

**Stock corporation's "Tosmare shipyard"  
report for the 3 month of 2012 year**

**( not audited )**

**Liepaia  
2012**

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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,
Igor Komarovs	Member of the board,
Boris Galkovich	Member of the board,
Names, surnames and held positions of members of the council	
Vasilij Melniks	Chairman of the council,
Sergejs Golicin	Vice-chairman of the council
Anatolijs Ustinovs	Member of the council,
Larisa Artemenko	Member of the council,
Irina Meļņika	Member of the council,
Period of account	1 January 2012 - 31.March 2012
Name and address of the auditor	Ēvalds Figurnovs Certified auditor (LZRA certificate No.38) Profesors,ekonom. habil. Doctor Auditorfirma "Sarguns" Malnavas, 13 LV - 1011, Rīga Latvia

**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 31.March 2012, 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 May of 2012

AS "Tosmare shipyard"  
report for 3m.2012year

**PROFIT OR LOSS STATEMENT**  
**for 3 month of years 2012 and 2011**

	Appendix	LVL		EUR	
		3 m.2012	3 m.2011	3 m.2012	3 m.2011
Net turnover	(1)	1 552 513	461 944	2 209 027	657 287
Production costs of sold output	(2)	(1 471 634)	(713 153)	(2 093 947)	(1 014 725)
<b>Gross profit or losses</b>		<b>80 879</b>	<b>(251 209)</b>	<b>115 080</b>	<b>(357 438)</b>
Selling costs	(3)	(3 485)	(3 555)	(4 958)	(5 058)
Administration costs	(4)	(63 255)	(61 802)	(90 004)	(87 936)
Other company's economic activity incomes	(5)	21 830	10 718	31 061	15 250
Other company's economic activity costs	(6)	(21 322)	(9 737)	(30 338)	(13 855)
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					
Long-term financial investments and write off of short-term securities values					
Interest payments and similar costs	(7)	(14 913)	(16 865)	(21 219)	(23 997)
<b>Profit or loss before extraordinary items and taxes</b>		<b>(266)</b>	<b>(332 450)</b>	<b>(378)</b>	<b>79 240</b>
Extraordinary incomes					
Extraordinary costs					
<b>Profit or loss before taxes</b>		<b>(266)</b>	<b>(332 450)</b>	<b>(378)</b>	<b>79 240</b>
Company's income tax for the year of account					
Deferred tax					
Other taxes	(8)		(7 054)		(10 037)
<b>Profit or loss of the year of account</b>		<b>(266)</b>	<b>(339 504)</b>	<b>(378)</b>	<b>69 203</b>

Chairman of the board  
31 May of 2012

/Ivica Galich/

AS "Tosmare shipyard"  
report for 3m.2012year

**BALANCE on 31. March 2012 and 2011**

	LVL		EUR		
	Appendix	2012	2011	2012	2011
<b>ACTIVE</b>					
<b>Long-term investments</b>					
<b>I. Intangible investments</b>					
Company's development costs					
Concessions, patents, licenses, trade marks and similar rights					
Other intangible investments		1 076	1 524	1 531	2169
Intangible value of the company					
Advance payments for intangible investments					
<b>Intangible investments total</b>	(8)	<b>1 076</b>	<b>1 524</b>	<b>1531</b>	<b>2 169</b>
<b>II. Fixed assets</b>					
Lands, buildings, constructions, perennial plantations		1 761 901	1 680 242	2 506 959	2 390 769
Long-term investments in leased fixed assets					
Equipment and machines		1 539 515	617 644	2 190 532	878 828
Other fixed assets and inventory		33 840	36 284	48 150	51 627
Forming of fixed assets and costs of unfinished objects of construction		192 308	9 068	273 630	12 903
Advance payments for fixed assets					
<b>Fixes assets total</b>	(9)	<b>3 527 564</b>	<b>2 343 238</b>	<b>5 019 271</b>	<b>3 334 127</b>
<b>III. Investment property</b>					
<b>IV. Biological actives</b>					
<b>V. Long-term financial investments</b>					
Participation in capital of related companies					
Loans to related companies					
Participation in capital of affiliated companies					
Loans to affiliated companies					
Other securities and investments					
Other loans and other long-term debtors					
Own stocks and shares					
Loans to shareholders or participants and management					
<b>Long-term financial investments total</b>					
<b>Long-term investments total</b>		<b>3 528 640</b>	<b>2 344 762</b>	<b>5 020 802</b>	<b>3 336 296</b>
<b>Current assets</b>					
<b>I. Stocks</b>					
Raw materials, direct materials and auxiliary materials	(10)	958 536	676 703	1 363 874	962 862
Unfinished products					
Complete products and goods for sale					
Unfinished orders	(11)	581 288	475 423	827 098	676 466
Advance payments for goods	(12)	51 549	47	73 348	66
<b>Stocks totally</b>		<b>1 591 373</b>	<b>1 152 173</b>	<b>2 264 320</b>	<b>1 639 394</b>
<b>II. For selling held long-term investments</b>					
<b>III. Debtors</b>					
Debts of customers and clients	(13)	2 267 503	2 092 495	3 226 366	2 977 352
Accrued incomes					
Other debtors	(14)	50 345	133 323	71 634	189 702
Undeposited shares in company's capital					
Short - term loans to joint owners and management					
Next periods costs					
<b>Debtors total</b>		<b>2 317 848</b>	<b>2 225 818</b>	<b>3 298 000</b>	<b>3 167 054</b>
<b>IV. Short-term financial investments</b>					
Participation in capital of related companies					
Own stocks and shares					
Other securities and participation in capitals					
Derivative financial instruments					
<b>Securities and participation in capitals total</b>					
<b>V. Cash assets</b>	(15)	<b>4 554</b>	<b>4 850</b>	<b>6 480</b>	<b>6 901</b>
<b>Current assets total</b>		<b>3 913 775</b>	<b>3 382 841</b>	<b>5 568 800</b>	<b>4 813 349</b>
<b>Actives total</b>		<b>7 442 415</b>	<b>5 727 603</b>	<b>10 589 602</b>	<b>8 149 645</b>

Chairman of the board

/Ivica Galich/

31 May of 2012

AS "Tosmare shipyard"  
report for 3m.2012year

<b>BALANCE on 31.March 2012 and 2011</b>	Appendix	<b>LVL</b>		<b>EUR</b>	
		<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b><u>PASSIVE</u></b>					
<b>I. Equity capital</b>					
Stock or share capital (equity capital)	(16)	3 203 397	3 203 397	4 558 023	4 558 023
Stock issue extra charge					
Long - term investment reestimation reserve	(17)	645 278		918 148	
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		374 706	398 589	533 158	567 141
retained profit of the year of accountant		(266)	(339 504)	(378)	(483 071)
retained profit, amount		374 440	59 085	532 780	84 070
<b>Equity capital total</b>		<b>4 223 115</b>	<b>3 262 482</b>	<b>6 008 951</b>	<b>4 642 093</b>
<b>II. Provisions</b>					
Provision for pensions and similar obligations					
Provision for prospective taxes					
Other provisions	(18)	37 950	40 327	53 998	57 380
<b>Provisions total</b>		<b>37 950</b>	<b>40 327</b>	<b>53 998</b>	<b>57 380</b>
<b>III. Creditors</b>					
<b>I. Long-term debts to creditors</b>					
Borrowings from credit institutions					
Other borrowings					
Leasing liabilities					
From customers received borrowings					
Debts to suppliers and contractors					
Debts to related companies					
Debts to associated companies					
Tax and social security payments					
Other creditors					
Deferred income liabilities	(19)	177 133	178 477	252 037	253 950
Unpaid dividends		4	4	6	6
Next periods incomes					
<b>Long-term debts to creditors total</b>		<b>177 137</b>	<b>178 481</b>	<b>252 043</b>	<b>253 956</b>
<b>II. Short-term debts to creditors</b>					
Borrowings from credit institutions	(20)	1 379 535	1 400 843	1 962 902	1 993 220
Other borrowings					
Leasing liabilities					
From customers received borrowings	(21)	30 579	94 787	43 510	134 870
Debts to suppliers and contractors	(22)	1 063 190	590 277	1 512 783	839 889
Debts to related companies	(23)	362 666	9 390	516 027	13 361
Debts to associated companies					
Tax and social security payments	(24)	107 317	103 013	152 698	146 574
Other creditors	(25)	60 926	48 003	86 690	68 302
Next periods incomes					
Unpaid dividends					
Accrued liabilities					
Derivative financial instruments					
<b>Short-term debts to creditors total:</b>		<b>3 004 213</b>	<b>2 246 313</b>	<b>4 274 610</b>	<b>3 196 216</b>
<b>Creditors total:</b>		<b>3 181 350</b>	<b>2 424 794</b>	<b>4 526 653</b>	<b>3 450 172</b>
<b>Passives total</b>		<b>7 442 415</b>	<b>5 727 603</b>	<b>10 589 602</b>	<b>8 149 645</b>

Chairman of the board

/Ivica Galich/

31 May of 2012

**CASH FLOW STATEMENT**

for 3 month 2012 and 2011 (according to direct method)

	LVL		EUR	
	3 m.2012	3 m.2011	3 m.2012	3 m.2011
<b>I. Cash flow of basic activity</b>				
Incomes from selling the products and rendering of services	1 201 517	739 301	1 709 605	1 051 930
Payments to suppliers, employees, other basic activity expenses	(1 167 796)	(774 032)	(1 661 624)	(1 101 348)
Other company's basic activity incomes or expenses				
<b>Gross cash flow of basic activity</b>	<b>33 721</b>	<b>(34 731)</b>	<b>47 981</b>	<b>(49 418)</b>
Expenses for interest payments	(14 164)	(15 823)	(20 154)	(22 514)
Expenses for company's income tax payments	(2 768)		(3 939)	
<b>Cash flow before extraordinary items</b>	<b>16 789</b>	<b>(50 554)</b>	<b>23 888</b>	<b>(71 932)</b>
Cash flow from extraordinary items				
<b>Net cash flow of basic activity</b>	<b>16 789</b>	<b>(50 554)</b>	<b>23 888</b>	<b>(71 932)</b>
<b>II. Cash flow of investment activity</b>				
Acquisition of stocks or shares of related or associated companies				
Incomes from detinue of stocks or shares of related or associated companies				
Acquisition of fixed assets and intangible investments	(5 639)	(5 038)	(8 024)	(7 169)
Incomes from selling fixed assets and intangible investments				
Issued loans				
Incomes from repayment of loans				
Received interests				
Received dividends				
<b>Net cash flow of investment action</b>	<b>(5 639)</b>	<b>(5 038)</b>	<b>(8 024)</b>	<b>(7 169)</b>
<b>III. Cash flow of financing action</b>				
Incomes from shares and bonds or capital participation stock investments				
Received loans		47 977		68 265
Received subsidies, grants, gifts or donations				
Expenses for repayment of loans	(17 421)		(24 787)	0
Expenses for ransom of leased fixed asset				
Paid dividends				
<b>Net cash flow of financing action</b>	<b>(17 421)</b>	<b>47 977</b>	<b>(24 787)</b>	<b>68 265</b>
<b>IV. Result of foreign exchange rate fluctuations</b>				
<b>Net increase or decrease of cash and its equivalents</b>	<b>(6 271)</b>	<b>(7 615)</b>	<b>(8 923)</b>	<b>(10 836)</b>
<b>Cash and its equivalents residue at the beginning of the year of account</b>	<b>10 825</b>	<b>12 465</b>	<b>15 403</b>	<b>17 736</b>
<b>Cash and its equivalents residue at the end of the year of account</b>	<b>4 554</b>	<b>4 850</b>	<b>6 480</b>	<b>6 900</b>

Chairman of the board  
31 May of 2012

/Ivica Galich/



**EQUITY CAPITAL CHANGE REPORT**

for 3 month of years 2012 and 2011

Position Title	LVL		EUR	
	2012.03.31.	2011.03.31.	2012.03.31.	2011.03.31.
<b>1. Stock capital (Core Capital)</b>				
1.1. Sum Indicated in the Previous Year's Balance	3 203 397	3 203 397	4 558 023	4 558 023
1.2. Correction of the Sum Indicated in the Previous Year's Balance				
1.3. Stock Capital (Core Capital) Increase / Decrease				
1.8. Sum Indicated in the Accounting Year's Balance at the End of the Period	3 203 397	3 203 397	4 558 023	4 558 023
<b>2. Emission of Shares addition</b>				
2.1. Sum Indicated in the Previous Year's Balance				
2.2. Correction of the Sum Indicated in the Previous Year's Balance				
2.3. Emission of Shares Addition Increase / Decrease				
2.8. Sum Indicated in the Accounting Year's Balance at the End of the Period				
<b>3. Long Term Investment's Adjustment Reserve</b>				
3.1. Sum Indicated in the Previous Year's Balance				
3.2. Correction of the Sum Indicated in the Previous Year's Balance				
3.3. Long Term Investment's Adjustment Surplus Increase / Decrease				
3.8. Sum Indicated in the Accounting Year's Balance at the End of the Period				
<b>4. Financial Instrument's Adjustment Reserve</b>				
4.1. Sum Indicated in the Previous Year's Balance				
4.2. Correction of the Sum Indicated in the Previous Year's Balance				
4.3. Financial Instrument's Adjustment Reserve Surplus Increase /Decrease				
4.8. Sum Indicated in the Accounting Year's Balance at the End of the Period				
<b>5. Reserves</b>				
5.1. Sum Indicated in the Previous Year's Balance				
5.2. Correction of the Sum Indicated in the Previous Year's Balance				
5.3. reserves Surplus Increase /Decrease	645 278		918 148	
5.8. Sum Indicated in the Accounting Year's Balance at the End of the Period	<b>645 278</b>		<b>918 148</b>	
<b>6. Retained Earnings</b>				
6.1. Sum Indicated in the Previous Year's Balance	<b>374 706</b>	<b>398 589</b>	<b>533 158</b>	<b>567 141</b>
6.2. Correction of the Sum Indicated in the Previous Year's Balance				
6.3. Retained Earning Increase / Decrease	(266)	(339 504)	(378)	(483 071)
Losses for 3 month of 2011		(339 504)		(483 071)
Losses for 3 month of 2012	(266)		(378)	
6.8. Sum Indicated in the Accounting Year's Balance at the End of the Period	<b>374 440</b>	<b>59 085</b>	<b>532 780</b>	<b>84 070</b>
<b>7. Equity</b>				
7.1. Sum Indicated in the Previous Year's Balance	<b>3 578 103</b>	<b>3 601 986</b>	<b>5 091 182</b>	<b>5 125 164</b>
7.2. Correction of the Sum Indicated in the Previous Year's Balance				
7.3. Equity increase /Decrease	645 012	(339 504)	917 770	(483 071)
7.8. Sum Indicated in the Accounting Year's Balance at the End of the Period	<b>4 223 115</b>	<b>3 262 482</b>	<b>6 008 952</b>	<b>4 642 093</b>

EPS on 31.03.2012. LVL (-266 : 3 203 397) = - 0,0001 LVL or - 0,0001 EUR;

EPS on 31.03.2011. LVL (-339504 : 3 203 397) = - 0,1060 LVL or - 0,1508 EUR;

Chairman of the board /Ivica Galich/

Appendix from 9. to 18 page is an itegral part of this annual report.

31 May of 2012

**APPENDIX**  
**ACCOUNTING POLICY**

**(1) General principles**

Annual report is prepared according to laws of the Republic of Latvia "About book-keeping", "About annual report" 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 period of account, accounting and evaluation methods used by the Company has not been changed.

Annual 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.

	<b>31.03.2012.</b>	<b>31.03.2011.</b>
	LVL	LVL
1 USD	0,528000	0,499000
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:

	<b>Years</b>	<b>%</b>
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 appendixes**  
**Appendixes to profit or loss statement**

(1) <u>Net turnover</u>	LVL		EUR	
	3 m. 2012	3 m.2011	3 m. 2012	3 m.2011
Incomes from ship building	691 559	127 860	984 000	181 928
Incomes from ship repair services	719 055	310 916	1 023 123	442 394
Other incomes	141 899	23 168	201 904	32 965
<b>Total</b>	<b>1 552 513</b>	<b>461 944</b>	<b>2 209 027</b>	<b>657 287</b>
<b>Per geographic regions</b>				
Incomes from service selling in local market	822 251		1 169 957	
Incomes from service selling to				
Russia	268 913	263 875	382 629	375 460
Marshala's island	4 363		6 208	
Malta	5 892		8 384	
Saint Vincent		37 325		53 109
Kipra	247 261	5 791	351 821	8 240
Lietuvania		492		700
Antigua Burbuda		9 716		13 825
Dania		689		980
Faros island		127 860		181 928
Ruminia	15 617		22 221	
Ukraina	157 525		224 138	
Germany	30 691	16 196	43 669	23 045
	<b>1 552 513</b>	<b>461 944</b>	<b>2 209 027</b>	<b>8 578 520</b>
<b>(2) Production costs of sold goods</b>				
Material purchase costs	479 951	122 519	682 909	174 329
Employees salary	233 284	107 509	331 933	152 971
Social insurance costs	54 484	25 108	77 524	35 725
Electricity costs	92 284	56 451	131 308	80 323
Depreciation of fixed assets	76 565	53 678	108 942	76 377
Contagent's services	413 190	275 428	587 916	391 899
Running repairs of equipment	43 705	22 964	62 187	32 675
Running repairs of buildings	8 075	5 005	11 490	7 121
Security staff	18 114	10 242	25 774	14 573
Lease payment	10 041	7 899	14 287	11 239
Services from outside	40 339	24 768	57 398	35 242
Other costs	1 602	1 582	2 279	2 251
<b>Total</b>	<b>1 471 634</b>	<b>713 153</b>	<b>2 093 947</b>	<b>1 014 725</b>

**Appendixes to profit or loss statement (continuation)**

(3) Selling costs	LVL		EUR	
	3 m.2012	3 m.2011	3 m.2012	3 m.2011
Media advertising expenditures	2 197	2 553	3 126	3 633
Business trips	1 288	1 002	1 832	1 425
<b>Total</b>	<b>3 485</b>	<b>3 555</b>	<b>4 958</b>	<b>5 058</b>

  

(4) Administration costs	LVL		EUR	
	3 m. 2012	3 m.2011	3 m. 2012	3 m.2011
Communication costs	693	699	986	994
Reward for the board	17 703	16 281	25 189	23 166
Reward for the council	25 500	25 500	36 283	36 283
Social insurance costs	10 111	9 888	14 387	14 069
Office maintenance costs	1 276	1 040	1 816	1 480
Stock exchange costs	3 125	3 750	4 446	5 336
Lawyer's services	1 350	851	1 921	1 211
Transport costs, business trips	2 114	1 073	3 008	1 527
Bank services	998	2 044	1 420	2 908
Representation expenses	385	676	548	962
<b>Total</b>	<b>63 255</b>	<b>61 802</b>	<b>90 004</b>	<b>87 936</b>

  

(5) Other incomes from company's economic activity				
Incomes from realization of materials	1 902	230	2 706	327
Incomes from rent	10 147	4 199	14 438	5 975
Incomes from exchange rate fluctuations		74		105
Incomes from tugboat's services	5 369	2 302	7 639	3 275
Other incomes	4 412	3 913	6 278	5 568
<b>Total</b>	<b>21 830</b>	<b>10 718</b>	<b>31 061</b>	<b>15 250</b>

  

(6) Other expenses from company's economic activity				
Fixed assets exclusion expenses		179		255
Material purchase expenses	621		884	
Personnel expenses (material assistance)	150	220	213	313
Tugboat's services expenses	15 802	8 681	22 484	12 352
Dotations	516	451	734	642
Losses from exchange rate fluctuations	3 299		4 694	
Other	260		370	
<b>Total</b>	<b>20 388</b>	<b>9 531</b>	<b>29 009</b>	<b>13 562</b>

  

(7) Interest payments and similar expenses				
Paid interests	14 164	15 823	20 153	22 514
Paid fines	749	1 042	1 066	1 483
<b>Total</b>	<b>14 913</b>	<b>16 865</b>	<b>21 219</b>	<b>23 997</b>

Appendixes to balance sheet on 31.03.2011.

(8) Intangible investments

	Concessions, patents, licenses, trade marks and similar rights	Research work and company's development expenses	Other intangible investments (computer pr.)	Company's intangible value	Advance payments for intangible investments	Total
	Ls	Ls	Ls	Ls	Ls	Ls
<b>Undepreciated value</b>						
31.12.2011.			12 431			12 431
Purchased						0
Written off						0
Reestimated						0
31.03.2012.	0	0	12 431	0	0	12 431
<b>Depreciation</b>						
31.12.2011.			11 263			11 263
Calculated			92			92
Written off						0
31.03.2012.	0	0	11 355	0	0	11 355
<b>Residual value 31.12.2011</b>	<b>0</b>	<b>0</b>	<b>1 168</b>	<b>0</b>	<b>0</b>	<b>1 168</b>
<b>Residual value 31.03.2012</b>	<b>0</b>	<b>0</b>	<b>1 076</b>	<b>0</b>	<b>0</b>	<b>1 076</b>

	EUR	EUR	EUR	EUR	EUR	EUR
<b>Undepreciated value</b>						
31.12.2011.			17 688			17 688
Purchased			0			0
Written off						0
Reestimated						0
31.03.2012.	0	0	17 688	0	0	17 688
<b>Depreciation</b>						
31.12.2011.			16 026			16 026
Calculated			131			131
Written off						0
31.03.2012.	0	0	16 157	0	0	16 157
<b>Residual value 31.12.2011</b>	<b>0</b>	<b>0</b>	<b>1 662</b>	<b>0</b>	<b>0</b>	<b>1 662</b>
<b>Residual value 31.03.2012</b>	<b>0</b>	<b>0</b>	<b>1 531</b>	<b>0</b>	<b>0</b>	<b>1 531</b>

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(11) Fixed assets

	Land, buildings, constructions	Equipment and machines	Long-term investments in leased fixed assets	Other fixed assets and inventory	Formation of fixed assets	Advance payments for fixed assets	Unfinished construction works	Total
	Ls	Ls	Ls	Ls	Ls	Ls	Ls	Ls
<b>Undepreciated value</b>								
<b>31.12.2011.</b>	<b>2 437 226</b>	<b>2 609 055</b>		<b>109 448</b>			<b>133 394</b>	<b>5 289 123</b>
Purchased	43 029	675 727		726			117 811	837 293
Written off		461 448					58 897	520 345
Reestimated								0
<b>31.03.2012.</b>	<b>2 480 255</b>	<b>2 823 334</b>	<b>0</b>	<b>110 174</b>	<b>0</b>	<b>0</b>	<b>192 308</b>	<b>5 606 071</b>
<b>Depreciation</b>								
<b>31.12.2011.</b>	<b>697 897</b>	<b>1 703 854</b>		<b>74 146</b>				<b>2 475 897</b>
Calculated	20 457	41 413		2 188				64 058
Written off		461 448						461 448
<b>31.03.2012.</b>	<b>718 354</b>	<b>1 283 819</b>	<b>0</b>	<b>76 334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 078 507</b>
<b>Residual value 31.12.2011</b>	<b>1 739 329</b>	<b>905 201</b>	<b>0</b>	<b>35 302</b>	<b>0</b>	<b>0</b>	<b>133 394</b>	<b>2 813 226</b>
<b>Residual value 31.03.2012</b>	<b>1 761 901</b>	<b>1 539 515</b>	<b>0</b>	<b>33 840</b>	<b>0</b>	<b>0</b>	<b>192 308</b>	<b>3 527 564</b>
<b>Undepreciated value</b>								
<b>31.12.2011.</b>	<b>3 467 860</b>	<b>3 712 351</b>		<b>155 730</b>			<b>189 803</b>	<b>7 525 744</b>
Purchased	61 225	961 472		1 033			167 630	1 191 360
Written off		656 581					83 803	740 384
Reestimated								0
<b>31.03.2012.</b>	<b>3 529 085</b>	<b>4 017 242</b>	<b>0</b>	<b>156 763</b>	<b>0</b>	<b>0</b>	<b>273 630</b>	<b>7 976 720</b>
<b>Depreciation</b>								
<b>31.12.2011.</b>	<b>993 018</b>	<b>2 424 366</b>		<b>105 500</b>				<b>3 522 884</b>
Calculated	29 108	58 925		3 113				91 146
Written off		656 581						656 581
<b>31.03.2012.</b>	<b>1 022 126</b>	<b>1 826 710</b>	<b>0</b>	<b>108 613</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 957 449</b>
<b>Residual value 31.12.2011</b>	<b>2 474 842</b>	<b>1 287 985</b>	<b>0</b>	<b>50 230</b>	<b>0</b>	<b>0</b>	<b>189 803</b>	<b>4 002 860</b>
<b>Residual value 31.03.2012</b>	<b>2 506 959</b>	<b>2 190 532</b>	<b>0</b>	<b>48 150</b>	<b>0</b>	<b>0</b>	<b>273 630</b>	<b>5 019 271</b>



Appendixes to balance sheet (continuation)

(10) Raw materials, direct materials and auxiliary materials

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
1. Metal	662 659	335 030	942 879	476 705
2. Abrasive	2 675	35 203	3 806	50 089
3. Pipes	136 458	134 198	194 162	190 947
4. Non-ferrous metals	39 415	43 812	56 083	62 339
5. Products of technical rubber	31 804	34 712	45 253	49 391
6. Other expenses	85 525	93 748	121 691	133 391
<b>Total</b>	<b>958 536</b>	<b>676 703</b>	<b>1 363 874</b>	<b>962 862</b>

(11) Unfinished products

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Ship building	481 619	120 750	685 282	171 812
Ship repair services	89 909	353 132	127 929	502 462
Other	9 760	1 541	13 887	2 192
<b>Total</b>	<b>581 288</b>	<b>475 423</b>	<b>827 098</b>	<b>676 466</b>

(12) Advance payments for goods

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Equipment	31 626		45 000	
Goods	19 923	47	28 348	67
<b>Total</b>	<b>51 549</b>	<b>47</b>	<b>73 348</b>	<b>67</b>

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

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Accounting value of purchaser's and clients' debts	2 267 503	2 092 495	3 226 366	2 977 352
<b>Net debts of purchasers and clients</b>	<b>2 267 503</b>	<b>2 092 495</b>	<b>3 226 366</b>	<b>2 977 352</b>

(14) Other debtors

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	30.06.2009.
In budget overpaid taxes	14 180	122 431	20 176	174 204
Income's tax advance payments	2 768		3 939	
Advance payments for services	33 397	10 892	47 519	15 498
<b>Total</b>	<b>50 345</b>	<b>133 323</b>	<b>71 634</b>	<b>189 702</b>

(15) Cash

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Money in cash-desk	1 983	837	2 822	1 191
Money in current accounts	2 571	4 013	3 658	5 710
<b>Total</b>	<b>4 554</b>	<b>4 850</b>	<b>6 480</b>	<b>6 901</b>

(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.
3. In 2011, 2 562 660 shares were determined as registered shares, and 640 737 shares as bearer shares; all shares are non-certificated shares / book-entry shares.

**Appendixes to balance sheet (continuation)**

**(17) Long-term investment reestimation reserve**

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Investment reestimation of water's dok	645 278		53 998	57 380
<b>Total</b>	<b>645 278</b>	<b>0</b>	<b>53 998</b>	<b>57 380</b>

**(18) Provisions**

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Accruals for holiday grants	37 950	40 327	53 998	57 380
<b>Total</b>	<b>37 950</b>	<b>40 327</b>	<b>53 998</b>	<b>57 380</b>

**(19) Deferred tax liabilities**

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Deferred tax liabilities at the beginning of year	177 133	178 477	252 038	253 950
Deferred tax liability lost in the year of account				
<b>Total</b>	<b>177 133</b>	<b>178 477</b>	<b>252 038</b>	<b>253 950</b>

**(20) Loans from credit institutions (short-term)**

	LVL	LVL	EUR	EUR
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>Total</b>	<b>1 379 535</b>	<b>1 400 843</b>	<b>1 962 902</b>	<b>1 993 220</b>

The Company has EUR 2 000 000 credit facility / credit line with AS "SEB banka".

Tehnological equipment, floating dock and two dry docks owned by the company are pledged guarantee the liabilities.

**(21) From customers received borrowing**

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Ship building	14 056	4 698	20 000	6 685
Ship repair services	16 393	90 089	23 325	128 185
Other	130		185	
<b>Total</b>	<b>30 579</b>	<b>94 787</b>	<b>43 510</b>	<b>134 870</b>

**(22) Debts to suppliers and contractors**

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Raw materials, direct materials and auxiliary materials	366 654	155 199	521 702	220 828
Services	224 913	152 870	320 022	217 515
Contractor's services	450 731	272 442	641 332	387 650
Capital assets	20 892	9 766	29 727	13 896
<b>Total</b>	<b>1 063 190</b>	<b>590 277</b>	<b>1 512 783</b>	<b>839 889</b>

**(23) Debts to related companies**

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
JSC "Riga's shipyard"	362 666	9 390	516 027	13 361
<b>Total</b>	<b>362 666</b>	<b>9 390</b>	<b>516 027</b>	<b>13 361</b>

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(24) Movement of tax liabilities for 3 month of 2012

	01.01.2012.	Calculated for 3 m. 2012	Calculated fine and delay payment	(Paid)/ repaid	Posted to/ (from) other taxes	31.03.2012.
	LVL	LVL	LVL	LVL	LVL	LVL
Value added tax	(57 661)	(45 583)		20 508	102 746	20 010
Population income tax	32 796	46 008	453		(33 406)	45 851
State social insurance compulsory payments	28 783	81 631			(69 340)	41 074
Company's income tax	(14 180)	2 768	12	(2 780)		(14 180)
Immovable property tax (land)	2 981		119	(3 100)		0
Immovable property tax (buildings)	4 072		163	(4 235)		0
Tax of natural resources	411	329	2	(414)		328
Risk duty of business	50	155		(151)		54
<b>Total</b>	<b>(2 748)</b>	<b>85 308</b>	<b>749</b>	<b>9 828</b>	<b>0</b>	<b>93 137</b>

incl.:

<b>Debt to budget</b>	<b>69 093</b>	<b>107 317</b>
<b>Overpayment</b>	<b>(71 841)</b>	<b>(14 180)</b>

	01.01.2012.	Calculated for 3 m. 2012	Calculated fine and delay payment	(Paid)/ repaid	Posted to/ (from) other taxes	31.03.2012.
	EUR	EUR	EUR	EUR	EUR	EUR
Value added tax	(82 044)	(64 859)		29 180	146 194	28 471
Population income tax	46 664	65 463	645		(47 532)	65 240
State social insurance compulsory payments	40 955	116 150			(98 662)	58 443
Company's income tax	(20 177)	3 939	17	(3 955)		(20 176)
Immovable property tax (land)	4 242		169	(4 411)		
Immovable property tax (buildings)	5 794		232	(6 026)		
Tax of natural resources	585	468	3	(589)		467
Risk duty of business	71	221		(215)		77
<b>Total</b>	<b>(3 910)</b>	<b>121 382</b>	<b>1 066</b>	<b>13 984</b>		<b>132 522</b>

incl.:

<b>Debt to budget</b>	<b>98 311</b>	<b>152 698</b>
<b>Overpayment</b>	<b>(102 221)</b>	<b>(20 176)</b>

(25) Other creditors

	LVL		EUR	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Salary	58 145	43 922	82 733	62 495
Deductions from salary	724	857	1 030	1 219
Other creditors	2 057	3 224	2 927	4 588
<b>Total</b>	<b>60 926</b>	<b>48 003</b>	<b>86 690</b>	<b>68 302</b>

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

31 May of 2012