of related or associated companies				
Acquisition of fixed assets and intangible investments	38 167	71 062	54307	101112
Incomes from selling fixed assets and intangible investments				
Issued loans				
Incomes from repayment of loans				
Received interests				
Received dividends				
Net cash flow of investment action	(38 167)	(71 062)	(54 307)	(101 112)
III. Cash flow of financing action				
Incomes from shares and bonds or capital participation stock investments				
Received loans	266490	173 605	379181	247018
Received subsidies, grants, gifts or donations				
Expenses for repayment of loans				
Expenses for ransom of leased fixed asset				
Paid dividends				
Net cash flow of financing action	266 490	173 605	379 181	247 018
IV. Result of foreign exchange rate fluctuations				
Net increase or decrease of cash and its equivalents	2 613	(189 987)	3 718	(270 327)
Cash and its equivalents residue at the beginning of the year of account	7 174	196766	10208	279973
Cash and its equivalents residue at the end of the year of account	9 787	6 779	13 926	9 646
Cash and its equitation residue at the end of the year of account	7 101	0 117	10 /20	7 070

Chairman of the board 30may 2008

/Ivica Galich/

EQUITY CAPITAL CHANGE REPORT

for 3 month of years 2008 and 2007

Residue on 31.12.2006 Residue on 31.12.2006 Residue on 31.03.2007 Residue on 31.12.2007 Residue on 31.12.2006 Residue on 31.03.2008 Residue on 31.03.2008 Residue on 31.12.2006 Residue on 31.03.2007 Residue on 31.12.2006 Residue on 31.12.2006 Residue on 31.12.2006 Residue on 31.03.2007 Residue on 31.12.2006 Residue on 31.03.2007 Residue on 31.12.2006	Reestimantion reserve of long- term investments	Other reserves	Retained profits	Total
Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimation reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 3 203 397 Residue on 31.12.2007 3 203 397 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 3 203 397 0 EUR EUR Residue on 31.12.2006 4 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 Residue on 31.12.2006 5 4 558 023 Residue on 31.12.2006 6 5 58 023 Residue on 31.12.2006 7 6 58 023 Residue on 31.12.2006 7 6 58 023 Residue on 31.12.2006 7 6 58 023 Residue on 31.12.2006 7 7 6 58 023 Residue on 31.12.2006 7 7 6 58 023 Residue on 31.12.2006 7 7 7 6 58 023 Residue on 31.12.2006 7 7 7 7 7 7 8 023 Residue on 31.12.2006 7 7 7 8 023 Residue on 31.12.2006 7 8 023 Residue on 31.12.2006 7 8 023 Residue on 31.12.2006 9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	LVL	LVL	LVL	LVL
Increase of reestimation reserve Decrease of reestimation reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 3 203 397 Residue on 31.12.2007 3 203 397 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 3 203 397 0 EUR EUR Residue on 31.12.2006 4 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 Oncrease/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve			371 675	3 575 072
Decrease of reestimation reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.12.2007 Increase/decrease of stock or share Increase of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 A 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.12.2006 A 558 023 Residue on 31.03.2007 A 558 023 Residue on 31.12.2006 A 558 023 Residue on 31.12.2006 Residue on 31.12.2006 Residue on 31.03.2007				0
Residue on 31.03.2007 Residue on 31.03.2007 Residue on 31.12.2007 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 Residue on 31.12.2006 A 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 A 558 023 Residue on 31.12.2006 A 558 023 Residue on 31.12.2006 Residue on 31.03.2007 A 558 023 Residue on 31.12.2006 Residue on 31.03.2007 Residue on 31.03.2006 Residue on 31.03.2007 Residue on 31.03.2007 Residue on 31.03.2006 Residue on 31.03.2007 Residue on 31.03.2006 Residue on 31.03.2007 Residue on 31.03.2006 Residue on 31.03.2007				0
Residue on 31.03.2007 Residue on 31.12.2007 Residue on 31.12.2007 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.03.2007 A 558 023 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.03.2007 Residue on 31.12.2007 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.03.2007 A 558 023 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.12.2007 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 Residue on 31.12.2006 A 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 A 558 023 Residue on 31.12.2006 A 558 023 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve			(10 261)	(10 261)
Residue on 31.12.2007 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve				3 564 811
Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve	0	0		3 681 568
Decrease of reestimantion reserve Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 3 203 397 EUR EUR EUR Residue on 31.12.2006 4 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.12.2006 4 558 023 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve	· · ·			0
Calculated dividends for year 2005 Net profit or loss of accounting period Residue on 31.03.2008 BUR EUR EUR EUR Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.03.2008 Residue on 31.03.2008 BUR EUR EUR Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.03.2008 3 203 397 0 EUR EUR Residue on 31.12.2006 4 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.12.2006 4 558 023 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve			11 969	11 969
Residue on 31.12.2006 Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve	0	0	490 140	3 693 537
Increase/decrease of stock or share Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve	EUR	EUR	EUR	EUR
Increase of reestimantion reserve Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve			528 846	5 086 869
Decrease of reestimantion reserve Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007 Residue on 31.12.2006 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve				0
Calculated dividends for year 2004 Net profit or loss of accounting period Residue on 31.03.2007				0
Net profit or loss of accounting period Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.03.2007 4 558 023 Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve				0
Residue on 31.12.2006 4 558 023 0 Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve			(14 600)	(14 600)
Increase/decrease of stock or share capital Increase of reestimantion reserve Decrease of reestimantion reserve				5 072 269
capital Increase of reestimantion reserve Decrease of reestimantion reserve	0	0	680 376	5 238 399
Increase of reestimantion reserve Decrease of reestimantion reserve				
Decrease of reestimantion reserve				0
				0
Calculated dividends for year 2005				0
				0
Net profit or loss of accounting period			17 030	17 030
Residue on 31.03.2007 4 558 023 0	0	0	697 406	5 255 429

EPS on 31.03.2008. LVL (11969 : 3203397) = 0,0037 LVL or 0,0053 EUR; EPS on 31.03.2007. LVL (-10261 : 3203397) = -0,0032 LVL or -0, 0046 EUR;

Chairman of the board

/Ivica Galich/

Appendix from 8. to 14 page is an itegral part of this annual report.

30may 2008

APPENDIX

Accounting policy have not changed for time of this report. Foreign currency's reestimantion in lats

	31.03.2008.	31.03.2007.
	LVL	LVL
1 USD	0,445000	0,582000
1 EUR	0,702804	0,702804

Financial statement appendixes Appendixes to profit or loss statement

(1) Net turnover		LVL		EUR	
		3 m.2008	3 m.2007	3 m.2008	3 m.2007
Incomes from ship building					
Incomes from ship repair services		1 591 824 12 041	1 019 021 25 911	2 264 961 17 133	1 449 936 36 868
Other incomes Total		1 603 865	1 044 932	2 282 094	1 486 804
		1000 000	1011702		1 100 001
Per geographic regions					
Incomes from service selling in local market		1 374	37 483	1 955	53 334
Incomes from service selling to					
	Russia	925 887	637 396	1 317 418	906 933
	St.Kitts	74 291		105 707	
	Saint Vincent	6 622	131 821	9 422	187 564
	Great Britain		2 087		2 969
	Lithuania		13 751		19 566
	Netherlands		81 826		116 428
	Belize	166 180	2 038	236 453	2 900
	Antigua Burbuda	85 025	251	120 980	357
	Bahama Islands	244 496	843	400 150	1 199
	Malta Panama	344 486	3 954	490 159	5 626
	Germany		113 612		161 655
	Sweden		19 870		28 273
		1 603 865	1 044 932	2 282 094	1 486 804
(2) Production costs of sold goods					
(2) Production costs of sold goods					
Material purchase costs		248 801	150 568	354 012	214 239
Employees salary		186 885	133 415	265 913	189 832
Social insurance costs		43 632	30 214	62 083	42 991
Electricity costs		49 620	44 913	70 603	63 905
Depreciation of fixed assets		58 496	52 375	83 232	74 523
Contagent's services		853 712	519 897	1 214 723	739 747
Lease payment		6 675	6 708	9 497	9 545
Services from outside		88 575	71 129 405	126 031 592	101 207
Other costs		416 1 536 812	1 009 624	2 186 686	576 1 436 565
Total		1 330 612	1 007 024	2 100 000	1 430 303
(3) Selling costs					
Media advertising expenditures		4 703	472	6 692	672
Business trips		3 376	6 354	4 803	9 041
Other selling costs					
Total		8 079	6 826	11 495	9 713

Appendixes to profit or loss statement (continuation)

	LVL	ı	EU	R
(4) Administration costs	3m. 2008	3m. 2007	3m. 2008	3m. 2007
Communication costs	1 313	1 434	1868	2040
Administration's salaries		4 170		5934
Reward for the board and council	24 087	23 040	34273	32783
Social insurance costs	5 718	6 550	8136	9320
Office maintenance costs	851	571	1211	812
Stock exchange costs	1 250	1 475	1779	2099
Lawyer's services	854	4 109	1215	5846
Transport costs, business trips	2 594	3 573	3691	5084
Bank services	790	1 207	1124	1717
Representation expenses	313	291	445	414
Total	37 770	46 420	53 742	66 049
(5) Other incomes from company's economic activity				
Incomes from realization of materials	2 589	2 743	3684	3903
Incomes from rent	10 310	12 246	3084 14670	3903 17424
Incomes from exchange rate fluctuations	10 310	12 240	14070	17424
Incomes from tugboat's services	4 997	12 789	7110	18197
Other incomes	4 783	12 707	6 805	10157
Total	22 679	27 778	32 269	39 524
(6) Other expenses from company's economic activity				
Fixed assets exclusion expenses		47		67
Material purchase expenses	272	871	387	1239
Personnel expenses (material assistance)	3880	1705	5521	2426
Donations, gifts to employees	779	1 390	1108	1978
Net losses from exchange rate fluctuations	13074	5 119	18603	7283
Maintenance expenses of leased fixed assets	196	168	279	239
Total	18201	9 300	25 898	13 232
(7) Other interest incomes and similar incomes				
Bank rates	23	44	33	62
Total	23	44	33	62
(8) Interest payments and similar expenses				
	10.707	10.607	10545	15000
Paid interests	13 736	10 607	19545	15092
Paid fines	13 736	238 10 845	19 545	339
Total	13 /36	10 845	19 545	15 431

Appendixes to balance sheet on 31.03.2008.

(9) Intangible investments

	Concessions, R	Research work Other intangible		Company's intangible	Advance payments for	Tota
	Ls	Ls	Ls	Ls	Ls	Ls
Undepreciated value						
31.12.2007.			10 955			10 955
Purchased						0
Written off						0
Reestimated						0
31.03.2008.	0	0	10 955	0	0	10 955
Depreciation						
31.12.2007.			2 969			2969
Calculated			685			685
Written off						0
31.03.2008.	0	0	3 654	0	0	3 654
Residual value 31.12.2007	0	0	7 986	0	0	7 986
Residual value 31.03.2008	0	0	7 301	0	0	7 301
	EUR	EUR	EUR	EUR	EUR	EUR
Undepreciated value						
31.12.2007.			15 588			15 588
Purchased						0
Written off						0
Reestimated						0
31.03.2008.	0	0	15 588	0	0	15 588
Depreciation						
31.12.2007.			4 225			4225
Calculated			975			975
Written off						0
31.03.2008.	0	0	5 200	0	0	5 200
Residual value 31.12.2007	0	0	11 363	0	0	11 363
Residual value 31.03.2008	0	0	10 388	0	0	10 388

(10) Fixed assets

Undepreciated value 31.12.2007. 2 1 Purchased Written off Reestimated	s 33 487	2 057 939 42 563	Ls	96 582 3 590		Ls	Ls	Ls
Undepreciated value 31.12.2007. 2 1 Purchased Written off	33 487			3 590				
31.12.2007. 2 Purchased Written off				3 590				
Purchased Written off				3 590			4.700	4.000 #00
Written off	133 487	42 563					4 700	4 292 708
	133 487						15 838	61 991
Reestimated	133 487			195)		288	483
	133 487							0
31.03.2008.		2 100 502	0	99 977	0		0 20 250	4 354 216
Depreciation								
31.12.2007.	104 276	911 076		37 994	1			1 353 346
Calculated	16 869	50 905		2 894				70 668
Written off				195				195
31.03.2008.	21 145	961 981	0	40 693	0	•	0	1 423 819
Residual value 31.12.07	729 211	1 146 863	0	58 588	3 0		0 4 700	2 939 362
Residual value 31.03.08.	712 342	1 138 521	0	59 284	0		0 20 250	2 930 397
EU	T R	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Undepreciated value								,
	35 678			137 424			6 687	6 107 972
Purchased		60 562		5 108	3		22 535	88 205
Written off				277	1		409	686
Reestimated								0
31.03.2008.	35 678	2 988 745	0	142 254	0		0 28 813	6 195 491
Depreciation								
31.12.2007.	75 233	1 296 344		54 060)			1 925 637
Calculated	24 002	72 431		4 118	}			100 551
Written off				277				277
31.03.2008.	99 235	1 368 775	0	57 901	0	•	0	2 025 912
Residual value 31.12.07. 2	160 445	1 631 839	0	83 364	0	ı	0 6 687	4 182 334
Residual value 31.03.08. 2	136 443	1 619 969	0	84 354	. 0		0 28 813	4 169 579

Appendixes to balance sheet (continuation)

(11) Other expenses and other long-term debtors

	31.12.2007.	Issued loan in 3m. 2008	Repaid loan in 3m. 2008	Posted loan to short- term in 3m. 2008	Formed accruals in 3m. 2008	31.03.2008.	Date of the contract	Term of payment
A.Sergeev	4 327					4 327	08.08.2002.	2022.
K.Mališenko	4 327					4 327	08.08.2002.	2022.
	8654	0	0	0	0	8654		

EUR

	31.12.2007.	Issued loan in 3m. 2008	Repaid loan in 3m. 2008	Posted loan to short- term in 3m. 2008	Formed accruals in 3m. 2008	31.03.2008.	Date of the contract	Term of payment
A.Sergeev	6157					6157	08.08.2002.	2022.
K.Mališenko	6157					6157	08.08.2002.	2022.
	12314	0	0	0	0	12314		

Raw materials, direct materials and auxiliary materials (12)

(12	1 Kaw materials, direct materials and administration	iiatti iais			
		I	LVL	EUR	}
		2008.03.31	2007.03.31	2008.03.31	2007.03.31
1. Meta	al	653 990	492 398	930544	700619
2. Abra	asive	57 258	60 093	81 471	85 505
3. Pipes	S	148 723	114 061	211 614	162 294
4. Non-	-ferrous metals	47 069	24 797	66 973	35 283
5. Prod	ucts of technical rubber	38 925	28 654	55 385	40 771
6. Othe	er expenses	116 993	90 012	166 466	128 075
Total		1 062 958	810 015	1 512 453	1 152 547
					
(13)	Unfinished products				
Ship	building	7 694	85608	10 948	121809
Ship	repair services	431 006	374 971	613 266	533 536
_	er expenses	956		1 360	
Total		439 656	460579	625 574	655345
(14	4) Advance payments for goods				
Mate	erials	9617	281	13684	400
Total		9 617	281	13 684	400

(15)Names of purchasers and customers

Total	I	LVL	EUR		
	31.03.2008.	31.03.2007.	31.03.2008.	31.03.2007.	
Accounting value of purchaser's and clients' debts Accruals for doubtful debts of purchasers and clients	1 520 309	1 425 498	2163205	2028301	
Net debts of purchasers and clients	1 520 309	1 425 498	2 163 205	2 028 301	

(16) Other debtors	1	LVL		<u> </u>
	31.03.2008.	31.03.2007.	31.03.2008.	31.03.2007.
VAT accepted	18 754	12 959	26685	18439
In budget overpaid taxes or tax advance payments	17 824	43 124	25361	61360
Advance payment persons debts	1 591	5 720	2264	8139
Advance payments for services	12 203	33972	17363	48337
Total	50 372	95 775	71 673	136 275

(17) Expenses of next periods

]	LVL		₹
	31.03.2008.	31.03.2007.	31.03.2008.	31.03.2007.
Property insurance	12 323	971	17 534	1382
Subscription to press	371	202	528	287
Employees insurance	3 089	2 937	4 395	4 179
Stock exchange expenses	3 750	3 525	5 336	5 016
Other expenses of next periods(participation in exhibition)		4 259		6 060
Total	19 533	11 894	27 793	16 924

(18) Cash

]	LVL	EUR	
	31.03.2008.	31.03.2007.	31.03.2008.	31.03.2007.
Money in cash-desk	163	680	232	968
Money in current accounts	9 624	6 099	13 694	8678
Total	9 787	6 779	13 926	9 646

(19) Information about company's own shares and total stock

The issued and totally paid Company's equity capital consists of 3 203 397 stocks with nominal value LVL 1 for one stock.

(20) Deferred tax liabilities				
Deferred tax liabilities at the beginning of year	207321	171147	294991	243520
Deferred tax liability increase in the year of account				
Total	207 321	171 147	294 991	243 520

(21) Loans from credit institutions (short-term)

Гotal	1 024 329	1 006 697	1 457 489	1 432 401

Appendixes to balance sheet (continuation)

(22) Movement of tax liabilities for 3m. 2008

	01.01.2008.	Calculated in3m. of 2008	Calculated fine and delay payment	(Paid)/ repaid	Posted to/ (from) other taxes	31.03.2008.
	LVL	LVL	LVL	LVL	LVL	LVL
Value added tax	(25 862)	(74 899)			(82 937)	(17 824)
Population income tax	15 363	47 843		39 476	5 829	17 901
State social insurance compulsory payments	24 707	82 647			76 923	30 431
Company's income tax	4 201					4 201
Immovable property tax (land)						0
Immovable property tax (buildings)						0
Tax of natural resources	279	337		283		333
Risk duty of business	61	189			185	65
Total	18 749	56 117	0	39 759	0	35 107
incl.:				·		
Debt to budget	44 611					52 931

(25 862)

	01.01.2008.	Calculated for 3m.of 2008.	Calculated fine and delay payment	(Paid)/ repaid	Posted to/ (from) other taxes	31.03.2008.
	EUR	EUR	EUR	EUR	EUR	EUR
Value added tax	(36 798)	(106 571)			(118 009)	(25 361)
Population income tax	21 859	68 075		56 169	8 294	25 471
State social insurance compulsory payments	35 154	117 596			109 452	43 298
Company's income tax	5 977					5 977
Immovable property tax (land)						0
Immovable property tax (buildings)						0
Tax of natural resources	397	481		403		475
Risk duty of business	87	269			263	93
Total	26 676	79 850	0	56 572	0	49 953

incl.:

Overpayment

Debt to budget	63 474	75 314
Overpayment	(36 798)	(25 361)

(23) Other creditors

(20)	LVL		EUR	
	31.03.2008.	31.03.2007.	31.03.2008.	31.03.2007.
Salary	68527	54983	97505	78234
Deductions from salary	1 484	3 113	2 112	4 429
Other creditors	2 504		3 563	
Total	72 515	58 096	103 180	82 663

(24) Accrued liabilities

(24) Accided habilities					
	\mathbf{LVL}		EUR	EUR	
	31.03.2008.	31.03.2007.	31.03.2008.	31.03.2007.	
Accruals for holiday grants	39560	35910	56289	51095	
Other accruals	1 650		2 348		
Total	41 210	35 910	58 637	51 095	

(17 824)