

**Stock corporation's "Tosmare shipyard"  
financial report for 6 months 2008**

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**Information about the Company**

Name of the Company	Stock company "Tosmare shipyard"
Legal status of the Company	Stock company
Registration number, place and date	210302283, 3 January 2000, 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 Galich	Chairman of the board, Id. No. 190463-14655
Igor Komarovs	Member of the board, Id. No. 040756-10902
Boris Galkovich	Member 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
Aleksander Chernavsky	Member of the council, Id. No.230770-10656
Period of account	1 January 2008 - 30. June 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

**Explanation notes for the first half of year 2008.**

At the first half of year 2008 in the enterprise Joint Stock Company "Tosmare Shipyard" net turnover was equal to 4,556,386.00 LVL or 134 per cent of the level of the same period of the previous year.

Moreover, net profit of the enterprise for the first half of year 2008 was equal to 122,466.00 LVL or 76.2 per cent of the profit indication level of year 2007.

In turnover of the first half of year 2008 revenue of the enterprise from ship's repairing services was equal to 4,454,784.00 LVL or 97.8 per cent. Increment of the revenue from repairing services has been increased by 1,318,457.00 LVL or 42 per cent in comparison with the same period of year 2007.

Production costs in comparison with the same period of year 2007 were increased by 36.3 per cent and they were equal to 267,592.00 LVL.

In comparison with the same period of year 2007, the number of workers in the enterprise has not efficiently changed (256 persons at the first half of year 2008 and 255 persons at the first half at year 2007).

Besides the fund of wages is increased by 132,515.00 LVL or 29 per cent in comparison with the same period of year 2007. At an average such an increment of the fund of wages in percentage has been carried out for all categories of working persons.

Average wages of workers has been also increased by 29 per cent in comparison with the same period of year 2007.

In the enterprise wide attention has been turned to improving of working conditions conditions for employees.

At the moment capital repairs of social premises of one workshop of the enterprise, as well repairs of the roof of production warehouse have been beginning.

In the enterprise there are always carried out the current repairings to keep in working order the properties.

Chairman of the board

/Ivica Galich/

2008.Augusts 29.

**Announcement for management's responsibility.**

Company's management is responsible for finance preparation, basing on the initial accounting register for each accounting period, that truly reflects the company's financial standing at the end of the year of account, as well as results of activities and cash flow for this period.

Management confirms that for compiling this report that ends at 30. June 2008, corresponding methods of accounting were used, their application was consequent, reasonable and cautious decisions were made. Management confirms that corresponding International Accounting standards were observed, and financial reports were compiled according to activity continuation principle.

Management is responsible for keeping of corresponding accounting registers, for company's means maintenance, as well as for prevention of deception and other unfair action.

Chairman of the board

/Ivica Galich/

29 August of year 2008.

AS "Tosmare shipyard"  
report for 6m of 2008

**PROFIT OR LOSS STATEMENT**  
for 6 months of years 2008 and 2007

	Appendix	LVL		EUR	
		2008	2007	2008	2007
Net turnover	(1)	4 556 386	3 411 603	6 483 153	4 854 274
Production costs of sold output	(2)	4 288 794	3 145 898	6 102 405	4 476 210
<b>Gross profit or losses</b>		<b>267 592</b>	<b>265 705</b>	<b>380748</b>	<b>378 064</b>
Selling costs	(3)	22 135	19 806	31 495	28 181
Administration costs	(4)	98 100	93 092	139 584	132 458
Other company's economic activity incomes	(5)	109 622	77 914	155 978	110 861
Other company's economic activity costs	(6)	74 068	24 836	105 389	35 338
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)	44	78	63	111
Long-term financial investments and write off of short-term securities values					
Interest payments and similar costs	(8)	28 318	22 615	40 293	32 178
<b>Profit or loss before extraordinary items and taxes</b>		<b>154 637</b>	<b>183 348</b>	<b>220 028</b>	<b>260 881</b>
Extraordinary incomes					
Extraordinary costs					
<b>Profit or loss before taxes</b>		<b>154 637</b>	<b>183 348</b>	<b>220028</b>	<b>260 881</b>
Company's income tax for the year of account					
Deferred tax		20 000		28457	
Other taxes	(9)	12 171	22 572	17 318	32 117
<b>Profit or loss of the year of account</b>		<b>122 466</b>	<b>160 776</b>	<b>174 253</b>	<b>228 764</b>

Chairman of the board  
29 August of year 2008.

/Ivica Galich/

AS "Tosmare shipyard"  
report for 6m of 2008

<b>BALANCE on 30. June 2008 and 2007</b>		<b>LVL</b>		<b>EUR</b>	
	Appendix	2008	2007	2008	2007
<b>ACTIVE</b>					
<b>Long-term investments</b>					
<b>I. Intangible investments</b>					
Company's development costs					
Concessions, patents, licenses, trade marks and similar rights					
Other intangible investments					
		6 616	8 688	9 414	12362
Intangible value of the company					
Advance payments for intangible investments					
<b>Intangible investments total</b>					
	(10)	<b>6 616</b>	<b>8 688</b>	<b>9414</b>	<b>12 362</b>
<b>II. Fixed assets</b>					
Lands, buildings, constructions, perennial plantations					
		1 696 140	1 582 385	2 413 390	2 251 531
Long-term investments in leased fixed assets					
Equipment and machines					
		1 102 065	1 223 496	1 568 097	1 740 878
Other fixed assets and inventory					
		57 076	57 000	81 212	81 104
Forming of fixed assets and costs of unfinished objects of construction					
		14 405		20496	
Advance payments for fixed assets					
<b>Fixes assets total</b>					
	(11)	<b>2 869 686</b>	<b>2 862 881</b>	<b>4083195</b>	<b>4073513</b>
<b>III. Investment property</b>					
<b>IV. Biological actives</b>					
<b>V. Long-term financial investments</b>					
Participation in capital of related companies					
Loans to related companies					
Participation in capital of affiliated companies					
Loans to affiliated companies					
Other securities and investments					
	(12)	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					
<b>Long-term financial investments total</b>					
		<b>8 654</b>	<b>8 415</b>	<b>12314</b>	<b>11 973</b>
<b>Long-term investments total</b>					
		<b>2 884 956</b>	<b>2 879 984</b>	<b>4104923</b>	<b>4 097 848</b>
<b>Current assets</b>					
<b>I. Stocks</b>					
Raw materials, direct materials and auxiliary materials					
	(13)	1 115 365	753 405	1 587 021	1 071 999
Unfinished products					
Complete products and goods for sale					
Unfinished orders					
	(14)	344 340	524 310	489 952	746 026
Advance payments for goods					
	(15)	9 233	497	13137	707
<b>Stocks totally</b>					
		<b>1 468 938</b>	<b>1 278 212</b>	<b>2 090 110</b>	<b>1 818 732</b>
<b>II. For selling held long-term investments</b>					
<b>III. Debtors</b>					
Debts of customers and clients					
	(16)	1 977 260	1 526 057	2 813 388	2 171 384
Debts of associated companies					
	(17)	37 964	94 530	54 018	134 504
Other debtors					
Undeposited shares in company's capital					
Short - term loans to joint owners and management					
Next periods costs					
	(18)	10 534	4 650	14 989	6 616
<b>Debtors total</b>					
		<b>2 025 758</b>	<b>1 625 237</b>	<b>2882395</b>	<b>2 312 504</b>
<b>IV. Short-term financial investments</b>					
Participation in capital of related companies					
Own stocks and shares					
Other securities and participation in capitals					
Derivative financial instruments					
<b>Securities and participation in capitals total</b>					
	(19)	<b>52 265</b>	<b>144 776</b>	<b>74 366</b>	<b>205 997</b>
<b>V. Cash assets</b>					
		<b>3 546 961</b>	<b>3 048 225</b>	<b>5046871</b>	<b>4 337 233</b>
<b>Current assets total</b>					
		<b>6 431 917</b>	<b>5 928 209</b>	<b>9151794</b>	<b>8 435 081</b>
<b>Actives total</b>					

Chairman of the board  
29 August of year 2008.

/Ivica Galich/

AS "Tosmare shipyard"  
report for 6m of 2008

**BALANCE on 30.June 2008 and 2007**

	Appendix	LVL		EUR	
		2008	2007	2008	2007
<b><u>PASSIVE</u></b>					
<b>I. Equity capital</b>					
Stock or share capital (equity capital)	(20)	3203397	3 203 397	4558023	4 558 023
Stock issue extra charge					
Long - term investment reestimation reserve					
Financial instruments reestimation reserve					
Reserves:					
reserves prescribed by law					
reserves for own stocks and shares					
reserves prescribed by company's statutes					
other reserves					
Retained profit					
retained profit of previous years		478 171	371 675	680 376	528 846
retained profit of the year of accountant		122 466	160 776	174 253	228 764
retained profit, amount		600 637	532 451	854629	757 610
<b>Equity capital total</b>		<b>3 804 034</b>	<b>3 735 848</b>	<b>5412652</b>	<b>5 315 633</b>
<b>II. Provisions</b>					
Provision for pensions and similar obligations					
Provision for prospective taxes					
Other provisions		25000		35572	
<b>Provisions total</b>		<b>25 000</b>	<b>0</b>	<b>35572</b>	<b>0</b>
<b>III. Creditors</b>					
<b>I. Long-term debts to creditors</b>					
Borrowings from credit institutions					
Other borrowings					
Leasing liabilities					
From customers received borrowings					
Debts to suppliers and contractors					
Debts to related companies					
Debts to associated companies					
Tax and social security payments					
Other creditors					
Deferred income liabilities	(21)	227 321	171 147	323449	243 520
Unpaid dividends		4		6	
Next periods incomes					
<b>Long-term debts to creditors total</b>		<b>227 325</b>	<b>171 147</b>	<b>323455</b>	<b>243 520</b>
<b>II. Short-term debts to creditors</b>					
Borrowings from credit institutions	(22)	1 010 956	871 230	1 438 461	1 239 649
Other borrowings					
Leasing liabilities					
From customers received borrowings		198 370	130	282255	185
Debts to suppliers and contractors		976 277	1 004 726	1 389 118	1 429 596
Debts to related companies					
Debts to associated companies					
Tax and social security payments	(23)	58 582	40 216	83 354	57 222
Other creditors	(24)	81 663	66 502	116 196	94 624
Next periods incomes					
Unpaid dividends					
Accrued liabilities	(25)	49 710	38 410	70 731	54 652
Derivative financial instruments					
<b>Short-term debts to creditors total:</b>		<b>2 375 558</b>	<b>2 021 214</b>	<b>3380115</b>	<b>2 875 928</b>
<b>Creditors total:</b>		<b>2 602 883</b>	<b>2 192 361</b>	<b>3703570</b>	<b>3 119 448</b>
<b>Passives total</b>		<b>6 431 917</b>	<b>5 928 209</b>	<b>9151794</b>	<b>8 435 081</b>

Chairman of the board

/Ivica Galich/

29 August of year 2008.



**CASH FLOW STATEMENT**

for 6 month of years 2008 and 2007 (according to direct method)

	LVL		EUR	
	2008	2007	2008	2007
<b>I. Cash flow of basic activity</b>				
Incomes from selling the products and rendering of services	4 150 195	3 278 018	5 905 195	4 664 199
Payments to suppliers, employees, other basic activity expenses	4 267 503	3 233 286	6 072 110	4 600 552
Other company's basic activity incomes or expenses				
<b>Gross cash flow of basic activity</b>	<b>(117 308)</b>	<b>44 732</b>	<b>(166 915)</b>	<b>63 647</b>
Expenses for interest payments	28 260	22 307	40 210	31 740
Expenses for company's income tax payments				
<b>Cash flow before extraordinary items</b>	<b>(145 568)</b>	<b>22 425</b>	<b>(207 125)</b>	<b>31 907</b>
Cash flow from extraordinary items				
<b>Net cash flow of basic activity</b>	<b>(145 568)</b>	<b>22 425</b>	<b>(207 125)</b>	<b>31 907</b>
<b>II. Cash flow of investment activity</b>				
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	62 458	112 552	88 870	160 147
Incomes from selling fixed assets and intangible investments				
Issued loans				
Incomes from repayment of loans				
Received interests				
Received dividends				
<b>Net cash flow of investment action</b>	<b>(62 458)</b>	<b>(112 552)</b>	<b>(88 870)</b>	<b>(160 147)</b>
<b>III. Cash flow of financing action</b>				
Incomes from shares and bonds or capital participation stock investments				
Received loans	253 117	38 137	360 153	54264
Received subsidies, grants, gifts or donations				
Expenses for repayment of loans				
Expenses for ransom of leased fixed asset				
Paid dividends				
<b>Net cash flow of financing action</b>	<b>253 117</b>	<b>38 137</b>	<b>360 153</b>	<b>54 264</b>
<b>IV. Result of foreign exchange rate fluctuations</b>				
<b>Net increase or decrease of cash and its equivalents</b>	<b>45 091</b>	<b>(51 990)</b>	<b>64 158</b>	<b>(73 976)</b>
<b>Cash and its equivalents residue at the beginning of the year of account</b>	<b>7 174</b>	<b>196766</b>	<b>10208</b>	<b>279973</b>
<b>Cash and its equivalents residue at the end of the year of account</b>	<b>52 265</b>	<b>144 776</b>	<b>74 366</b>	<b>205 997</b>

Chairman of the board  
29 August of year 2008.

/Ivica Galich/

**EQUITY CAPITAL CHANGE REPORT**

for 6 months of years 2008 and 2007

	Stock or share capital	Reserves prescribed by law	Reestimation reserve of long-term investments	Other reserves	Retained profits	Total
	LVL	LVL	LVL	LVL	LVL	LVL
<b>Residue on 31.12.2006</b>	<b>3 203 397</b>				<b>371 675</b>	<b>3 575 072</b>
Increase/decrease of stock or share						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2006						0
Net profit or loss of accounting period					160 776	160 776
<b>Residue on 30.06.2007</b>	<b>3 203 397</b>				<b>532 451</b>	<b>3 735 848</b>
<b>Residue on 31.12.2007</b>	<b>3 203 397</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>478 171</b>	<b>3 681 568</b>
Increase/decrease of stock or share						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2007						0
Net profit or loss of accounting period					122 466	122 466
<b>Residue on 30.06.2008</b>	<b>3 203 397</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600 637</b>	<b>3 804 034</b>
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Residue on 31.12.2006</b>	<b>4 558 023</b>				<b>528 846</b>	<b>5 086 869</b>
Increase/decrease of stock or share						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2006						0
Net profit or loss of accounting period					228 764	228 764
<b>Residue on 30.06.2007</b>	<b>4 558 023</b>				<b>757 610</b>	<b>5 315 633</b>
<b>Residue on 31.12.2006</b>	<b>4 558 023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>680 376</b>	<b>5 238 399</b>
Increase/decrease of stock or share capital						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2007						0
Net profit or loss of accounting period					174 253	174 253
<b>Residue on 30.06.2008</b>	<b>4 558 023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>854 629</b>	<b>5 412 652</b>

EPS on 30.06.2008. LVL (122466 : 3203397) = 0,0382 LVL or 0,0544 EUR;

EPS on 30.06.2007. LVL (160776 : 3203397) = 0,0502 LVL or 0,0714 EUR;

Chairman of the board

/Ivica Galich/

Appendix from 9. to 15 page is an itegral part of this annual report.

29 August of year 2008.

## APPENDIX

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

	<u>30.06.2008.</u>	<u>30.06.2007.</u>
	<u>LVL</u>	<u>LVL</u>
1 USD	0,447000	0,522000
1 EUR	0,702804	0,702804

### Financial statement appendixes Appendixes to profit or loss statement

<u>(1) Net turnover</u>	<u>LVL</u>		<u>EUR</u>	
	<u>6 m.2008</u>	<u>6 m.2007</u>	<u>6 m.2008</u>	<u>6 m.2007</u>
Incomes from ship building	74 926	242 933	106 610	345 663
Incomes from ship repair services	4 454 784	3 136 327	6 338 586	4 462 591
Other incomes	26 676	32 343	37 957	46 020
<b>Total</b>	<b>4 556 386</b>	<b>3 411 603</b>	<b>6 483 153</b>	<b>4 854 274</b>

### Per geographic regions

Incomes from service selling in local market	3 304		4 701	
Incomes from service selling to				
Malta	648 897		923 297	
Faros salas	74 926	144 541	106 610	205 663
Russia	2 561 581	1 647 106	3 644 801	2 343 621
Norway	27 241	397 974	38 760	566 266
Saint Vincent	48 418	130 539	68 893	185 740
Great Britain		2 087		2 970
Lithuania	97 656	10 500	138 952	14 940
Netherlands		85 697		121 936
Belize	438 144	2 038	623 423	2 900
Horvātia		86 422		122 967
Kipra		608 465		865 768
Antiqua Barbud	338 034		480 979	
Panama		3 027		4 307
Germany		125 686		178 835
Sweden		19 870		28 272
ASV	55 894		79 530	
Liberia	188 000		267 500	
St.Kitts @ Nevis	74 291		105 707	
Other		147 651		210 089
<b>Total</b>	<b>4 556 386</b>	<b>3 411 603</b>	<b>6 483 153</b>	<b>4 854 274</b>

### (2) Production costs of sold goods

Material purchase costs	741 707	637 616	1 055 354	907 246
Employees salary	463 907	337 199	660 080	479 791
Social insurance costs	107 379	75 908	152 787	108 007
Electricity costs	117 171	92 764	166 719	131 991
Depreciation of fixed assets	128 093	111 511	182 260	158 666
Contagent's services	2 543 300	1 748 426	3 618 790	2 487 786
Lease payment	168 202	127 545	239 330	181 480
Services from outside	17 979	13 471	25 582	19 168
Other costs	1 056	1 458	1 503	2 075
<b>Total</b>	<b>4 288 794</b>	<b>3 145 898</b>	<b>6 102 405</b>	<b>4 476 210</b>

### (3) Selling costs

Media advertising expenditures	2 001	6 944	2 847	9 880
Business trips	9 442	8 156	13 435	11 605
Other selling costs	10 692	4 706	15 213	6 696
<b>Total</b>	<b>22 135</b>	<b>19 806</b>	<b>31 495</b>	<b>28 181</b>

Appendixes to profit or loss statement (continuation)

	LVL		EUR	
	6m. 2008	6m. 2007	6m. 2008	6m. 2007
<b>(4) Administration costs</b>				
Communication costs	2 751	3 089	3 914	4 395
Administration's salaries		5 710		8 125
Reward for the board and council	65 424	49 593	93 090	70 564
Social insurance costs	15 514	13 323	22 075	18 956
Office maintenance costs	1 468	1 567	2 089	2 230
Stock exchange costs	2 500	2 650	3 557	3 771
Lawyer's services	1 872	4 899	2 664	6 971
Transport costs, business trips	4 737	6 731	6 740	9 578
Bank services	3 252	2 387	4 627	3 396
Representation expenses	582	3 143	828	4 472
<b>Total</b>	<b>98 100</b>	<b>93 092</b>	<b>139 584</b>	<b>132 458</b>
<b>(5) Other incomes from company's economic activity</b>				
Incomes from realization of materials	7 191	4 994	10 232	7 106
Incomes from rent	68 336	31 841	97 233	45 305
Incomes from exchange rate fluctuations				
Incomes from tugboat's services	25 110	29 073	35 728	41 367
Other incomes	8 985	12 006	12 785	17 083
<b>Total</b>	<b>109 622</b>	<b>77 914</b>	<b>155 978</b>	<b>110 861</b>
<b>(6) Other expenses from company's economic activity</b>				
Reserves for bad debtors	25000		35572	
Holiday reserves	10150		14442	
Fixed assets exclusion expenses	1040	47	1480	67
Material purchase expenses	1550	1 412	2 205	2 009
Personnel expenses (material assistance)				
Dotations, gifts to employees	6406	4 596	9 115	6 539
Net losses from exchange rate fluctuations	29502	18 438	41 977	26 235
Maintenance expenses of leased fixed assets	420	343	598	488
<b>Total</b>	<b>74068</b>	<b>24 836</b>	<b>105 389</b>	<b>35 338</b>
<b>(7) Other interest incomes and similar incomes</b>				
Bank rates	44	78	63	111
<b>Total</b>	<b>44</b>	<b>78</b>	<b>63</b>	<b>111</b>
<b>(8) Interest payments and similar expenses</b>				
Paid interests	28 260	22 307	40 210	31 740
Paid fines	58	308	83	438
<b>Total</b>	<b>28 318</b>	<b>22 615</b>	<b>40 293</b>	<b>32 178</b>
<b>(9) Other taxes</b>				
Immovable property tax for land	5 196	8 730	7 393	12 422
Immovable property tax for buildings and constructions	6 975	13 842	9 925	19 695
<b>Total</b>	<b>12 171</b>	<b>22 572</b>	<b>17 318</b>	<b>32 117</b>

Appendixes to balance sheet on 30.06.2008.

(10)	Intangible investments					Total Ls
	Concessions, patents, licenses Ls	Research work Ls	Other Ls	Company's intangible Ls	Advance payments for Ls	
<b>Undepreciated value</b>						
31.12.2007.			10 955			10 955
Purchased						0
Written off						0
Reestimated						0
30.06.2008.	0	0	10 955	0	0	10 955
<b>Depreciation</b>						
31.12.2007.			2 969			2969
Calculated			1 370			1370
Written off						0
30.06.2008.	0	0	4 339	0	0	4 339
<b>Residual value 31.12.2007</b>						
	0	0	7 986	0	0	7 986
<b>Residual value 30.06.2008</b>						
	0	0	6 616	0	0	6 616
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Undepreciated value</b>						
31.12.2007.			15 588			15 588
Purchased						0
Written off						0
Reestimated						0
30.06.2008.	0	0	15 588	0	0	15 588
<b>Depreciation</b>						
31.12.2007.			4 225			4225
Calculated			1 949			1949
Written off						0
30.06.2008.	0	0	6 174	0	0	6 174
<b>Residual value 31.12.2007</b>						
	0	0	11 363	0	0	11 363
<b>Residual value 30.06.2008</b>						
	0	0	9 414	0	0	9 414

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(11) Fixed assets

	Land, buildings, constructions	Equipment and machines	Long-term investments in leased fixed assets	Other fixed assets and inventory	Formation of fixed assets	Advance payments for fixed assets	Unfinished construction works	Total
	Ls	Ls	Ls	Ls	Ls	Ls	Ls	Ls
<b>Undepreciated value</b>								
<b>31.12.2007.</b>	<b>2 133 487</b>	<b>2 057 939</b>		<b>96 582</b>			<b>4 700</b>	<b>4 292 708</b>
Purchased	675	58 730		4 389			15 838	79 632
Written off		3 437		195			6 133	9 765
Reestimated								0
<b>30.06.2008.</b>	<b>2 134 162</b>	<b>2 113 232</b>	<b>0</b>	<b>100 776</b>	<b>0</b>	<b>0</b>	<b>14 405</b>	<b>4 362 575</b>
<b>Depreciation</b>								
<b>31.12.2007.</b>	<b>404 276</b>	<b>911 077</b>		<b>37 994</b>				<b>1 353 347</b>
Calculated	33 746	102 486		5 901				142 133
Written off		2 396		195				2 591
<b>30.06.2008.</b>	<b>438 022</b>	<b>1 011 167</b>	<b>0</b>	<b>43 700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 492 889</b>
<b>Residual value 31.12.07</b>	<b>1 729 211</b>	<b>1 146 862</b>	<b>0</b>	<b>58 588</b>	<b>0</b>	<b>0</b>	<b>4 700</b>	<b>2 939 361</b>
<b>Residual value 30.06.08.</b>	<b>1 696 140</b>	<b>1 102 065</b>	<b>0</b>	<b>57 076</b>	<b>0</b>	<b>0</b>	<b>14 405</b>	<b>2 869 686</b>
<b>EUR</b>								
<b>Undepreciated value</b>								
<b>31.12.2007.</b>	<b>3 035 679</b>	<b>2 928 183</b>		<b>137 424</b>			<b>6 687</b>	<b>6 107 973</b>
Purchased	960	83 565		6 245			22 535	113 305
Written off		4 890		277			8 726	13 893
Reestimated								0
<b>30.06.2008.</b>	<b>3 036 639</b>	<b>3 006 858</b>	<b>0</b>	<b>143 392</b>	<b>0</b>	<b>0</b>	<b>20 496</b>	<b>6 207 385</b>
<b>Depreciation</b>								
<b>31.12.2007.</b>	<b>575 233</b>	<b>1 296 346</b>		<b>54 061</b>				<b>1 925 640</b>
Calculated	48 016	145 824		8 396				202 236
Written off		3 409		277				3 686
<b>30.06.2008.</b>	<b>623 249</b>	<b>1 438 761</b>	<b>0</b>	<b>62 180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 124 190</b>
<b>Residual value 31.12.07.</b>	<b>2 460 446</b>	<b>1 631 837</b>	<b>0</b>	<b>83 363</b>	<b>0</b>	<b>0</b>	<b>6 687</b>	<b>4 182 333</b>
<b>Residual value 30.06.08.</b>	<b>2 413 390</b>	<b>1 568 097</b>	<b>0</b>	<b>81 212</b>	<b>0</b>	<b>0</b>	<b>20 496</b>	<b>4 083 195</b>

Appendixes to balance sheet (continuation)

(12) Other expenses and other long-term debtors

LVL

	31.12.2007.	Issued loan in 6.m. 2008	Repaid loan in 6.m. 2008	Posted loan to short- term in year 2008	Formed accruals in 6.m. 2008	30.06.2008.	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.
	<b>8654</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8654</b>		

EUR

	31.12.2007.	Issued loan in 6 m. 2008	Repaid loan in year 2006	Posted loan to short- term in year 2008	Formed accruals in 6m. 2008	31.12.2008.	Date of the contract	Term of payment
A.Sergeev	6157					6157	08.08.2002.	2022.
K.Mališenko	6157					6157	08.08.2002.	2022.
	<b>12314</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12314</b>		

(13) Raw materials, direct materials and auxiliary materials

	LVL		EUR	
	2008.06.30	2007.06.30	2008.06.30	2007.06.30
1. Metal	775 530	463 690	1 103 480	659 772
2. Abrasive	2 238	37 885	3 184	53 905
3. Pipes	137 035	109 029	194 983	155 134
4. Non-ferrous metals	34 703	30 961	49 378	44 054
5. Products of technical rubber	40 501	29 278	57 628	41 659
6. Other expenses	125 358	82 562	178 368	117 475
<b>Total</b>	<b>1 115 365</b>	<b>753 405</b>	<b>1 587 021</b>	<b>1 071 999</b>

(14) Unfinished products

	LVL		EUR	
Ship building	13 577	35350	19 318	50299
Ship repair services	330 763	488 960	470 634	695 727
Other				
<b>Total</b>	<b>344340</b>	<b>524 310</b>	<b>489952</b>	<b>746 026</b>

(15) Advance payments for goods

	LVL		EUR	
Materials	9233	497	13137	707
<b>Total</b>	<b>9 233</b>	<b>497</b>	<b>13 137</b>	<b>707</b>

(16) Names of purchasers and customers

	LVL		EUR	
	30.06.2008.	30.06.2007.	30.06.2008.	30.06.2007.
Accounting value of purchaser's and clients' debts	1 977 260	1 526 057	2 813 388	2 171 384
Accruals for doubtful debts of purchasers and clients				
<b>Net debts of purchasers and clients</b>	<b>1 977 260</b>	<b>1 526 057</b>	<b>2 813 388</b>	<b>2 171 384</b>

(17) Other debtors

	LVL		EUR	
	30.06.2008.	30.06.2007.	30.06.2008.	30.06.2007.
VAT accepted	8 923	17 772	12 696	25 287
In budget overpaid taxes or tax advance payments	22 027	30 468	31 342	43 352
Advance payment persons debts	3 807	3 980	5 417	5 663
Advance payments for services	3 207	42310	4 563	60202
<b>Total</b>	<b>37 964</b>	<b>94 530</b>	<b>54 018</b>	<b>134 504</b>

(18) Expenses of next periods

	LVL		EUR	
	30.06.2008.	30.06.2007.	30.06.2008.	30.06.2007.
Property insurance	6 204	1 058	8 828	1 505
Subscription to press	363	173	517	246
Employees insurance	1 467	1 069	2 087	1 521
Stock exchange expenses	2 500	2 350	3 557	3 344

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Other expenses of next periods(participation in exhibition)				
<b>Total</b>	<b>10 534</b>	<b>4 650</b>	<b>14 989</b>	<b>6 616</b>

(19) Cash

	LVL		EUR	
	30.06.2008.	30.06.2007.	30.06.2008.	30.06.2007.
Money in cash-desk	4 981	290	7 087	412
Money in current accounts	47 284	144 486	67 279	205 585
<b>Total</b>	<b>52 265</b>	<b>144 776</b>	<b>74 366</b>	<b>205 997</b>

(20) 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.

Appendixes to balance sheet (continuation)

(21) Other provisions

Reserves for bad debtors	25 000		35 572	
<b>Total</b>	<b>25 000</b>	<b>0</b>	<b>35 572</b>	<b>0</b>

(22) Deferred tax liabilities

Deferred tax liabilities at the beginning of year	207321	171147	294991	243520
Deferred tax liability increase in the year of account	20 000		28 458	
<b>Total</b>	<b>227 321</b>	<b>171 147</b>	<b>323 449</b>	<b>243 520</b>

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

<b>Total</b>	<b>1 010 956</b>	<b>871 230</b>	<b>1 438 461</b>	<b>1 239 649</b>
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(24) Movement of tax liabilities for 6.m. 2008

	01.01.2008.	Calculated for 6.m. of 2008	Calculated fine and delay payment	(Paid)/repaid	Posted to/ (from) other taxes	30.06.2008.
	LVL	LVL	LVL	LVL	LVL	LVL
Value added tax	(25 862)	(169 506)			(174 790)	(20 578)
Population income tax	15 363	111 480	59	89 432	15 430	21 981
State social insurance compulsory payments	24 707	188 629		18 065	158 978	36 293
Company's income tax	4 201	1 449		5 650		
Immovable property tax (land)		5 196		5 196		0
Immovable property tax (buildings)		6 975		6 975		0
Tax of natural resources	279	580		617		242
Risk duty of business	61	387			382	66
<b>Total</b>	<b>18 749</b>	<b>145 190</b>	<b>59</b>	<b>125 935</b>	<b>0</b>	<b>38 004</b>

incl.:

Debt to budget	44 611	58 582
Overpayment	(25 862)	(20 578)



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	01.01.2008.	Calculated for 6m. of 2008.	Calculated fine and delay payment	(Paid)/repaid	Posted to/ (from) other taxes	30.06.2008.
	EUR	EUR	EUR	EUR	EUR	EUR
- Value added tax	(36 798)	(241 185)			(248 704)	(29 279)
= Population income tax	21 860	158 621	84	127 250	21 955	31 276
State social insurance compulsory payments	35 155	268 394		25 704	226 205	51 640
Company's income tax	5 977	2 062		8 039		
Immovable property tax (land)		7 393		7 393		0
Immovable property tax (buildings)		9 925		9 925		0
Tax of natural resources	397	825		878		344
Risk duty of business	87	551			544	94
<b>Total</b>	<b>26 678</b>	<b>206 586</b>	<b>84</b>	<b>179 189</b>	<b>0</b>	<b>54 075</b>

incl.:

Debt to budget	63 476	83 354
Overpayment	(36 798)	(29 279)

(25) Other creditors

	LVL		EUR	
	30.06.2008.	30.06.2007.	30.06.2008.	30.06.2007.
Salary	78 278	62 190	111 380	88 488
Deductions from salary	1 329	1 340	1 891	1 907
Other creditors	2 056	2 972	2 925	4 229
<b>Total</b>	<b>81 663</b>	<b>66 502</b>	<b>116 196</b>	<b>94 624</b>

Appendixes to balance sheet (continuation)

(26) Accrued liabilities

	LVL		EUR	
	30.06.2008.	30.06.2007.	30.06.2008.	30.06.2007.
Accruals for holiday grants	49 710	38 410	70 731	54 652
Other accruals				
<b>Total</b>	<b>49 710</b>	<b>38 410</b>	<b>70 731</b>	<b>54 652</b>