



JSC VEF, Brīvības gatve 214, Rīga, LV-1039

JOINT STOCK COMPANY VEF
(Unified registration number 40003001328)

NON- AUDITED FINANCIAL STATEMENTS
For the period ended on September 30, 2015



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GENERAL INFORMATION

Title of enterprise	Joint stock company VEF
Legal type of enterprise	Public joint stock company
Registered:	On April 15, 1991 in the Register of Enterprises of the Republic of Latvia, re-registered on December 7, 2000 with Nbr. 000300132 On April 14, 2004 registered in the Commercial Register, Nbr. 40003001328
Taxpayers' Reg. Nbr.	LV 40003001328
Legal address	Brīvības gatve 214, Rīga, LV-1039, Republic of Latvia Phone: 7270618.
Equity capital ¹ :	EUR 2 722 492 paid and registered equity capital.
Core businesses:	*Power supply - distribution of power; *Letting and renting of real-estate property
Name of the holder of shares and share capital (%)	As on September 30, 2015: *VEF KOMUNIKĀCIJU SERVISS SIA - 45.52 % ; * Laila Līduma - 6.31 % ; * Tamāra Kampāne - 10.0 % ; * Gints Feņuks -24.49 % ; *Other shareholders - 13.68 %.
Chief executive officer:	Chairman of the Board of the Company: GINTS FENUKS
Members of the Board:	TAMĀRA KAMPĀNE MARTINS CAUNA MODRIS ZOMMERS
Members of the Supervisory Council:	ANDRIS DENINŠ INTS KALNINŠ GUNTIS LIPINŠ ARNIS ZEKUNDE
Period of account:	01.01.2015. - 30.09.2015.
Qualified auditor:	Aleksejs Litvinovs. Certificate Nbr.190

¹ Paid-up and registered equity capital 2 722 492 common shares
The company's capital consists of the 623 528 bearer shares and 1 321 109 registered shares
Nominal value of a common share is EUR 1.40.



Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the nine months of 2015.

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the middle-term financial statements of the Company. The middle-term financial statements are not audited.

Middle-term financial statements are prepared based on justifying documents and represent true and clear overview on the Company's Assets and Equity and Liabilities, its financial standing and results of activity as well as cash flows within the reporting period ended on September 30, 2015.

Accounting principles used in preparation of the middle-term financial statements have not been changed comparing to the previous reporting period. During preparation of the middle-term financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded.

The Management Board of the Company is responsible for ensuring the corresponding accounting system, securing the assets of the Company, as well as for prevention and exposure of fraud and other violation within the Company.

On behalf of the Management Board of JSC „VEF”,

Gints Feņuks
Chairman of the Management Board



ASSETS		
	EUR	EUR
	30.09.2015	30.09.2014
LONG-TERM INVESTMENTS		
Intangible assets		
Concessions, patents, licences	256	590
Total intangible assets	256	590
Fixed Assets		
Land, buildings and other property	5 511 686	5 568 515
Equipment and machinery		
Other fixed assets and inventory	36 104	86 660
Advance payments for fixed assets		
Total fixed assets	5 547 790	5 655 175
Total long-term investments	5 548 046	5 655 765
Current assets		
Inventory		
Goods for sale	0	0
Total inventory	0	0
Debtors		
Customers and client debts	65 767	93 826
Other debtors	11 891	10 618
Future period expenses	2 137	1 934
Total debtors	79 795	106 387
Cash	115 684	91 89
Total Current assets	195 479	197 476
TOTAL ASSETS	5 743 525	5 853 241



LIABILITIES		
	EUR	EUR
	30.09.2015	30.09.2014
Stockholder's Equity		
Common stock	2 722 492	2 766 969
Long-term investments revaluation reserve	801 562	801 562
Rezerve	44 477	
Total accumulation		
Retained earnings from the previous years	-1 104 359	-1 092 219
Retained earnings of the financial years	-6 713	8 563
Total stockholder's equity	2 457 459	2 484 875
PROVISIONS		
Other provisions	12 401	12 585
Total provisions	12 401	12 585
LIABILITIES		
Long-term liabilities		
Borrowings from credit institutions	2 853 641	2 993 984
Prepayments from buyers	45 999	32 106
Other liabilities	43 021	61 977
Deferred tax liability	202 900	148 066
Total long-term liabilities	3 145 561	3 236 133
Current liabilities		
Borrowings from credit institutions	35 086	35 086
Accounts payable	39 437	36 075
Taxes and social security payments	28 884	18 742
Other liabilities	11 348	10 553
Prepayments from buyers	8 573	14 513
Other loans	4 776	4 679
Total current liabilities	128 104	119 648
Total liabilities	3 273 665	3 355 781
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 743 525	5 853 241

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON SEPTEMBER
30.2015.**

		EUR 30.09.2015	EUR 30.09.2014
1	2	4	4
Net turnover	1	814 652	872 557
Cost of goods sold	2	-589 582	-634 976
Gross profit		225 070	237 581
Administrative expenses	3	-66 930	-78 087
Other income from operations	4	5 990	12 981
Other expenses from operations	5	-18 244	-3 493
Financial services income	6	0	0
Financial services expenses	7	-93 022	-112 866
Profit before taxes		52 864	56 116
Other taxes	8	-16 375	-10 916
Deferred tax		-43 202	-36 637
Net profit		-6 713	8 563

Earnings per share (EPS)
on 30.09.2014-0.0031 EUR

Earnings per share (EPS)
on 30.09.2015- 0.0000 EUR

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampane

**CASH FLOW STATEMENT FOR YEAR THAT ENDS ON SEPTEMBER 30, 2015**

	2015	2014
	30.09.	30.09.
	EUR	EUR
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before outstanding items and taxes (+)	52 864	56 116
<i>Adjustments:</i>		
fixed assets depreciation (+)	79 207	91 339
intangible assets depreciation (+)	251	308
increase/decrease in provisions	0	-1 918
profit or losses from exchange rates fluctuation (+/-)	0	0
financial service income	0	
financial services income	93 022	112 866
<i>Profit or losses before adjustments from current assets and liabilities</i>	225 344	258 711
<i>Adjustments:</i>		
debtors : increase (-); decrease (+)	26 592	19 590
inventory: increase (-); decrease (+)	0	0
liabilities: increase (-); decrease (+)	1 493	-56 465
<i>Gross cash provide by operating activities</i>	253 429	221 855
Payments for financial	-93 022	-112 866
Income tax payments	-16 375	-10 916
<i>Net cash provided by operating activities before outstanding items:</i>	144 032	98 073
Cash flow from outstanding items (-/+)	0	129
Net cash provided by operating activities :	144 032	98 202
II. CASH FLOWS FROM INVESTING ACTIVITIES :		
Fixed assets purchase	0	0
Interest received	0	0
Net cash used in investing activities :	0	0
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Expenses for borrowings repayment	-105 257	-31 695
Payment SEB Līzings, Swedlīzings	-14 180	-13 895
Net cash provided by financing activities :	-119 437	52 612
IV. Exchange rate fluctuation result :	0	0
Net cash from	24 595	52 612
CASH AT BEGINNING OF YEAR	91 089	38 477
CASH AT END OF YEAR	115 684	91 089

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
SEPTEMBER 30, 2015**

	30.09.2015 EUR	30.09.2014 EUR
Stockholder's equity		
Balance at the beginning of the financial year	2 766 969	2 766 969
Increase from		
Decrease from denomination of shares from lats to euro	44 477	
Balance at the end of the financial year	2 722 492	2 766 969
Long-term investments revaluation reserve		
Balance at the beginning of the financial year	801 562	801 562
Increase from		
Decrease from		
Balance at the end of the financial year	801 562	801 562
Accumulations		
Balance at the beginning of the financial year	0	0
Increase from denomination of shares from lats to euro	44 477	0
Decrease from		
Balance at the end of the financial year	44 477	0
Retained earnings		
Balance at the beginning of the financial year	-1 104 359	-1 092 219
Profit or losses of the financial year	-6 713	8 563
Dividendes		
Included in accumulations		
Balance at the end of the financial year	-1 111 072	-1 083 656
Stockholder's equity (total)		
Balance at the beginning of the financial year	2 484 875	2 487 198
Balance at the end of the financial year	2 457 459	2 484 875

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first nine months of 2015 from its core business-service provision without VAT

Type of commercial operations	2015.09.30	2014.09.30
	EUR	EUR
power supply, distribution and servicing	221 834	223 891
office renting service	430 784	460 840
utility services	162 034	187 826
Total	814 652	872 557

Distribution of net turnover by geographical markets

Country	2015.09.30	2014.09.30
	EUR	EUR
Latvia	814 652	872 557
Total	814 652	872 557

(2) Cost of sales

	2015.09.30	2014.09.30
	EUR	EUR
labor and social payments	126 738	135 757
depreciation	79 207	91 339
transport	5 999	7 144
residential services (electricity, water)	280 618	311 691
personnel training	229	237
telecommunication service	997	1 140
other costs tied to commercial operations	86 954	77 511
insurance (buildings)	4 069	3 421
land rent to LPA	4 520	4 520
depreciation of license	251	308
travel expenses	0	1 908
Total	589 582	634 976



(3) Costs of administration	2015.09.30	2014.09.30
	EUR	EUR
labor and social payments	50 034	59 480
telecommunication service	997	1 140
office supplies	767	1 244
cash turnover expenses	220	193
transport expenses for administrative needs	5 999	7 144
representative expenses	116	21
legal assistance or raid	2 572	2 640
RFB annual fee	6 225	6 225
Total	66 930	78 087

(4) Other revenues from commercial operation	2015.09.30	2014.09.30
	EUR	EUR
finances	1 560	2 250
other revenues	4 430	10 283
insurance recompense	0	448
Total	5 990	12 981

(5) Other costs of commercial operations	2015.09.30	2014.09.30
	EUR	EUR
60% of representative costs	205	39
donations to Latvian orphans fund	251	801
allowances and bonuses	1 016	991
provisions for doubtful debts	15 342	0
finances	863	1 662
Other expenses	567	0
Total	18 244	3 493



Payments of interest and similar expenses

(6)		2015.09.30	2014.09.30
		EUR	EUR
	credit interests	91 824	111 128
	Swedbank lizings	311	457
	SEB Lizings	887	1 281
	Total	93 022	112 866

(7)	Other taxes	2015.09.30	2014.09.30
		EUR	EUR
	real estate tax (buildings,land)	16 375	10 916
	Total	16 375	10 916