

**Stock corporation's "Tosmare shipyard"
report for the first half of year 2011**

(not audited)

**Liepaia
2011**

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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 2011 - 30. June 2011
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 2011.

The company JSC "Tosmare's shipyard" in the first half of 2011 increased number of repaired ships by 20 % and it comprised 24 units it is for 4 units more than in the first half of 2010.

In addition to ship repair works three shipbuilding orders were commissioned, which is 3 times more than in the 6 months of 2010.

Thus the company's turnover for the six months of 2011 consisted of

86.7 %	repair services for ships
9.5 %	shipbuilding orders
3.8 %	minor repair orders.

But the amount of the company's turnover for the first 6 months of 2011 was less by 945 thousand Ls than the turnover of the corresponding period of 2010 and comprised 2 028 920 Ls or 68 % of the turnover for the six months of 2010.

This reduction in the company's turnover was due to the fact that because of the economic crisis ship owners faced a deficit of operations for their commercial vessels.

This led to deterioration in their working capital for the full amount of repair works. Contracts for repair include a minimum amount of work.

Despite these economic difficulties the company managed to maintain a broad market of repair services. The most part of orders was from Cyprus, Russia, Lithuania, Germany, etc.

The volume of exports for the first half of 2011 amounted to 100 %.

In the condition of the company's capacity insufficient load with external orders the board has decided to modernize the production base and began working on the overhaul of the floating dock.

During the first half of 2011 the company managed to maintain the financial condition is stable.

Chairman of the board

/Ivica Galich/

31 August of year 2011.

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 2011, corresponding methods of accounting were used, their application was consequent, reasonable and cautious decisions were made. Management confirms that corresponding International regulation 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 2011.

PROFIT OR LOSS STATEMENT
for 6 months of years 2011 and 2010

	Appendix	LVL		EUR	
		2011	2010	2011	2010
Net turnover	(1)	2 028 920	2 974 583	2 886 893	4 232 450
Production costs of sold output	(2)	(2 117 277)	(2 982 906)	(3 012 614)	(4 244 293)
Gross profit or losses		(88 357)	(8 323)	(125 721)	(11 843)
Selling costs	(3)	(6 120)	(5 134)	(8 708)	(7 305)
Administration costs	(4)	(124 836)	(108 108)	(177 626)	(153 823)
Other company's economic activity incomes	(5)	47 187	147 726	67 141	210 195
Other company's economic activity costs	(6)	(29 105)	(150 913)	(41 413)	(214 730)
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			4		6
Long-term financial investments and write off of short-term securities values					
Interest payments and similar costs	(7)	(34 297)	(31 889)	(48 800)	(45 374)
Profit or loss before extraordinary items and taxes		(235 528)	(156 637)	(335 127)	(222 874)
Extraordinary incomes					
Extraordinary costs					
Profit or loss before taxes		(235 528)	(156 637)	(335 127)	(222 874)
Company's income tax for the year of account					
Deferred tax					
Other taxes	(8)	(14 107)	(14 488)	(20 072)	(20 615)
Profit or loss of the year of account		(249 635)	(171 125)	(355 199)	(243 489)

Chairman of the board
31 August of year 2011.

/Ivica Galich/

AS "Tosmare shipyard"
report for 6m of 2011

BALANCE on 30. June 2011 and 2010		LVL		EUR	
	Appendix	2011	2010	2011	2010
ACTIVE					
Long-term investments					
I. Intangible investments					
Company's development costs					
Concessions, patents, licenses, trade marks and similar rights					
Other intangible investments					
		1 392	1 135	1 980	1 615
Intangible value of the company					
Advance payments for intangible investments					
Intangible investments total					
	(10)	1 392	1 135	1 980	1 615
II. Fixed assets					
Lands, buildings, constructions, perennial plantations					
		1 684 736	1 736 487	2 397 164	2 470 798
Long-term investments in leased fixed assets					
Equipment and machines					
		571 034	764 520	812 508	1 087 814
Other fixed assets and inventory					
		36 616	39 380	52 100	56 033
Forming of fixed assets and costs of unfinished objects of construction					
		191 732	6 443	272 810	9 167
Advance payments for fixed assets					
Fixes assets total					
	(10)	2 484 118	2 546 830	3 534 582	3 623 812
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					
Other loans and other long-term debtors					
Own stocks and shares					
Loans to shareholders or participants and management					
Long-term financial investments total					
Long-term investments total					
		2 485 510	2 547 965	3 536 562	3 625 427
Current assets					
I. Stocks					
Raw materials, direct materials and auxiliary materials					
	(11)	705 274	667 850	1 003 514	950 265
Unfinished products					
Complete products and goods for sale					
Unfinished orders					
	(12)	270 954	206 783	385 533	294 226
Advance payments for goods					
		34 495	219	49 082	311
Stocks totally					
		1 010 723	874 852	1 438 129	1 244 802
II. For selling held long-term investments					
III. Debtors					
Debts of customers and clients					
	(13)	2 301 994	2 874 124	3 275 442	4 089 510
Accrued incomes					
Other debtors					
	(14)	212 784	199 029	302 764	283 193
Undeposited shares in company's capital					
Short - term loans to joint owners and management					
Next periods costs					
			4 760		6 773
Debtors total					
		2 514 778	3 077 913	3 578 206	4 379 476
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					
	(15)	5 779	71 324	8 223	101 485
Current assets total					
		3 531 280	4 024 089	5 024 558	5 725 763
Actives total					
		6 016 790	6 572 054	8 561 120	9 351 190

Chairman of the board

/Ivica Galich/

31 August of year 2011.

AS "Tosmare shipyard"
report for 6m of 2011

BALANCE on 30.June 2011 and 2010	LVL		EUR		
	Appendix	2011	2010	2011	2010
PASSIVE					
I. Equity capital					
Stock or share capital (equity capital)	(16)	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		398 589	381 997	567 141	543 533
retained profit of the year of accountant		(249 635)	(171 125)	(355 199)	(243 489)
retained profit, amount		148 954	210 872	211 942	300 044
Equity capital total		3 352 351	3 414 269	4 769 965	4 858 067
II. Provisions					
Provision for pensions and similar obligations					
Provision for prospective taxes					
Other provisions			50 000		71 144
Provisions total		0	50 000	0	71 144
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	(17)	178 477	184 371	253 950	262 336
Unpaid dividends		4	4	6	6
Next periods incomes					
Long-term debts to creditors total		178 481	184 375	253 956	262 342
II. Short-term debts to creditors					
Borrowings from credit institutions	(18)	1 405 352	1 367 387	1 999 636	1 945 616
Other borrowings					
Leasing liabilities					
From customers received borrowings	(19)	25 803	167 036	36 714	237 671
Debts to suppliers and contractors	(20)	723 616	1 066 602	1 029 613	1 517 638
Debts to related companies					
Debts to associated companies	(21)	16893	129 183	24 037	183 811
Tax and social security payments	(22)	209 365	89 474	297 899	127 310
Other creditors	(23)	64 602	61 168	91 920	87 034
Next periods incomes					
Unpaid dividends					
Accrued liabilities	(24)	40 327	42 560	57 380	60 557
Derivative financial instruments					
Short-term debts to creditors total:		2 485 958	2 923 410	3 537 199	4 159 637
Creditors total:		2 664 439	3 107 785	3 791 155	4 421 979
Passives total		6 016 790	6 572 054	8 561 120	9 351 190

Chairman of the board

/Ivica Galich/

31 August of year 2011.

CASH FLOW STATEMENT

for 6 month of years 2011 and 2010 (according to direct method)

	LVL		EUR	
	2011	2010	2011	2010
I. Cash flow of basic activity				
Incomes from selling the products and rendering of services	2 052 825	2 642 012	2 920 907	3 759 244
Payments to suppliers, employees, other basic activity expenses	(2 070 828)	(2 511 103)	(2 946 523)	(3 572 978)
Other company's basic activity incomes or expenses	6 268	12 933	8 919	18 402
Gross cash flow of basic activity	(11 735)	143 842	(16 697)	204 668
Expenses for interest payments	(32 392)	(29 052)	(46 090)	(41 337)
Expenses for company's income tax payments				
Cash flow before extraordinary items	(44 127)	114 790	(62 787)	163 331
Cash flow from extraordinary items				
Net cash flow of basic activity	(44 127)	114 790	(62 787)	163 331
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	(15 046)	(10 716)	(21 408)	(15 247)
Incomes from selling fixed assets and intangible investments				
Issued loans				
Incomes from repayment of loans				
Received interests				
Received dividends				
Net cash flow of investment action	(15 046)	(10 716)	(21 408)	(15 247)
III. Cash flow of financing action				
Incomes from shares and bonds or capital participation stock investments				
Received loans	52 487		74 682	
Received subsidies, grants, gifts or donations				
Expenses for repayment of loans		(34 990)		(49 786)
Expenses for ransom of leased fixed asset				
Paid dividends				
Net cash flow of financing action	52 487	(34 990)	74 682	(49 786)
IV. Result of foreign exchange rate fluctuations				
Net increase or decrease of cash and its equivalents	(6 686)	69 084	(9 513)	98 298
Cash and its equivalents residue at the beginning of the year of account	12 465	2 240	17 736	3 187
Cash and its equivalents residue at the end of the year of account	5 779	71 324	8 223	101 485

Chairman of the board
31 August of year 2011.

/Ivica Galich/

EQUITY CAPITAL CHANGE REPORT

for 6 months of years 2011 and 2010

	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 31.12.2009	3 203 397				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				210 872	3 414 269
Residue on 31.12.2010	3 203 397	0	0	0	398 589	3 601 986
Increase/decrease of stock or share capital						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2010						0
Net profit or loss of accounting period					(249 635)	(249 635)
Residue on 30.06.2011	3 203 397	0	0	0	148 954	3 352 351
	EUR	EUR	EUR	EUR	EUR	EUR
Residue on 31.12.2009	4 558 023				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				300 044	4 858 067
Residue on 31.12.2010	4 558 023	0	0	0	567 141	5 125 164
Increase/decrease of stock or share capital						0
Increase of reestimation reserve						0
Decrease of reestimation reserve						0
Calculated dividends for year 2010						0
Net profit or loss of accounting period					(355 199)	(355 199)
Residue on 30.06.2011	4 558 023	0	0	0	211 942	4 769 965

EPS on 30.06.2011. LVL (-249 635 : 3 203 397) = - 0,0779 LVL or - 0,1108 EUR;

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

Chairman of the board

/Ivica Galich/

Appendix from 10. to 19 page is an itegral part of this annual report.

31 August of year 2011.

APPENDIX
ACCOUNTING POLICY

(1) General principles

Report is prepared according to laws of the Republic of Latvia "About book-keeping", and by the Regulation of Ministry Cabinet issued that are to be applied in the year of account.

Profit or loss statement is composed according to turnover outlay scheme.

Cash flow statement is composed according to direct method.

Comparing with previous year of account, accounting and evaluation methods used by the Company has not been changed.

Report has been prepared on the base of activity continuation conception.

The supplemented financial statements have been compiled in national currency of Latvia - lats (LVL).

(2) Acknowledgement of incomes and net turnover

Net turnover includes the value of rendered services in the year of account (value of sold production), excepting value added taxes and with selling connected discounts.

Other incomes are acknowledged as following:

- incomes from rent – at the moment of their emergence;
- incomes from fines and delay payments – at the moment of receipt;
- dividends – at the moment when legal rights on them arise.

(3) Long-term contract.

Contract about formation an active and performed actions because of the character the beginning and ending date of contract fulfillment is in different accounting periods.

Incomes from long-term contracts are acknowledged according to accomplishment level. Accomplishment level is defined having inspected the result of the work done and establishing the completion of physically definable part of work.

(4) Foreign currency's reestimation in lats

Company's accounting has been made in Latvian lats. All operations in foreign currencies are reestimated in lats according to official currency rate defined by the Bank of Latvia in the corresponding day of operation.

Monetary instruments, as well as debtors and creditors in foreign currencies t the end of year are recalculated in lats according to the official currency exchange rate defined by the bank of Latvia in the last day of accounting year.

The gained profit or loss from foreign currency exchange rate fluctuations are reflected in profit or loss statement of the of corresponding period in net value.

	30.06.2011.	30.06.2010.
	LVL	LVL
1 USD	0.489000	0.573000
1 EUR	0.702804	0.702804

(5) Intangible investments

Intangible investments are estimated according to their initial expense value, excepting the accrued depreciation. Depreciation is calculated according to linear method for 4 years.

(6) Fixed assets and low-grade inventory

Fixed assets are estimated according to their initial expense value or reestimated initial value, excluding accrued depreciation. Depreciation is calculated according to (linear) method, using the rates of fixed assets depreciation calculation, that are based on the evaluation of fixed assets useful service duration:

	Years	%
Buildings, constructions	33.3	3
Equipment and technical utilities	10	10
Rolling stock, seacraft transport, power plant	14.3	7
Furniture and office machines	10	10
Computers and facilities	4	25
Vehicles	5	20
Instruments and inventory	10	10

The depreciation of fixed assets is started to calculate with the first day of next month after its commissioning and is finished with the first day of next month after its exclusion from fixed assets.

Company capitalizes fixed assets whose value exceeds LVL 100 and the period of useful utilization exceeds 1 year.

Reestimating the fixed assets, their value increase is reflected as movement in long-term investment reestimation reserve. To incomes in profit or loss statement is applied to fixed assets liquidation.

For calculation of company's income tax the fixed assets calculation is calculated according to requirements and rates of LR law "About company's income tax" 13.paragraph.

Low-grade inventory is entered in purchase prices and in expenses written off for 100% after commissioning.

(7) Long-term investments in leased fixes assets

Expenses of leased fixed assets overhaul are written off according to linear method rate in time of the period.

(8) Rate with ransom (financial leasing)

In cases when fixed assets that are obtained in lease with ransom (financial leasing) in relation to what all risks and liabilities pass over to the company, that is characteristic to ownership, is considered as company's actives at such value as they could be acquired for spot cash. Leasing interest payments and similar payments are included in profit or loss statement of the period when they have arisen.

(9) Lease without rights of ransom (operative leasing)

In cases when fixed assets are leased on lease provisions without rights on ransom, lese payments and prepayments for lease are included in profit or loss statement according to linear method in the period of lease.

(10) Stocks

Stocks are reflected at the lowest market or purchase value, using the FIFO (weighted average) method. In case of necessity the value of obsolete, slow turnover or damaged stock is written off.

In prime costs of produces goods are included the costs of used raw materials and materials and other expenses that are directly connected with production of corresponding object.

(11) Debtors

Debtors are estimated observing the principle of caution showing in balance sheet only the actual debtors. The actual sums of debtors conform with the ones shown in contacts and other accounting original documents. A comparison of debtors has been made and hopeless debts are written off, provisions for suspicious debtors was formed as well (or provisions has not been formed), on the base of evaluation of separate client financial standing and economic activity, considering the repayment of debt according to the concluded agreement (or otherwise – explain).

(12) Accrued incomes.

Incomes from ship building orders according to the level of their accomplishment.

(13) Investments in sister or associated companies

Investments in sister or associated companies are listed according to prime cost method. According to this method the value of investments is formed from participation acquisition value and with acquisition connected expenses.

(14) Other investments

Long-term investments, excluding investments in holding company's sister or associated companies, are listed at acquisition value that is corrected in cases of their permanent value increase or decrease.

(15) Cash and cash equivalents

For cash flow statement purposes cash and cash equivalents consist of residues in cash-desk, current bank account residues and short-term deposits with term to 90 days.

(16) Provisions for not used holidays

Provisions for not used holidays are estimated multiplying the average daily earnings of a worker for the last six month of the year of account with accrued number of days of not used holidays at the end of the year of account.

(17) Company's income tax

Company's income tax is calculated according to the tax legislation of Republic of Latvia. The legislation in force in year 2010 and in future sets a tax rate of 15%.

(18) Deferred company's income tax

Deferred company's income tax is calculated according to liability method in relation to all interim differences between active and liability values in financial statements and their values for tax calculation purposes. In deferred tax calculations a tax rate is used that is prospective in periods, when interim difference equalizes. Interim differences mainly arise using different depreciation rates of fixed assets, as well as from tax losses that are to be posted on next taxation periods. In cases when the deferred tax calculation result should be reflected in balance active, it is included in financial statement only then when it is anticipated that a profit imposable with tax shall be available, to that it will be possible to relate the deductible interim differences that formed the deferred tax active.

(19) Grants

For fixed assets formation received grants are regarded as next periods incomes, that gradually includes the in incomes received of for grants acquired fixed assets in useful utilization time of period. Other grants are related to results of the year of account in the period of grant receipt.

(20) Use of calculations

Preparing the financial statements, company's management has to make calculations and assumptions that influence the actives and passives shown in statements and off-balance for the day of statement preparation, as well as shown incomes and expenses of accounting period. The actual results can differ from these calculations.

Financial statement annexes
Appendixes to profit or loss statement

(1) Net turnover	LVL		EUR	
	6 m.2011	6 m.2010	6 m.2011	6 m.2010
Incomes from ship building	192 310	74 761	273 632	106 375
Incomes from ship repair services	1 759 966	2 847 338	2 504 206	4 051 397
Other incomes	76 644	52 484	109 055	74 678
Total	2 028 920	2 974 583	2 886 893	4 232 450
Per geographic regions				
Incomes from service selling in local market		106 986		152 228
Incomes from service selling to				
Bagama's island	137 557		195 726	
Faros island	153 863	74 761	218 927	106 375
Russia	417 561	326 241	594 136	464 199
USA	56 503	45 823	80 397	65 200
Saint Vincent	37 325	633 885	53 109	901 937
Lithuania	225 891	1 050 132	321 414	1 494 203
Netherlands		19 845		28 237
Antiqua Barbuda	104 094		148 112	
Belize	64 451	203 301	91 706	289 271
Kipra	628 919	173 880	894 871	247 409
Norvegia		52 817		75 152
Belgia	3 914	450	5 569	640
Germany	168 857	280 840	240 262	399 599
England		5 622		8 000
Marshala's island	29 296		41 684	
Dania	689		980	
	2 028 920	2 974 583	2 886 893	4 232 450
(2) Production costs of sold goods				
Material purchase costs	411 287	642 225	585 208	913 804
Employees salary	330 105	430 972	469 697	613 218
Social insurance costs	77 101	100 863	109 705	143 515
Electricity costs	160 399	192 636	228 227	274 096
Depreciation of fixed assets	166 270	184 858	236 581	263 029
Contagent's services	812 274	1 258 892	1 155 762	1 791 242
Services from outside	137 412	151 164	195 520	215 087
Lease payment	18 475	19 570	26 288	27 846
Other costs	3 954	1 726	5 626	2 456
Total	2 117 277	2 982 906	3 012 614	4 244 293
(3) Selling costs				
Media advertising expenditures	3 003	579	4 273	824
Business trips	3 117	4 555	4 435	6 481
Total	6 120	5 134	8 708	7 305

Appendixes to profit or loss statement (continuation)

	LVL		EUR	
	6 m.2011	6 m.2010	6 m.2011	6 m.2010
(4) Administration costs				
Communication costs	1 597	1 829	2 272	2 603
Reward for the board and council	84 937	73 482	120 855	104 555
Social insurance costs	19 931	17 292	28 359	24 604
Office maintenance costs	1 851	1 583	2 634	2 252
Stock exchange costs	4 375	1 875	6 225	2 668
Lawyer's services	3 852	4 295	5 481	6 111
Transport costs, business trips	3 541	2 067	5 038	2 941
Bank services	2 974	4 337	4 232	6 171
Representation expenses	1 778	1 348	2 530	1 918
Total	124 836	108 108	177 626	153 823
(5) Other incomes from company's economic activity				
Incomes from realization of materials	2 454	79 777	3 492	113 512
Incomes from rent	17 827	32 245	25 365	45 881
Incomes from exchange rate fluctuations	5 325	10 704	7 577	15 230
Incomes from tugboat's services	15 938	19 104	22 678	27 183
Other incomes	5 643	5 896	8 029	8 389
Total	47 187	147 726	67 141	210 195
(6) Other expenses from company's economic activity				
Reserves for bad debtors		50 000		71 144
Fixed assets exclusion expenses	179		255	
Material purchase expenses	834	76 120	1 187	108 309
Dotations, gifts to employees	695	160	989	228
Personnel expenses (material assistance)	470	50	669	71
Tugboat's services expenses	26 444	24 051	37 626	34 221
Maintenance expenses of leased fixed assets	483	532	687	757
Total	29 105	150 913	41 413	214 730
(7) Interest payments and similar expenses				
Paid interests	32 392	29 053	46 090	41 339
Paid fines	1905	2 836	2710	4035
Total	34 297	31 889	48 800	45 374
(8) Other taxes				
Immovable property tax for land	5 962	6 293	8 483	8 954
Immovable property tax for buildings and constructions	8 145	8 195	11 589	11 661
Total	14 107	14 488	20 072	20 615

Appendixes to balance sheet on 30.06.2011.

(9) Intangible investments	Concessions,	Research work	Other	Company's intangible	Advance payments for	Total
	Ls	Ls	Ls	Ls	Ls	Ls
Undepreciated value						
31.12.2010.			10 955			10 955
Purchased			1 476			1 476
Written off						0
Reestimated						0
30.06.2011.	0	0	12 431	0	0	12 431
Depreciation						
31.12.2010.			10 837			10837
Calculated			202			202
Written off						0
30.06.2011.	0	0	11 039	0	0	11 039
Residual value 31.12.2010	0	0	118	0	0	118
Residual value 30.06.2011	0	0	1 392	0	0	1 392
	EUR	EUR	EUR	EUR	EUR	EUR
Undepreciated value						
31.12.2010.			15 587			15 587
Purchased			2 100			2 100
Written off						0
Reestimated						0
30.06.2011.	0	0	17 687	0	0	17 687
Depreciation						
31.12.2010.			15 420			15 420
Calculated			287			287
Written off						0
30.06.2011.	0	0	15 707	0	0	15 707
Residual value 31.12.2010	0	0	167	0	0	167
Residual value 30.06.2011	0	0	1 980	0	0	1 980

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(10) 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								
31.12.2010.	2 319 862	2 195 859		104 159			9 068	4 628 948
Purchased	23 521	17 116		3 222			214 673	258 532
Written off				256			32 009	32 265
Reestimated								0
30.06.2011.	2 343 383	2 212 975	0	107 125	0	0	191 732	4 855 215
Depreciation								
31.12.2010.	620 872	1 523 617		65 590				2 210 079
Calculated	37 775	118 324		4 996				161 095
Written off				77				77
30.06.2011.	658 647	1 641 941	0	70 509	0	0	0	2 371 097
Residual value 31.12.2010	1 698 990	672 242	0	38 569	0	0	9 068	2 418 869
Residual value 30.06.2011	1 684 736	571 034	0	36 616	0	0	191 732	2 484 118
EUR								
Undepreciated value								
31.12.2010.	3 300 866	3 124 426		148 205			12 903	6 586 400
Purchased	33 468	24 354		4 584			305 452	367 859
Written off				364			45 545	45 909
Reestimated								0
30.06.2011.	3 334 334	3 148 780	0	152 425	0	0	272 810	6 908 349
Depreciation								
31.12.2010.	883 421	2 167 912		93 326				3 144 659
Calculated	53 749	168 360		7 109				229 218
Written off				110				110
30.06.2011.	937 170	2 336 272	0	100 325	0	0	0	3 373 767
Residual value 31.12.2010	2 417 445	956 514	0	54 879	0	0	12 903	3 441 741
Residual value 30.06.2011	2 397 164	812 508	0	52 100	0	0	272 810	3 534 582

Appendixes to balance sheet (continuation)

(11) Raw materials, direct materials and auxiliary materials

	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
1. Metal	369 429	395 687	525 650	563 012
2. Abrasive	13 478	4 084	19 177	5 811
3. Pipes	147 771	159 851	210 259	227 447
4. Non-ferrous metals	47 636	23 621	67 780	33 610
5. Products of technical rubber	34 631	40 090	49 275	57 043
6. Other expenses	92 329	44 517	131 373	63 342
Total	705 274	667 850	1 003 514	950 265

(12) Unfinished products

Ship building	81 656	47 605	116 186	67 736
Ship repair services	175 770	159 178	250 098	226 490
Other	13 528		19 249	
Total	270 954	206 783	385 533	294 226

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

	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Accounting value of purchaser's and clients' debts	2 301 994	2 874 124	3 275 442	4 089 510
Net debts of purchasers and clients	2 301 994	2 874 124	3 275 442	4 089 510

(14) Other debtors

	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2009.
VAT accepted		30 337		43 166
In budget overpaid taxes or tax advance payments	196 046	162 546	278 948	231 282
Advance payments for services	16 738	5 846	23 816	8 318
Other expenses		300		427
Total	212 784	199 029	302 764	283 193

(15) Cash

	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Money in cash-desk	662	1 084	942	1 542
Money in current accounts	5 117	70 240	7 281	99 943
Total	5 779	71 324	8 223	101 485

(16) 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)

(17) Deferred tax liabilities

Deferred tax liabilities at the beginning of year	178 477	184 371	253 950	262 336
Deferred tax liability increase in the year of account				
Total	178 477	184 371	253 950	262 336

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

Total	1 405 352	1 367 387	1 999 636	1 945 616
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Tehnological equipment, floating dock and two dry docks owned by the company are pledged guarantee the liabilities.

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(19) From customers received borrowing	LVL		EUR	
Ship repair services	25 803	167 036	36 714	237 671
Total	25 803	167 036	36 714	237 671

(20) Debts to suppliers and contractors	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Raw materials , direct materials and auxiliary materials	216 725	244 575	308 372	347 999
Services	119 509	148 467	170 046	211 250
Contragent's services	381 997	666 938	543 533	948 967
Capotal assets	5 385	6 622	7 662	9 422
Total	723 616	1 066 602	1 029 613	1 517 638

(21) Debts to related companies	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
JSC "Riga's shipyard"	16 893	129 183	24 037	183 811
Total	16 893	129 183	24 037	183 811

(22) Movement of tax liabilities for 6.m. 2011

	01.01.2011.	Calculated for 6.m. of 2011	Calculated fine and delay payment	(Paid)/repaid	Posted to/ (from) other taxes	30.06.2011.
	LVL	LVL	LVL	LVL	LVL	LVL
Value added tax	(33 289)	(179 513)			42 840	(169 962)
Population income tax	32 601	77 506	141		(16 412)	93 836
State social insurance compulsory payments	(3 804)	143 002	511		(25 189)	114 520
Company's income tax	(26 084)	4 094				(21 990)
Immovable property tax (land)		5 962	40	(6 002)		0
Immovable property tax (buildings)		8 145	55	(8 200)		0
Tax of natural resources	1 239	1 999	7	(1 050)	(1 239)	956
Risk duty of business	54	319		(320)		53
Total	(29 283)	61 514	754	(15 572)	0	17 413
incl.:						
Debt to budget		33 894				209 365
Overpayment		(63 177)				(191 952)

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	01.01.2011.	Calculated for 6.m. of 2011	Calculated fine and delay payment	(Paid)/ repaid	Posted to/ (from) other taxes	30.06.2011.
	EUR	EUR	EUR	EUR	EUR	EUR
- Value added tax	(47 366)	(255 424)			60 956	(241 834)
- Population income tax	46 387	110 281	201		(23 352)	133 517
State social insurance compulsory payments	(5 413)	203 474	727		(35 841)	162 947
Company's income tax	(37 114)	5 825				(31 289)
Immovable property tax (land)		8 483	57	(8 540)		0
Immovable property tax (buildings)		11 590	78	(11 668)		0
Tax of natural resources	1 763	2 844	10	(1 494)	(1 763)	1 360
Risk duty of business	77	453		(455)		75
Total	(41 666)	87 526	1 073	(22 157)	0	24 776

incl.:

Debt to budget	48 227	297 899
Overpayment	(89 893)	(273 123)

(23) Other creditors

	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Salary	59 342	58 024	84 436	82 561
Deductions from salary	966	1 060	1 374	1 508
Other creditors	4 294	2 084	6 110	2 965
Total	64 602	61 168	91 920	87 034

Appendixes to balance sheet (continuation)

(24) Accrued liabilities

	LVL		EUR	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Accruals for holiday grants	40 327	42 560	57 380	60 557
Total	40 327	42 560	57 380	60 557

We confirm the annual report of the first half of the 2011 year from 1 to 19.

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

31 August of 2011 year.