

**Stock corporation's "Tosmare shipyard"
report for the first half of year 2010**

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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
Irina Meļņika	Member of the council, Id. No.280567-10701
Period of account	1 January 2010 - 30. June 2010
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 2010.

The net turnover of "Tosmares kuģubūvētava" JSC for the half of 2010 was 2 974 583 Ls or 126.4 % of the level for the corresponding period of the previous year. It increased by 620 744 Ls.

In addition to that, the losses of the enterprise for the first half of 2010 were 171 125 Ls, which is 2,5 times less than the losses suffered during the first half of the year 2009. Taking into account the growth of provided production services, this development can be viewed as positive.

The incomes received from repair services for ships in the net turnover of the first half of 2010 were 95,7 % or 2 847 338 Ls. The income volume from repair services increased by 525 417 Ls or 22,6% in comparison to the corresponding period of the previous year. Besides the repair services for ships 1 ship-building order had been handed during the first half of 2010.

With the increase of the volume of production services by 26,4 % , production costs of the enterprise for the first half of the current year increased only by 14,3 % in comparison to the corresponding period of the previous year.

In comparison to the corresponding period of the previous year, the number of employees decreased by 19 % or 49 people and is 207 people.

In the first half of 2010 the salary fund of the enterprise had been decreased in regard to the corresponding period of the previous year. The salary fund for the first half of 2010 is 454 022 ls or 82,7 % from the salary fund of the first half of 2009 year. The decrease of the salary fund is 94 469 Ls.

The enterprise exploits the conservation of means mode. This has resulted not only in significant decrease of salary fund (by 17 % in comparison to the corresponding period of the previous year), but also in decrease of costs for internal repair works (by 32 %).

Chairman of the board

/Ivica Galich/

31 August of year 2010.

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 2010, 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 2010.

PROFIT OR LOSS STATEMENT
for 6 months of years 2010 and 2009

	Appendix	LVL		EUR	
		2010	2009	2010	2009
Net turnover	(1)	2 974 583	2 353 839	4 232 450	3 349 211
Production costs of sold output	(2)	(2 982 906)	(2 609 191)	(4 244 293)	(3 712 544)
Gross profit or losses		(8 323)	(255 352)	(11 843)	(363 333)
Selling costs	(3)	(5 134)	(18 180)	(7 305)	(25 868)
Administration costs	(4)	(108 108)	(109 821)	(153 823)	(156 261)
Other company's economic activity incomes	(5)	147 726	52 550	210 195	74 772
Other company's economic activity costs	(6)	(150 913)	(47 111)	(214 730)	(67 033)
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)	4	7	6	10
Long-term financial investments and write off of short-term securities values					
Interest payments and similar costs	(8)	(31 889)	(24 142)	(45 374)	(34 351)
Profit or loss before extraordinary items and taxes		(156 637)	(402 049)	(222 874)	(572 064)
Extraordinary incomes					
Extraordinary costs					
Profit or loss before taxes		(156 637)	(402 049)	(222 874)	(572 064)
Company's income tax for the year of account					
Deferred tax					
Other taxes	(9)	(14 488)	(14 628)	(20 615)	(20 814)
Profit or loss of the year of account		(171 125)	(416 677)	(243 489)	(592 878)

Chairman of the board
31 August of year 2010.

/Ivica Galich/

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BALANCE on 30. June 2010 and 2008		LVL		EUR	
	Appendix	2010	2009	2010	2009
ACTIVE					
Long-term investments					
I. Intangible investments					
Company's development costs					
Concessions, patents, licenses, trade marks and similar rights					
Other intangible investments					
		1 135	3 875	1 615	5 514
Intangible value of the company					
Advance payments for intangible investments					
Intangible investments total					
	(10)	1 135	3 875	1 615	5 514
II. Fixed assets					
Lands, buildings, constructions, perennial plantations					
		1 736 487	1 782 282	2 470 798	2 535 959
Long-term investments in leased fixed assets					
Equipment and machines					
		764 520	950 356	1 087 814	1 352 235
Other fixed assets and inventory					
		39 380	49 010	56 033	69 735
Forming of fixed assets and costs of unfinished objects of construction					
		6 443	16 906	9 167	24 055
Advance payments for fixed assets					
Fixes assets total					
	(11)	2 546 830	2 798 554	3 623 812	3 981 984
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		12 592
Other loans and other long-term debtors					
Own stocks and shares					
Loans to shareholders or participants and management					
Long-term financial investments total					
			8 850		12 592
Long-term investments total					
		2 547 965	2 811 279	3 625 427	4 000 090
Current assets					
I. Stocks					
Raw materials, direct materials and auxiliary materials					
	(12)	667 850	1 025 884	950 265	1 459 701
Unfinished products					
Complete products and goods for sale					
Unfinished orders					
	(13)	206 783	348 971	294 226	496 541
Advance payments for goods					
		219		311	
Stocks totally					
		874 852	1 374 855	1 244 802	1 956 242
II. For selling held long-term investments					
III. Debtors					
Debts of customers and clients					
	(14)	2 874 124	1 854 474	4 089 510	2 638 679
Accrued incomes					
			343 889		489 310
Other debtors					
	(15)	199 029	64 985	283 193	92 465
Undeposited shares in company's capital					
Short - term loans to joint owners and management					
Next periods costs					
	(16)	4 760	9 577	6 773	13 627
Debtors total					
		3 077 913	2 272 925	4 379 476	3 234 081
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					
V. Cash assets					
	(17)	71 324	2 986	101 485	4 249
Current assets total					
		4 024 089	3 650 766	5 725 763	5 194 572
Actives total					
		6 572 054	6 462 045	9 351 190	9 194 662

Chairman of the board

/Ivica Galich/

31 August of year 2010.

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BALANCE on 30.June 2009 and 2008

	Appendix	LVL		EUR	
		2010	2009	2010	2009
PASSIVE					
I. Equity capital					
Stock or share capital (equity capital)	(18)	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		381 997	569 659	543 533	810 552
retained profit of the year of accountant		(171 125)	(416 677)	(243 489)	(592 878)
retained profit, amont		210 872	152 982	300 044	217 674
Equity capital total		3 414 269	3 356 379	4 858 067	4 775 697
II. Provisions					
Provision for pensions and similar obligations					
Provision for prospective taxes					
Other provisions	(19)	50 000		71 144	
Provisions total		50 000	0	71144	0
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	(20)	184 371	205 985	262 336	293 090
Unpaid dividends		4	4	6	6
Next periods incomes					
Long-term debts to creditors total		184 375	205 989	262 342	293 096
II. Short-term debts to creditors					
Borrowings from credit institutions	(21)	1 367 387	1 347 691	1 945 616	1 917 592
Other borrowings					
Leasing liabilities					
From customers received borrowings		167 036	173 441	237 671	246 784
Debts to suppliers and contractors		1 195 785	1 129 756	1 701 449	1 607 498
Debts to related companies					
Debts to associated companies					
Tax and social security payments	(22)	89 474	117 892	127 310	167 745
Other creditors	(23)	61 168	76 487	87 034	108 831
Next periods incomes					
Unpaid dividends					
Accrued liabilities	(24)	42 560	54 410	60 557	77 419
Derivative financial instruments					
Short-term debts to creditors total:		2 923 410	2 899 677	4 159 637	4 125 869
Creditors total:		3 107 785	3 105 666	4 421 979	4 418 965
Passives total		6 572 054	6 462 045	9 351 190	9 194 662

Chairman of the board

/Ivica Galich/

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CASH FLOW STATEMENT

for 6 month of years 2010 and 2009 (according to direct method)

	LVL		EUR	
	2010	2009	2010	2009
I. Cash flow of basic activity				
Incomes from selling the products and rendering of services	2 642 012	2 701 445	3 759 244	3 843 810
Payments to suppliers, employees, other basic activity expenses	(2 511 103)	(2 573 188)	(3 572 978)	(3 661 317)
Other company's basic activity incomes or expenses	12 933		18 402	
Gross cash flow of basic activity	143 842	128 257	204 668	182 493
Expenses for interest payments	(29 052)	(23 977)	(41 337)	(34 116)
Expenses for company's income tax payments				
Cash flow before extraordinary items	114 790	104 280	163 331	148 377
Cash flow from extraordinary items				
Net cash flow of basic activity	114 790	104 280	163 331	148 377
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	(10 716)	(92 829)	(15 247)	(132 083)
Incomes from selling fixed assets and intangible investments		6 939		9 873
Issued loans				
Incomes from repayment of loans				
Received interests				
Received dividends				
Net cash flow of investment action	(10 716)	(85 890)	(15 247)	(122 210)
III. Cash flow of financing action				
Incomes from shares and bonds or capital participation stock investments				
Received loans				
Received subsidies, grants, gifts or donations				
Expenses for repayment of loans	(34 990)	(29 589)	(49 786)	(42 101)
Expenses for ransom of leased fixed asset				
Paid dividends				
Net cash flow of financing action	(34 990)	(29 589)	(49 786)	(42 101)
IV. Result of foreign exchange rate fluctuations				
Net increase or decrease of cash and its equivalents	69 084	(11 199)	98 298	(15 934)
Cash and its equivalents residue at the beginning of the year of account	2 240	14 185	3 187	20 183
Cash and its equivalents residue at the end of the year of account	71 324	2 986	101 485	4 249

Chairman of the board
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/Ivica Galich/

EQUITY CAPITAL CHANGE REPORT

for 6 months of years 2010 and 2009

	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 31.12.2008	3 203 397				569 659	3 773 056
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					(416 677)	(416 677)
Residue on 30.06.2009	3 203 397				152 982	3 356 379
Residue on 31.12.2009	3 203 397	0	0	0	381 997	3 585 394
Increase/decrease of stock or share capital						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2009						0
Net profit or loss of accounting period					(171 125)	(171 125)
Residue on 30.06.2010	3 203 397	0	0	0	210 872	3 414 269
	EUR	EUR	EUR	EUR	EUR	EUR
Residue on 31.12.2008	4 558 023				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				217 674	4 775 697
Residue on 31.12.2009	4 558 023	0	0	0	543 533	5 101 556
Increase/decrease of stock or share capital						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2009						0
Net profit or loss of accounting period					(243 489)	(243 489)
Residue on 30.06.2010	4 558 023	0	0	0	300 044	4 858 067

EPS on 30.06.2010. LVL (-171 125 : 3 203 397) = - 0,0534 LVL or - 0,076 EUR;

EPS on 30.06.2009. LVL (-416 677 : 3 203 397) = - 0,130 LVL or - 0,1851 EUR;

Chairman of the board /Ivica Galich/

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

31 August of year 2010.

APPENDIX

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

	<u>30.06.2010.</u>	<u>30.06.2009.</u>
	<u>LVL</u>	<u>LVL</u>
1 USD	0.573000	0.501000
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.2010</u>	<u>6 m.2009</u>	<u>6 m.2010</u>	<u>6 m.2009</u>
Incomes from ship building	74 761		106 375	
Incomes from ship repair services	2 847 338	2 321 921	4 051 397	3 303 796
Other incomes	52 484	31 918	74 678	45 415
Total	2 974 583	2 353 839	4 232 450	3 349 211
Per geographic regions				
Incomes from service selling in local market	106 986	176 862	152 228	251 652
Incomes from service selling to				
Malta		9 217		13 115
Faros salas	74 761		106 375	
Russia	326 241	340 318	464 199	484 229
Norway	52 817		75 152	
Saint Vincent	633 885	113 169	901 937	161 025
Lithuania	1 050 132	600 257	1 494 203	854 089
Netherlands	19 845	96 775	28 237	137 698
Belize	203 301		289 271	
Horvātia		421 682		599 999
Kipra	173 880	189 005	247 409	268 930
Belgia	450		640	
Panama		4 147		5 901
Germany	280 840	365 625	399 599	520 237
ASV	45 823		65 200	
England	5 622		8 000	
St.Kitts @ Nevis		36 782		52 336
	2 974 583	2 353 839	4 232 450	3 349 211
(2) Production costs of sold goods				
Material purchase costs	642 225	733 972	913 804	1 044 348
Employees salary	430 972	349 469	613 218	497 250
Social insurance costs	100 863	80 904	143 515	115 116
Electricity costs	192 636	136 294	274 096	193 929
Depreciation of fixed assets	184 858	124 678	263 029	177 401
Contagent's services	1 258 892	1 050 692	1 791 242	1 495 000
Services from outside	151 164	116 121	215 087	165 225
Lease payment	19 570	14 993	27 846	21 333
Other costs	1 726	2 068	2 456	2 942
Total	2 982 906	2 609 191	4 244 293	3 712 544
(3) Selling costs				
Media advertising expenditures	579	4 801	824	6 831
Business trips	4 555	9 130	6 481	12 991
Other selling costs		4 249		6 046
Total	5 134	18 180	7 305	25 868

Appendixes to profit or loss statement (continuation)

	LVL		EUR	
	6 m.2010	6 m.2009	6 m.2010	6 m.2009
(4) Administration costs				
Communication costs	1 829	2 589	2 603	3 684
Reward for the board and council	73 482	85 173	104 555	121 190
Social insurance costs	17 292	8 415	24 604	11 973
Office maintenance costs	1 583	1 533	2 252	2 181
Stock exchange costs	1 875	1 395	2 668	1 985
Lawyer's services	4 295	1 400	6 111	1 992
Transport costs, business trips	2 067	5 074	2 941	7 220
Bank services	4 337	3 750	6 171	5 336
Representation expenses	1 348	492	1 918	700
Total	108 108	109 821	153 823	156 261
(5) Other incomes from company's economic activity				
Incomes from realization of materials	79 777	5 037	113 512	7 167
Incomes from rent	32 245	24 474	45 881	34 823
Incomes from exchange rate fluctuations	10 704	5 178	15 230	7 368
Incomes from tugboat's services	19 104	12 085	27 183	17 195
Other incomes	5 896	5 776	8 389	8 219
Total	147 726	52 550	210 195	74 772
(6) Other expenses from company's economic activity				
Reserves for bad debtors	50 000		71 144	
Fixed assets exclusion expenses		1 795		2 554
Material purchase expenses	76 120	2 623	108 309	3 732
Dotations, gifts to employees	160	1 943	228	2 765
Personnel expenses (material assistance)	50	1 300	71	1 850
Tugboat's services expenses	24 051	38 689	34 221	55 049
Maintenance expenses of leased fixed assets	532	761	757	1 083
Total	150 913	47 111	214 730	67 033
(7) Other interest incomes and similar incomes				
Bank rates	4	7	6	10
Total	4	7	6	10
(8) Interest payments and similar expenses				
Paid interests	29 053	23 977	41 339	34 116
Paid fines	2836	165	4035	235
Total	31 889	24 142	45 374	34 351
(9) Other taxes				
Immovable property tax for land	6 293	6 495	8 954	9 242
Immovable property tax for buildings and constructions	8 195	8 133	11 661	11 572
Total	14 488	14 628	20 615	20 814

Appendixes to balance sheet on 30.06.2010.

(10) Intangible investments	Concessions,	Research work	Other	Company's intangible	Advance payments for	Total
	Ls	Ls	Ls	Ls	Ls	Ls
Undepreciated value						
31.12.2009.			10 955			10 955
Purchased						0
Written off						0
Reestimated						0
30.06.2010.	0	0	10 955	0	0	10 955
Depreciation						
31.12.2009.			8 450			8450
Calculated			1 370			1370
Written off						0
30.06.2010.	0	0	9 820	0	0	9 820
Residual value 31.12.2009	0	0	2 505	0	0	2 505
Residual value 30.06.2010	0	0	1 135	0	0	1 135
	EUR	EUR	EUR	EUR	EUR	EUR
Undepreciated value						
31.12.2009.			15 588			15 588
Purchased						0
Written off						0
Reestimated						0
30.06.2010.	0	0	15 588	0	0	15 588
Depreciation						
31.12.2009.			12 023			12 023
Calculated			1 950			1950
Written off						0
30.06.2010.	0	0	13 973	0	0	13 973
Residual value 31.12.2009	0	0	3 565	0	0	3 565
Residual value 30.06.2010	0	0	1 615	0	0	1 615

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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								
31.12.2009.	2 316 643	2 158 478		102 508			16 906	4 594 535
Purchased	3 219	29 101		347			13 681	46 348
Written off							24 144	24 144
Reestimated								0
30.06.2010.	2 319 862	2 187 579	0	102 855	0	0	6 443	4 616 739
Depreciation								
31.12.2009.	545 889	1 310 934		58 266				1 915 089
Calculated	37 486	112 125		5 209				154 820
Written off								0
30.06.2010.	583 375	1 423 059	0	63 475	0	0	0	2 069 909
Residual value 31.12.2009	1 770 754	847 544	0	44 242	0	0	16 906	2 679 446
Residual value 30.06.2010	1 736 487	764 520	0	39 380	0	0	6 443	2 546 830
EUR								
Undepreciated value								
31.12.2009.	3 296 286	3 071 238		145 856			24 055	6 537 435
Purchased	4 580	41 407		494			19 466	65 947
Written off							34 354	34 354
Reestimated								0
30.06.2010.	3 300 866	3 112 645	0	146 350	0	0	9 167	6 569 028
Depreciation								
31.12.2009.	776 730	1 865 291		82 905				2 724 926
Calculated	53 338	159 540		7 412				220 290
Written off								0
30.06.2010.	830 068	2 024 831	0	90 317	0	0	0	2 945 216
Residual value 31.12.2009	2 493 865	1 205 947	0	62 951	0	0	24 055	4 095 660
Residual value 30.06.2010	2 470 798	1 087 814	0	56 033	0	0	9 167	3 623 812

Appendixes to balance sheet (continuation)

(12) Raw materials, direct materials and auxiliary materials

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
1. Metal	395 687	607 666	563 012	864 631
2. Abrasive	4 084	55 448	5 811	78 895
3. Pipes	159 851	175 438	227 447	249 626
4. Non-ferrous metals	23 621	33 735	33 610	48 000
5. Products of technical rubber	40 090	44 382	57 043	63 150
6. Other expenses	44 517	109 215	63 342	155 399
Total	667 850	1 025 884	950 265	1 459 701

(13) Unfinished products

Ship building	47 605		67 736	
Ship repair services	159 178	348 500	226 490	495 871
Other		471		670
Total	206 783	348 971	294 226	496 541

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

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
Accounting value of purchaser's and clients' debts	2 874 124	1 854 474	4 089 510	2 638 679
Net debts of purchasers and clients	2 874 124	1 854 474	4 089 510	2 638 679

(15) Other debtors

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
VAT accepted	30 337	30 703	43 166	43 686
In budget overpaid taxes or tax advance payments	162 546	17 371	231 282	24 717
Advance payment persons debts				
Advance payments for services	5 846	10 816	8 318	15 390
Other expenses	300	6 095	427	8 672
Total	199 029	64 985	283 193	92 465

(16) Expenses of next periods

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009.
Property insurance	2 025	6 501	2 881	9 250
Subscription to press	218	490	310	697
Employees insurance	1 267	1 336	1 803	1 901
Stock exchange expenses	1 250	1 250	1 779	1 779
Total	4 760	9 577	6 773	13 627

(17) Cash

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009.
Money in cash-desk	1 084	2 777	1 542	3 952
Money in current accounts	70 240	209	99 943	297
Total	71 324	2 986	101 485	4 249

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

"Tosmare Shipyard" JSC was established in 2000 with share capital LVL 1 603 397 that consist of 1 603 397 common shares, nominal value of share is LVL 1.

The join-stock company is public and its shares counts among the stock exchange. All shares give equal rights to receipt of dividends, receipt of liquidation quotas and right to vote in the shareholders meeting. One share gives the right to 1 vote in the shareholders meeting. The Company has no shares that are held by the Company itself or anyone else in its assignment.

Modifications in statutes:

1. Increase of share capital of the company to LVL 2 603 397 in 2001 year.
2. Increase of share capital of the company to LVL 3 203 397 in 2002 year.

Appendixes to balance sheet (continuation)

(19) Other provisions

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009.
Reserves for bad debtors	50 000		71 144	
	50 000		71 144	

(20) Deferred tax liabilities

Deferred tax liabilities at the beginning of year	184 371	205 985	262 336	293 090
Deferred tax liability increase in the year of account				
Total	184 371	205 985	262 336	293 090

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

Total	1 367 387	1 347 691	1 945 616	1 917 592
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(22) Movement of tax liabilities for 6.m. 2010

	01.01.2010.	Calculated for 6.m. of 2010	Calculated fine and delay payment	(Paid)/repaid	Posted to/(from) other taxes	30.06.2010.
	LVL	LVL	LVL	LVL	LVL	LVL
Value added tax	(15 559)	(119 834)		1 104	(16 013)	(120 484)
Population income tax	15 181	92 548	1 077	74 535		34 271
State social insurance compulsory payments	28 423	144 359	1 514	104 322	16 013	53 961
Company's income tax	(30 723)		89	11 428		(42 062)
Immovable property tax (land)	(3)	6 293	67	6 300		57
Immovable property tax (buildings)	(4)	8 195	88	8 250		29
Tax of natural resources	358	1 457		714		1 101
Risk duty of business	49	305		299		55
Total	(2 278)	133 323	2 835	206 952	0	(73 072)

incl.:

Debt to budget	44 011	89 474
Overpayment	(46 289)	(162 546)

AS "Tosmare shipyard"
report for 6m of 2010

	01.01.2010.	Calculated for 6.m. of 2010	Calculated fine and delay payment	(Paid)/repaid	Posted to/ (from) other taxes	30.06.2010.
	EUR	EUR	EUR	EUR	EUR	EUR
- Value added tax	(22 138)	(170 508)		1 571	(22 784)	(171 433)
- Population income tax	21 601	131 684	1 532	106 054		48 763
State social insurance compulsory payments	40 442	205 405	2 154	148 437	22 784	76 780
Company's income tax	(43 715)		127	16 261		(59 849)
Immovable property tax (land)	(4)	8 954	95	8 964		81
Immovable property tax (buildings)	(6)	11 660	125	11 738		41
Tax of natural resources	509	2 073		1 016		1 566
Risk duty of business	70	434		425		79
Total	(3 241)	189 702	4 033	294 466	0	(103 972)

incl.:

Debt to budget	62 622	127 310
Overpayment	(65 863)	(231 282)

(23) Other creditors

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009.
Salary	58 024	72 372	82 561	102 976
Deductions from salary	1 060	1 522	1 508	2 165
Other creditors	2 084	2 593	2 965	3 690
Total	61 168	76 487	87 034	108 831

Appendixes to balance sheet (continuation)

(24) Accrued liabilities

	LVL		EUR	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009.
Accruals for holiday grants	42 560	54 410	60 557	77 419
Other accruals				
Total	42 560	54 410	60 557	77 419

We confirm the annual report of the first half of the 2010 year from 1 to 16.

Chairman of the board	/Ivica Galich/
Member of the board	/Igor Komarov/
Member of the board	/Boris Galcovich/

31 August of 2010 year.