

Profit and Loss account (LVL)

	Consolidated- Group	Parent company
	<u>* 3 months of 2004</u>	<u>** 3 months of 2003</u>
NET SALES	14 190 562	6 790 489
Cost of sales	<u>(11 933 079)</u>	<u>(4 944 402)</u>
GROSS PROFIT	2 257 483	1 846 087
Sales and distribution expenses	(343 159)	
General and administrative expense	<u>(1 148 147)</u>	<u>(1 333 882)</u>
Other operating income/(expense), net	<u>(610 389)</u>	<u>(67 941)</u>
RESULT FROM OPERATING ACTIVITIES	155 787	444 264
Net result/(loss) in subsidiaries and associated entities, net		0
Non-operating income/ (expense), net	(1 576)	(111 774)
Financial income / (expense), net	<u>(34 309)</u>	<u>(81 786)</u>
RESULT BEFORE TAXES	119 902	250 704
Corporate income tax	(81 238)	
Other taxes	<u>(236 487)</u>	<u>(245 300)</u>
NET RESULT BEFORE MINORITY INTEREST	(197 823)	5 404
Minority interest	232 541	
NET RESULT FOR THE YEAR	34 718	5 404

Olga Pētersone
Chairperson

Balance Sheet

ASSETS	Consolidated- Group	Parent company
	<u>* 31.03.2004.</u>	<u>** 31.03.2003.</u>
NON CURRENT ASSETS		
Intangible assets	35 615 944	1 627 966
Property, plant and equipment:		
Land, buildings and networks	113 758 984	70 015 505
Machinery and equipment	43 775 117	10 056 480
Other property, plant and equipment	7 290 290	7 497 117
Construction in progress	17 395 195	4 271 085
Prepayments for property, plant and equipment	<u>6 562 433</u>	<u>145 437</u>
Total property, plant and equipment	<u>188 782 019</u>	<u>91 985 624</u>
Investments:		
Investments in subsidiaries and associated entities		107 920 158
Long-term loan to related party	237 811	250 000
Other long-term loans	1 101 357	821 509
Total investments	<u>1 339 168</u>	<u>108 991 667</u>
Total non current assets	<u>225 737 130</u>	<u>202 605 257</u>
CURRENT ASSETS		
Inventory	14 492 541	3 181 124
Current portion of long-term loan to related party	137 764	
Current portion of other long-term loans	14 630 305	3 181 124
Debtors:		
Trade accounts receivable	6 693 593	3 131 886
Accounts receivable from related party	3 404 377	40 640
Other accounts receivable	4 730 131	4 426 705
Prepaid expense	2 254 153	577 246
Short-term loans	4 804 315	140 000
Accrued incomes	<u>1 260 461</u>	<u>704 304</u>
Total debtors:	<u>23 147 030</u>	<u>9 020 781</u>
Own shares	30 100	60 000
Trading investments	34 998 365	34 996 588
Cash and cash equivalents	<u>5 656 447</u>	<u>1 812 245</u>
Total current assets	<u>78 462 247</u>	<u>49 070 738</u>
TOTAL ASSETS	<u>304 199 377</u>	<u>251 675 995</u>

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LIABILITIES AND SHAREHOLDERS' EQUITY	Consolidated- Group*	Parent company**
	<u>31.03.2004.</u>	<u>31.03.2003.</u>
SHAREHOLDERS' EQUITY		
Share capital	104 479 519	104 479 519
Share premium	42 342 578	42 342 578
Restricted reserves	11 209 725	9 403 866
Other reserves	84 617 775	84 738 133
Previous year unappropriated result	<u>(6 924 771)</u>	2 728 796
Current year unappropriated result	<u>34 718</u>	<u>5 404</u>
Total shareholders' equity	<u>235 759 544</u>	<u>243 698 296</u>
MINORITY INTEREST	<u>41 790 928</u>	
PROVISIONS FOR LIABILITIES/CHARGES		
Deferred corporate income tax	3 131 829	1 441 516
Provisions	<u>6 502 430</u>	<u>3 562 398</u>
Total provisions	<u>9 634 259</u>	<u>5 003 914</u>
LONG-TERM LIABILITIES		
Long-term portion of financial lease liability		
Long-term loan from credit institution	1 687 426	
Total long-term liabilities:	<u>1 687 426</u>	
CURRENT LIABILITIES		
Short-term portion of long-term loan	3 170 039	
Other loans from related party	3 472 560	
Financial lease liabilities	706 439	
Advances from customers	128 329	36 939
Trade accounts payable	4 605 487	1 871 286
Accounts payable to related party	224 776	
Accrued liabilities	2 044 456	1 058 045
Other liabilities	601 792	<u>7 515</u>
Deferred income	373 342	
Total current liabilities	<u>15 327 220</u>	<u>2 973 785</u>
TOTAL LIABILITIES	<u>304 199 377</u>	<u>251 675 995</u>

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Group
three months of 2004*

Parent Company
three months of 2003**

* The Quarterly Finance Reports of *Ventspils Nafta*, JSC in 2004 are consolidated for the first time, considering the improvement of the management structure of *Ventspils Nafta*, including the outsourcing of the operating activities from *Ventspils Nafta* Parent Company as well as empowering *Ventspils Nafta* Parent Company to perform the functions of the central holding company from October 1, 2003.

** *Ventspils Nafta*, JSC is shown in the Finance Report for the 1Q of 2003 as the Parent Company of the Holding that was involved in the direct operating activities – the transshipment of crude oil and petroleum products up to the October 1, 2003.