

**Stock corporation's "Tosmare shipyard"
report for the first half of year 2009**

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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 (till 30.04.2009.) |
| Irina Meļņika | Member of the council, Id. No.280567-10701 (from 01.05.2009.) |
| Period of account | 1 January 2009 - 30. June 2009 |
| Name and address of the auditor | Ēvalds Figurnovs Certified auditor (LZRA certificate No.38) Profesors,ekonom. habil. Doctor Id.250135-14053 Auditorfirma "Sarguns" Malnavas, 13 LV - 1011, Rīga Latvia |

Explanation notes for the first half of year 2009.

In the company AS "Tosmares kuģubūvētava" the turnover in the first six month of 2009 was 2 353 839 LVL or 70.3 % of the level in first six month of 2008.

Losses in this period in 2009 were 416 677 LVL.

In the first six months of the current year incomes from ship repairs services made 98.6 % of the turnover or 2 321 921 LVL. The rest - incomes from small orders.

Market of the productive services in the first six months of 2009 has remained wide. There are such countries like Lithuania, Russia, Malta, Germany, Cyprus, Croatia, etc. But in contrary to the previous year in the first six months of the current year there has been a significant increase in volumes and share of services that were rendered in the local market.

If the mentioned volume in first six months of 2008 made 3 304 LVL and 0.7 % of the turnover, then in the first six months of 2009 the volume of works in the local market made 176 862 LVL or 7.6 % of the turnover.

The workforce in the company in the first six months of 2009 hasn't changed and it makes 256 persons.

Wages fund has descended for 8 %, the average wage has also decreased for 9 % and makes at average in the company 354 LVL.

It should be noted that in the summer months of the current of the current year there is an outline in increase of the load of the company with orders for repairs and in the result of this there is an increase in the turnover.

JSC "Tosmares kuģubūvētava" 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.

Chairman of the board

/Ivica Galich/

31 August of year 2009.

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 2009, 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/

31 August of year 2009.

AS "Tosmare shipyard"
report for 6m of 2009

PROFIT OR LOSS STATEMENT
for 6 months of years 2009 and 2008

| | Appendix | LVL | | EUR | |
|---|----------|------------------|----------------|------------------|----------------|
| | | 2009 | 2008 | 2009 | 2008 |
| Net turnover | (1) | 2 353 839 | 4 556 386 | 3 349 211 | 6 483 153 |
| Production costs of sold output | (2) | 2 609 191 | 4 288 794 | 3 712 544 | 6 102 405 |
| Gross profit or losses | | (255 352) | 267 592 | (363 333) | 380 748 |
| Selling costs | (3) | 18 180 | 22 135 | 25 868 | 31 495 |
| Administration costs | (4) | 109 821 | 98 100 | 156 261 | 139 584 |
| Other company's economic activity incomes | (5) | 52 550 | 109 622 | 74 772 | 155 978 |
| Other company's economic activity costs | (6) | 47 111 | 74 068 | 67 033 | 105 389 |
| 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) | 7 | 44 | 10 | 63 |
| Long-term financial investments and write off of short-term securities values | | | | | |
| Interest payments and similar costs | (8) | 24 142 | 28 318 | 34 351 | 40 293 |
| Profit or loss before extraordinary items and taxes | | (402 049) | 154 637 | (572 064) | 220 028 |
| Extraordinary incomes | | | | | |
| Extraordinary costs | | | | | |
| Profit or loss before taxes | | (402 049) | 154 637 | (572 064) | 220 028 |
| Company's income tax for the year of account | | | | | |
| Deferred tax | | | 20 000 | | 28 457 |
| Other taxes | (9) | 14 628 | 12 171 | 20 814 | 17 318 |
| Profit or loss of the year of account | | (416 677) | 122 466 | (592 878) | 174 253 |

Chairman of the board
31 August of year 2009.

/Ivica Galich/

AS "Tosmare shipyard"
report for 6m of 2009

| BALANCE on 30. June 2009 and 2008 | | LVL | | EUR | |
|---|----------|------------------|------------------|------------------|------------------|
| | Appendix | 2009 | 2008 | 2009 | 2008 |
| ACTIVE | | | | | |
| Long-term investments | | | | | |
| I. Intangible investments | | | | | |
| Company's development costs | | | | | |
| Concessions, patents, licenses, trade marks and similar rights | | | | | |
| Other intangible investments | | | | | |
| | | 3 875 | 6 616 | 5 514 | 9414 |
| Intangible value of the company | | | | | |
| Advance payments for intangible investments | | | | | |
| Intangible investments total | | | | | |
| | (10) | 3 875 | 6 616 | 5514 | 9 414 |
| II. Fixed assets | | | | | |
| Lands, buildings, constructions, perennial plantations | | | | | |
| | | 1 782 282 | 1 696 140 | 2 535 959 | 2 413 390 |
| Long-term investments in leased fixed assets | | | | | |
| Equipment and machines | | | | | |
| | | 950 356 | 1 102 065 | 1 352 235 | 1 568 097 |
| Other fixed assets and inventory | | | | | |
| | | 49 010 | 57 076 | 69 735 | 81 212 |
| Forming of fixed assets and costs of unfinished objects of construction | | | | | |
| | | 16 906 | 14 405 | 24055 | 20 496 |
| Advance payments for fixed assets | | | | | |
| Fixes assets total | | | | | |
| | (11) | 2 798 554 | 2 869 686 | 3981984 | 4083195 |
| 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 | | | | | |
| | | 8 850 | 8 654 | 12592 | 12 314 |
| Other loans and other long-term debtors | | | | | |
| Own stocks and shares | | | | | |
| Loans to shareholders or participants and management | | | | | |
| Long-term financial investments total | | | | | |
| | (12) | 8 850 | 8 654 | 12592 | 12 314 |
| Long-term investments total | | | | | |
| | | 2 811 279 | 2 884 956 | 4000090 | 4 104 923 |
| Current assets | | | | | |
| I. Stocks | | | | | |
| Raw materials, direct materials and auxiliary materials | | | | | |
| | (13) | 1 025 884 | 1 115 365 | 1 459 701 | 1 587 021 |
| Unfinished products | | | | | |
| Complete products and goods for sale | | | | | |
| Unfinished orders | | | | | |
| | (14) | 348 971 | 344 340 | 496 541 | 489 952 |
| Advance payments for goods | | | | | |
| | | | 9 233 | | 13 137 |
| Stocks totally | | | | | |
| | | 1 374 855 | 1 468 938 | 1 956 242 | 2 090 110 |
| II. For selling held long-term investments | | | | | |
| III. Debtors | | | | | |
| Debts of customers and clients | | | | | |
| | (15) | 1 854 474 | 1 977 260 | 2 638 679 | 2 813 388 |
| Accrued incomes | | | | | |
| | (16) | 343 889 | | 489310 | |
| Other debtors | | | | | |
| | (17) | 64 985 | 37 964 | 92 465 | 54 018 |
| Undeposited shares in company's capital | | | | | |
| Short - term loans to joint owners and management | | | | | |
| Next periods costs | | | | | |
| | (18) | 9 577 | 10 534 | 13 627 | 14 989 |
| Debtors total | | | | | |
| | | 2 272 925 | 2 025 758 | 3234081 | 2 882 395 |
| IV. Short-term financial investments | | | | | |
| 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 | | | | | |
| | (19) | 2 986 | 52 265 | 4 249 | 74 366 |
| Current assets total | | | | | |
| | | 3 650 766 | 3 546 961 | 5194572 | 5 046 871 |
| Actives total | | | | | |
| | | 6 462 045 | 6 431 917 | 9194662 | 9 151 794 |

Chairman of the board
31 August of year 2009.

/Ivica Galich/

AS "Tosmare shipyard"
report for 6m of 2009

| BALANCE on 30.June 2009 and 2008 | LVL | | EUR | | |
|--|----------|------------------|------------------|----------------|------------------|
| | Appendix | 2009 | 2008 | 2009 | 2008 |
| <u>PASSIVE</u> | | | | | |
| I. Equity capital | | | | | |
| 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 | | 569 659 | 478 171 | 810 552 | 680 376 |
| retained profit of the year of accountant | | -416 677 | 122 466 | -592 878 | 174 253 |
| retained profit, amount | | 152 982 | 600 637 | 217674 | 854 629 |
| Equity capital total | | 3 356 379 | 3 804 034 | 4775697 | 5 412 652 |
| II. Provisions | | | | | |
| Provision for pensions and similar obligations | | | | | |
| Provision for prospective taxes | | | | | |
| Other provisions | | | 25000 | | 35 572 |
| Provisions total | | 0 | 25 000 | 0 | 35 572 |
| III. Creditors | | | | | |
| I. Long-term debts to creditors | | | | | |
| 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) | 205 985 | 227 321 | 293090 | 323 449 |
| Unpaid dividends | | 4 | 4 | 6 | 6 |
| Next periods incomes | | | | | |
| Long-term debts to creditors total | | 205 989 | 227 325 | 293096 | 323 455 |
| II. Short-term debts to creditors | | | | | |
| Borrowings from credit institutions | (22) | 1 347 691 | 1 010 956 | 1 917 592 | 1 438 461 |
| Other borrowings | | | | | |
| Leasing liabilities | | | | | |
| From customers received borrowings | | 173 441 | 198 370 | 246784 | 282 255 |
| Debts to suppliers and contractors | | 1 129 756 | 976 277 | 1 607 498 | 1 389 118 |
| Debts to related companies | | | | | |
| Debts to associated companies | | | | | |
| Tax and social security payments | (23) | 117 892 | 58 582 | 167 745 | 83 354 |
| Other creditors | (24) | 76 487 | 81 663 | 108 831 | 116 196 |
| Next periods incomes | | | | | |
| Unpaid dividends | | | | | |
| Accrued liabilities | (25) | 54 410 | 49 710 | 77 418 | 70 731 |
| Derivative financial instruments | | | | | |
| Short-term debts to creditors total: | | 2 899 677 | 2 375 558 | 4125869 | 3 380 115 |
| Creditors total: | | 3 105 666 | 2 602 883 | 4418965 | 3 703 570 |
| Passives total | | 6 462 045 | 6 431 917 | 9194662 | 9 151 794 |

Chairman of the board

/Ivica Galich/

31 August of year 2009.

CASH FLOW STATEMENT

for 6 month of years 2009 and 2008 (according to direct method)

| | LVL | | EUR | |
|---|-----------------|------------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| I. Cash flow of basic activity | | | | |
| Incomes from selling the products and rendering of services | 2 701 445 | 4 150 195 | 3 843 810 | 5 905 195 |
| Payments to suppliers, employees, other basic activity expenses | 2 573 188 | 4 267 503 | 3 661 317 | 6 072 110 |
| Other company's basic activity incomes or expenses | | | | |
| Gross cash flow of basic activity | 128 257 | (117 308) | 182 493 | (166 915) |
| Expenses for interest payments | 23 977 | 28 260 | 34 116 | 40 210 |
| Expenses for company's income tax payments | | | | |
| Cash flow before extraordinary items | 104 280 | (145 568) | 148 377 | (207 125) |
| Cash flow from extraordinary items | | | | |
| Net cash flow of basic activity | 104 280 | (145 568) | 148 377 | (207 125) |
| 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 | 92 829 | 62 458 | 132 083 | 88 870 |
| Incomes from selling fixed assets and intangible investments | 6 939 | | 9873 | |
| Issued loans | | | | |
| Incomes from repayment of loans | | | | |
| Received interests | | | | |
| Received dividends | | | | |
| Net cash flow of investment action | (85 890) | (62 458) | (122 210) | (88 870) |
| III. Cash flow of financing action | | | | |
| Incomes from shares and bonds or capital participation stock investments | | | | |
| Received loans | | 253 117 | | 360153 |
| Received subsidies, grants, gifts or donations | | | | |
| Expenses for repayment of loans | 29 589 | | 42101 | |
| Expenses for ransom of leased fixed asset | | | | |
| Paid dividends | | | | |
| Net cash flow of financing action | (29 589) | 253 117 | (42 101) | 360 153 |
| IV. Result of foreign exchange rate fluctuations | | | | |
| Net increase or decrease of cash and its equivalents | (11 199) | 45 091 | (15 934) | 64 158 |
| Cash and its equivalents residue at the beginning of the year of account | 14 185 | 7174 | 20183 | 10208 |
| Cash and its equivalents residue at the end of the year of account | 2 986 | 52 265 | 4 249 | 74 366 |

Chairman of the board
31 August of year 2009.

/Ivica Galich/

EQUITY CAPITAL CHANGE REPORT

for 6 months of years 2009 and 2008

| | 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 |
| Residue on 31.12.2007 | 3 203 397 | | | | 478 171 | 3 681 568 |
| 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 |
| Residue on 30.06.2008 | 3 203 397 | | | | 600 637 | 3 804 034 |
| Residue on 31.12.2008 | 3 203 397 | 0 | 0 | 0 | 569 659 | 3 773 056 |
| Increase/decrease of stock or share | | | | | | 0 |
| Increase of reestimation reserve | | | | | | 0 |
| Decrease of reestimation reserve | | | | | | 0 |
| Calculated dividends for year 2008 | | | | | | 0 |
| Net profit or loss of accounting period | | | | | (416 677) | (416 677) |
| Residue on 30.06.2009 | 3 203 397 | 0 | 0 | 0 | 152 982 | 3 356 379 |
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Residue on 31.12.2007 | 4 558 023 | | | | 680 376 | 5 238 399 |
| 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 | | | | | 174 253 | 174 253 |
| Residue on 30.06.2008 | 4 558 023 | | | | 854 629 | 5 412 652 |
| Residue on 31.12.2008 | 4 558 023 | 0 | 0 | 0 | 810 552 | 5 368 575 |
| Increase/decrease of stock or share capital | | | | | | 0 |
| Increase of reestimation reserve | | | | | | 0 |
| Decrease of reestimation reserve | | | | | | 0 |
| Calculated dividends for year 2008 | | | | | | 0 |
| Net profit or loss of accounting period | | | | | (592 878) | (592 878) |
| Residue on 30.06.2009 | 4 558 023 | 0 | 0 | 0 | 217 674 | 4 775 697 |

EPS on 30.06.2009. LVL (-416677 : 3203397) = - 0,1301 LVL or - 0,1851 EUR;

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

Chairman of the board

/Ivica Galich/

Appendix from 10. to 16 page is an integral part of this annual report.

31 August of year 2009.

APPENDIX

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

| | <u>30.06.2009.</u> | <u>30.06.2008.</u> |
|-------|--------------------|--------------------|
| | <u>LVL</u> | <u>LVL</u> |
| 1 USD | 0.501000 | 0.447000 |
| 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.2009</u> | <u>6 m.2008</u> | <u>6 m.2009</u> | <u>6 m.2008</u> |
| Incomes from ship building | | 74 926 | | 106 610 |
| Incomes from ship repair services | 2 321 921 | 4 454 784 | 3 303 796 | 6 338 586 |
| Other incomes | 31 918 | 26 676 | 45 415 | 37 957 |
| Total | 2 353 839 | 4 556 386 | 3 349 211 | 6 483 153 |

Per geographic regions

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Incomes from service selling in local market | 176 862 | 3 304 | 251 652 | 4 701 |
| Incomes from service selling to | | | | |
| Malta | 9 217 | 648 897 | 13 115 | 923 297 |
| Faros salas | | 74 926 | | 106 610 |
| Russia | 340 318 | 2 561 581 | 484 229 | 3 644 801 |
| Norway | | 27 241 | | 38 760 |
| Saint Vincent | 113 169 | 48 418 | 161 025 | 68 893 |
| Lithuania | 600 257 | 97 656 | 854 089 | 138 952 |
| Netherlands | 96 775 | | 137 698 | |
| Belize | | 438 144 | | 623 423 |
| Horvātia | 421 682 | | 599 999 | |
| Kipra | 189 005 | | 268 930 | |
| Antiqua Barbud | | 338 034 | | 480 979 |
| Panama | 4 147 | | 5 901 | |
| Germany | 365 625 | | 520 237 | |
| ASV | | 55 894 | | 79 530 |
| Liberia | | 188 000 | | 267 500 |
| St.Kitts @ Nevis | 36 782 | 74 291 | 52 336 | 105 707 |
| | 2 353 839 | 4 556 386 | 3 349 211 | 6 483 153 |

(2) Production costs of sold goods

| | | | | |
|------------------------------|------------------|------------------|------------------|------------------|
| Material purchase costs | 733 972 | 741 707 | 1 044 348 | 1 055 354 |
| Employees salary | 349 469 | 463 907 | 497 250 | 660 080 |
| Social insurance costs | 80 904 | 107 379 | 115 116 | 152 787 |
| Electricity costs | 136 294 | 117 171 | 193 929 | 166 719 |
| Depreciation of fixed assets | 124 678 | 128 093 | 177 401 | 182 260 |
| Contagent's services | 1 050 692 | 2 543 300 | 1 495 000 | 3 618 790 |
| Lease payment | 14 993 | 17 979 | 21 333 | 25 582 |
| Services from outside | 116 121 | 168 202 | 165 225 | 239 330 |
| Other costs | 2 068 | 1 056 | 2 942 | 1 503 |
| Total | 2 609 191 | 4 288 794 | 3 712 544 | 6 102 405 |

(3) Selling costs

| | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|
| Media advertising expenditures | 4 801 | 2 001 | 6 831 | 2 847 |
| Business trips | 9 130 | 9 442 | 12 991 | 13 435 |
| Other selling costs | 4 249 | 10 692 | 6 046 | 15 213 |
| Total | 18 180 | 22 135 | 25 868 | 31 495 |

Appendices to profit or loss statement (continuation)

| (4) Administration costs | LVL | | EUR | |
|--|----------------|----------------|----------------|----------------|
| | 6m. 2009 | 6m. 2008 | 6m. 2009 | 6m. 2008 |
| Communication costs | 2 589 | 2 751 | 3 684 | 3 914 |
| Reward for the board and council | 85 173 | 65 424 | 121 190 | 93 090 |
| Social insurance costs | 8 415 | 15 514 | 11 973 | 22 075 |
| Office maintenance costs | 1 533 | 1 468 | 2 181 | 2 089 |
| Stock exchange costs | 1 395 | 2 500 | 1 985 | 3 557 |
| Lawyer's services | 1 400 | 1 872 | 1 992 | 2 664 |
| Transport costs, business trips | 5 074 | 4 737 | 7 220 | 6 740 |
| Bank services | 3 750 | 3 252 | 5 336 | 4 627 |
| Representation expenses | 492 | 582 | 700 | 828 |
| Total | 109 821 | 98 100 | 156 261 | 139 584 |
| (5) Other incomes from company's economic activity | | | | |
| Incomes from realization of materials | 5 037 | 7 191 | 7 167 | 10 232 |
| Incomes from rent | 24 474 | 68 336 | 34 823 | 97 233 |
| Incomes from exchange rate fluctuations | 5178 | | 7368 | |
| Incomes from tugboat's services | 12 085 | 25 110 | 17 195 | 35 728 |
| Incomes from selling the fixed assets | | 2 811 | | 4 000 |
| Other incomes | 5 776 | 6 174 | 8 219 | 8 785 |
| Total | 52 550 | 109 622 | 74 772 | 155 978 |
| (6) Other expenses from company's economic activity | | | | |
| Reserves for bad debtors | | 25000 | | 35572 |
| Holiday reserves | | 10150 | | 14442 |
| Fixed assets exclusion expenses | 1795 | 1 040 | 2554 | 1 480 |
| Material purchase expenses | 2623 | 1 550 | 3 732 | 2 205 |
| Personnel expenses (material assistance) | 1300 | 3670 | 1850 | 5222 |
| Dotations, gifts to employees | 1943 | 2 736 | 2 765 | 3 893 |
| Tugboat's services expenses | 38689 | | 55 049 | |
| Net losses from exchange rate fluctuations | | 29 502 | | 41 977 |
| Maintenance expenses of leased fixed assets | 761 | 420 | 1083 | 598 |
| Total | 47111 | 74 068 | 67 033 | 105 389 |
| (7) Other interest incomes and similar incomes | | | | |
| Bank rates | 7 | 44 | 10 | 63 |
| Total | 7 | 44 | 10 | 63 |
| (8) Interest payments and similar expenses | | | | |
| Paid interests | 23 977 | 28 260 | 34 116 | 40 210 |
| Paid fines | 165 | 58 | 235 | 83 |
| Total | 24 142 | 28 318 | 34 351 | 40 293 |
| (9) Other taxes | | | | |
| Immovable property tax for land | 6 495 | 5 196 | 9 242 | 7 393 |
| Immovable property tax for buildings and constructions | 8 133 | 6 975 | 11 572 | 9 925 |
| Total | 14 628 | 12 171 | 20 814 | 17 318 |

Appendixes to balance sheet on 30.06.2009.

| (10) | Intangible investments | | Research work | Other | Company's intangible | Advance payments for | Total |
|----------------------------------|-----------------------------------|----------|---------------|--------------|----------------------|----------------------|--------------|
| | Concessions, patents, licenses | | | | | | |
| | Ls | Ls | Ls | Ls | Ls | Ls | Ls |
| Undepreciated value | | | | | | | |
| 31.12.2008. | | | | 10 955 | | | 10 955 |
| Purchased | | | | | | | 0 |
| Written off | | | | | | | 0 |
| Reestimated | | | | | | | 0 |
| 30.06.2009. | 0 | 0 | | 10 955 | 0 | 0 | 10 955 |
| Depreciation | | | | | | | |
| 31.12.2008. | | | | 5 710 | | | 5 710 |
| Calculated | | | | 1 370 | | | 1 370 |
| Written off | | | | | | | 0 |
| 30.06.2009. | 0 | 0 | | 7 080 | 0 | 0 | 7 080 |
| Residual value 31.12.2008 | 0 | 0 | | 5 245 | 0 | 0 | 5 245 |
| Residual value 30.06.2009 | 0 | 0 | | 3 875 | 0 | 0 | 3 875 |

| | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
|----------------------------------|----------|----------|-----|--------------|----------|----------|--------------|
| Undepreciated value | | | | | | | |
| 31.12.2008. | | | | 15 588 | | | 15 588 |
| Purchased | | | | | | | 0 |
| Written off | | | | | | | 0 |
| Reestimated | | | | | | | 0 |
| 30.06.2009. | 0 | 0 | | 15 588 | 0 | 0 | 15 588 |
| Depreciation | | | | | | | |
| 31.12.2008. | | | | 8 125 | | | 8 125 |
| Calculated | | | | 1 949 | | | 1 949 |
| Written off | | | | | | | 0 |
| 30.06.2009. | 0 | 0 | | 10 074 | 0 | 0 | 10 074 |
| Residual value 31.12.2008 | 0 | 0 | | 7 463 | 0 | 0 | 7 463 |
| Residual value 30.06.2009 | 0 | 0 | | 5 514 | 0 | 0 | 5 514 |

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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 |
| Undepreciated value | | | | | | | | |
| 31.12.2008. | 2 224 871 | 2 170 827 | | 103 167 | | | 16 906 | 4 515 771 |
| Purchased | 66 178 | 19 614 | | 563 | | | 68 187 | 154 542 |
| Written off | | 17 365 | | 364 | | | 68 187 | 85 916 |
| Reestimated | | | | | | | | 0 |
| 30.06.2009. | 2 291 049 | 2 173 076 | 0 | 103 366 | 0 | 0 | 16 906 | 4 584 397 |
| Depreciation | | | | | | | | |
| 31.12.2008. | 472 173 | 1 116 716 | | 48 436 | | | | 1 637 325 |
| Calculated | 36 594 | 114 635 | | 6 284 | | | | 157 513 |
| Written off | | 8 631 | | 364 | | | | 8 995 |
| 30.06.2009. | 508 767 | 1 222 720 | 0 | 54 356 | 0 | 0 | 0 | 1 785 843 |
| Residual value 31.12.08 | 1 752 698 | 1 054 111 | 0 | 54 731 | 0 | 0 | 16 906 | 2 878 446 |
| Residual value 30.06.09. | 1 782 282 | 950 356 | 0 | 49 010 | 0 | 0 | 16 906 | 2 798 554 |
| EUR | | | | | | | | |
| Undepreciated value | | | | | | | | |
| 31.12.2008. | 3 165 706 | 3 088 809 | | 146 793 | | | 24 055 | 6 425 363 |
| Purchased | 94 163 | 27 908 | | 801 | | | 97 021 | 219 893 |
| Written off | | 24 708 | | 518 | | | 97 021 | 122 247 |
| Reestimated | | | | | | | | 0 |
| 30.06.2009. | 3 259 869 | 3 092 009 | 0 | 147 076 | 0 | 0 | 24 055 | 6 523 009 |
| Depreciation | | | | | | | | |
| 31.12.2008. | 671 842 | 1 588 944 | | 68 918 | | | | 2 329 704 |
| Calculated | 52 068 | 163 111 | | 8 941 | | | | 224 120 |
| Written off | | 12 281 | | 518 | | | | 12 799 |
| 30.06.2009. | 723 910 | 1 739 774 | 0 | 77 341 | 0 | 0 | 0 | 2 541 025 |
| Residual value 31.12.08. | 2 493 865 | 1 499 865 | 0 | 77 875 | 0 | 0 | 24 055 | 4 095 660 |
| Residual value 30.06.09. | 2 535 959 | 1 352 235 | 0 | 69 735 | 0 | 0 | 24 055 | 3 981 984 |

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Appendixes to balance sheet (continuation)

(12) Other expenses and other long-term debtors

LVL

| | 31.12.2008. | Issued loan in 6.m. 2009 | Repaid loan in 6.m. 2009 | Posted loan to short- term in 6m.of 2009 | Formed accruals in 6.m. 2009 | 30.06.2009. | Date of the contract | Term of payment |
|-------------|-------------|-----------------------------|-----------------------------|---|---------------------------------|-------------|----------------------|-----------------|
| A.Sergeev | 4 425 | | | | | 4 425 | 08.08.2002. | 2022. |
| K.Mališenko | 4 425 | | | | | 4 425 | 08.08.2002. | 2022. |
| | 8850 | 0 | 0 | 0 | 0 | 8850 | | |

EUR

| | 31.12.2008. | Issued loan in 6 m. 2009 | Repaid loan in 6m.of 2009 | Posted loan to short- term in 6m. of 2009 | Formed accruals in 6.m. 2009 | 30.06.2009. | Date of the contract | Term of payment |
|-------------|--------------|-----------------------------|------------------------------|--|---------------------------------|--------------|----------------------|-----------------|
| A.Sergeev | 6296 | | | | | 6296 | 08.08.2002. | 2022. |
| K.Mališenko | 6296 | | | | | 6296 | 08.08.2002. | 2022. |
| | 12592 | 0 | 0 | 0 | 0 | 12592 | | |

(13) Raw materials, direct materials and auxiliary materials

| | LVL | | EUR | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| 1. Metal | 607 666 | 775 530 | 864 631 | 1 103 480 |
| 2. Abrasive | 55 448 | 2 238 | 78 895 | 3 184 |
| 3. Pipes | 175 438 | 137 035 | 249 626 | 194 983 |
| 4. Non-ferrous metals | 33 735 | 34 703 | 48 000 | 49 378 |
| 5. Products of technical rubber | 44 382 | 40 501 | 63 150 | 57 628 |
| 6. Other expenses | 109 215 | 125 358 | 155 399 | 178 368 |
| Total | 1 025 884 | 1 115 365 | 1 459 701 | 1 587 021 |

(14) Unfinished products

| | LVL | | EUR | |
|----------------------|----------------|----------------|----------------|----------------|
| Ship building | | 13577 | | 19318 |
| Ship repair services | 348 500 | 330 763 | 495 871 | 470 634 |
| Other | 471 | | 670 | |
| Total | 348 971 | 344 340 | 496 541 | 489 952 |

(15) Accounting value of purchaser's and clients' debts

| | LVL | | EUR | |
|--|------------------|------------------|------------------|------------------|
| Total | | | | |
| Accounting value of purchaser's and clients' debts | 1 854 474 | 1 977 260 | 2 638 679 | 2 813 388 |
| Net debts of purchasers and clients | 1 854 474 | 1 977 260 | 2 638 679 | 2 813 388 |

(16) Accrued incomes

| | LVL | | EUR | |
|---------------|----------------|----------|----------------|----------|
| Ship building | 343 889 | | 489 310 | |
| Total | 343 889 | 0 | 489 310 | 0 |

(17) Other debtors

| | LVL | | EUR | |
|--|---------------|---------------|---------------|---------------|
| VAT accepted | 30 703 | 8 923 | 43 686 | 12 696 |
| In budget overpaid taxes or tax advance payments | 17 371 | 22 027 | 24 717 | 31 342 |
| Advance payment persons debts | | 3 807 | | 5 417 |
| Advance payments for services | 10 816 | 3207 | 15 390 | 4563 |
| Other expenses | 6 095 | | 8 672 | |
| Total | 64 985 | 37 964 | 92 465 | 54 018 |

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(18) Expenses of next periods

| | LVL | | EUR | |
|-------------------------|--------------|---------------|---------------|---------------|
| | 30.06.2009. | 30.06.2008. | 30.06.2009. | 30.06.2008. |
| Property insurance | 6 501 | 6 204 | 9 250 | 8 828 |
| Subscription to press | 490 | 363 | 697 | 517 |
| Employees insurance | 1 336 | 1 467 | 1 901 | 2 087 |
| Stock exchange expenses | 1 250 | 2 500 | 1 779 | 3 557 |
| Total | 9 577 | 10 534 | 13 627 | 14 989 |

(19) Cash

| | LVL | | EUR | |
|---------------------------|--------------|---------------|--------------|---------------|
| | 30.06.2009. | 30.06.2008. | 30.06.2009. | 30.06.2008. |
| Money in cash-desk | 2 777 | 4 981 | 3 952 | 7087 |
| Money in current accounts | 209 | 47 284 | 297 | 67 279 |
| Total | 2 986 | 52 265 | 4 249 | 74 366 |

(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) Deferred tax liabilities

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Deferred tax liabilities at the beginning of year | 205985 | 207321 | 293090 | 294991 |
| Deferred tax liability increase in the year of account | | 20 000 | | 28 458 |
| Total | 205 985 | 227 321 | 293 090 | 323 449 |

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

| | | | | |
|--------------|------------------|------------------|------------------|------------------|
| Total | 1 347 691 | 1 010 956 | 1 917 592 | 1 438 461 |
|--------------|------------------|------------------|------------------|------------------|

(23) Movement of tax liabilities for 6.m. 2009

| | 01.01.2009. | Calculated for 6.m. of 2009 | Calculated fine and delay payment | (Paid)/ repaid | Posted to/ (from) other taxes | 30.06.2009. |
|--|---------------|-----------------------------------|---|-------------------|----------------------------------|-----------------|
| | LVL | LVL | LVL | LVL | LVL | LVL |
| Value added tax | (30 190) | (145 273) | | | (158 092) | (17 371) |
| Population income tax | 20 990 | 89 454 | 165 | 47 140 | 16 853 | 46 451 |
| State social insurance compulsory payments | 25 935 | 161 418 | | 3 979 | 137 968 | 45 406 |
| Company's income tax | 23 005 | | | 1 920 | 3 009 | 18 076 |
| Immovable property tax (land) | | 6 495 | | 3 250 | | 3 245 |
| Immovable property tax (buildings) | | 8 133 | | 4 070 | | 4 063 |
| Tax of natural resources | 373 | 693 | | 604 | | 462 |
| Risk duty of business | 66 | 385 | | | 262 | 189 |
| Total | 40 179 | 121 305 | 165 | 60 963 | 0 | 100 521 |
| incl.: | | | | | | |
| Debt to budget | | 70 369 | | | | 117 892 |
| Overpayment | | (30 190) | | | | (17 371) |

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| | 01.01.2009. | Calculated for 6m. of 2009. | Calculated fine and delay payment | (Paid)/ repaid | Posted to/ (from) other taxes | 30.06.2009. |
|--|---------------|-----------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Value added tax | (42 956) | (206 705) | | | (224 945) | (24 716) |
| Population income tax | 29 866 | 127 282 | 235 | 67 074 | 23 980 | 66 094 |
| State social insurance compulsory payments | 36 902 | 229 677 | | 5 662 | 196 311 | 64 606 |
| Company's income tax | 32 733 | | | 2 732 | 4 281 | 25 720 |
| Immovable property tax (land) | | 9 242 | | 4 624 | | 4 618 |
| Immovable property tax (buildings) | | 11 572 | | 5 791 | | 5 781 |
| Tax of natural resources | 531 | 986 | | 859 | | 657 |
| Risk duty of business | 94 | 548 | | | 373 | 269 |
| Total | 57 170 | 172 602 | 235 | 86 742 | 0 | 143 029 |

incl.:

| | | |
|----------------|----------|----------|
| Debt to budget | 100 126 | 167 745 |
| Overpayment | (42 956) | (24 716) |

(24) Other creditors

| | LVL | | EUR | |
|------------------------|---------------|---------------|----------------|----------------|
| | 30.06.2009. | 30.06.2008. | 30.06.2009. | 30.06.2008. |
| Salary | 72 372 | 78 278 | 102 976 | 111 380 |
| Deductions from salary | 1 522 | 1 329 | 2 165 | 1 891 |
| Other creditors | 2 593 | 2 056 | 3 690 | 2 925 |
| Total | 76 487 | 81 663 | 108 831 | 116 196 |

Appendixes to balance sheet (continuation)

(25) Accrued liabilities

| | LVL | | EUR | |
|-----------------------------|---------------|---------------|---------------|---------------|
| | 30.06.2009. | 30.06.2008. | 30.06.2009. | 30.06.2008. |
| Accruals for holiday grants | 54 410 | 49 710 | 77 418 | 70 731 |
| Other accruals | | | | |
| Total | 54 410 | 49 710 | 77 418 | 70 731 |