



AS VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

REPORT FOR THE NINE MONTHS OF 2005

Ventspils, 2005

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General information

Name	AS Ventspils nafta
Type of entity	Joint stock company
Registration	50003003091 Riga, 9 May 1991 Registered in Commercial Register on 5 August 2004
Legal address	75 Talsu street, LV-3600, Ventspils, Republic of Latvia From 22 January 2004: Ostas street 23, LV-3600, Ventspils, Republic of Latvia
Subsidiaries of AS Ventspils nafta	SIA LatRosTrans (66%) 7 Balvu street, LV-5043, Daugavpils SIA Ventspils nafta termināls (100%) 75 Talsu street, LV-3600, Ventspils AS Preses nams (92.99%) 3 Balasta dambis, LV-1081, Riga SIA Mediju nams (99.31%) 3 Balasta dambis, LV-1081, Riga SIA Rīgas Līcis VN (100%) 51 Dubultu prospekts, LV-2015, Jūrmala SIA Nekustamie Īpašumi VN (100%) 3 Balasta dambis, LV-1081, Riga
Associated entities of the Group	AS Latvijas kuģniecība (49.94%) 2 Basteja bulvāris, LV-1807, Riga SIA Mediji un Poligrāfija (32.70%) 3 Balasta dambis, LV-1081, Riga SIA Ventshoes (21.44%) 6 I.Mičurina iela, LV-3601, Ventspils SIA Futbola klubs Ventspils (30%) 20a Dzintaru iela, LV-3602, Ventspils

Subsidiaries of SIA Nekustamie
Īpašumi VN

SIA Darījumu centrs Daugava (100%)
3 Balasta dambis, LV-1081, Rīga

SIA Namserviss VN (100%)
3 Balasta dambis, LV-1081, Rīga

SIA Ventspils biznesa centrs (100%)
3 Balasta dambis, LV-1081, Rīga

SIA under liquidation Maikapara nams (100%)
3 Balasta dambis, LV-1081, Rīga

SIA Lejastiezumi (100%)
3 Balasta dambis, LV-1081, Rīga

SIA Pārventas sporta centrs (100%)
3 Balasta dambis, LV-1081, Rīga

Council of AS Ventspils nafta

Chairman of the Council:

Mamerts Vaivads

Deputy Chairman of the Council:

Vladimirs Solomatins

Romāns Mežeckis

Vladimirs Krastiņš

Members of the Council:

Jānis Blaževics

Kārlis Boldiševics

Mārtiņš Jansons

Aivars Tiesnesis

Dans Titavs

Ivars Pāže

Uldis Pumpurs

Board of AS Ventspils nafta

Members of the Board:

Olga Pētersone

Aldis Āķis

Ilva Purēna

Guntis Tīrmanis

Income Statement

	Group	
	9 months of 2005	9 months of 2004
	EUR thousand	EUR thousand
Net sales	90 799	57 281
Cost of sales	(80 901)	(50 779)
Gross profit	9 898	6 502
Sales and distribution expense	(1 711)	(1 564)
General and administrative expense	(6 807)	(7 658)
Other operating income/(expense), net	17 026	5 034
Result from operating activities	18 405	2 313
Gain/ (loss) in subsidiaries and associated entities, net	7 067	-
Non-operating expense	(56)	(223)
Financial income/ (expense), net	295	(58)
Result before taxes	25 711	2 032
Corporate income tax	(3 735)	(913)
Other taxes	(621)	(638)
Net result before minority interest	21 355	481
Minority interest	(813)	1 316
Net result for the year	20 542	1 796

Earnings per share

in EUR per share

0,197

EUR exchange rate of the Bank of Latvia on September 30.,2005 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairman of the Board

Balance Sheet

ASSETS

	Group	
	30/09/2005	30/09/2004
	EUR thousand	EUR thousand
NON CURRENT ASSETS		
Intangible assets	50 671	49 325
Property, plant and equipment		
Land, buildings and networks	149 647	146 940
Investment properties	39 004	-
Machinery and equipment	88 343	70 835
Other property, plant and equipment	7 716	9 503
Construction in progress	13 542	38 448
Prepayments for property, plant and equipment	4 434	5 451
TOTAL	302 686	271 178
Investments		
Investments in subsidiaries and associated entities	138 603	-
Long-term loan to related parties	-	-
Other long-term loans to corporate entities	1 568	1 563
TOTAL	140 171	1 563
TOTAL NON CURRENT ASSETS	493 528	322 066
CURRENT ASSETS		
Inventories	14 590	17 171
Current portion of long-term receivables	60	-
Short-term loans to related parties	-	4 777
Trade accounts receivable	10 792	8 525
Accounts receivable from related party	8	12
Other accounts receivable	2 067	5 303
Prepaid expense	1 620	1 386
Accrued income	823	229
Trading investments	73	50 026
Cash and cash equivalents	19 635	10 042
TOTAL CURRENT ASSETS	49 667	97 471
TOTAL ASSETS	543 194	419 537

EUR exchange rate of the Bank of Latvia on September 30.,2005 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairman of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group	
	30/09/2005	30/09/2004
	EUR thousand	EUR thousand
SHAREHOLDERS' EQUITY		
Share capital	148 660	148 660
Share premium	60 248	60 249
Long-term assets revaluation reserve	147	-
Foreign currency translation reserve	(12 916)	-
Restricted reserves	-	15 950
Other reserves	219 334	107 209
Current year unappropriated result	20 542	1 796
MINORITY INTEREST	59 649	63 571
TOTAL SHAREHOLDERS' EQUITY	495 664	397 435
PROVISIONS		
Other provisions	247	264
	21 060	5 826
TOTAL PROVISIONS	21 307	6 091
LIABILITIES		
Long-term liabilities		
Long-term portion of financial lease liability	4 268	2 401
TOTAL	4 268	2 401
Current liabilities		
Short-term portion of long-term loan	12 124	2 729
Advances from customers	274	374
Trade accounts payable	5 676	6 346
Accounts payable to related party	8	14
Taxes payable	584	519
Accrued liabilities	2 828	3 427
Deferred income	462	202
TOTAL	21 956	13 610
TOTAL LIABILITIES	26 224	16 011
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	543 194	419 537

EUR exchange rate of the Bank of Latvia on September 30.,2005 – 0.702804 LVL

On behalf of the Board:

 Olga Pētersone
 Chairman of the Board

Statement of Cash Flows

	Group	
	9 months of 2005	9 months of 2004
	LVL thousand	LVL thousand
Cash flow from/ (to) operating activities		
Net Result	20 542	1 796
Changes due to changed accounting standards	67 776	-
Amortisation and depreciaton	12 189	12 967
Operating profit before changes in current assets and liabilities	100 506	14 763
Decrease in inventory	555	27 985
Decrease/ (increase) in trade accounts receivable	4 922	7 016
Increase/ (decrease) in provisions	15 216	2 435
Increase/ (decrease) in current liabilities	8 346	58
Net cash from/ (to) operating activities	129 545	52 258
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(33 106)	(16 470)
(Increase)/ decrease in long-term financial investments	(138 608)	(31 922)
(Increase)/ decrease in trading investments	49 954	3
(Increase) in issued loans	(60)	(6 487)
Net cash flow from/ (to) investment activities	(121 820)	(54 876)
Cash flow from/ (to) financing activities		
Increase/ (decrease) in own shares	-	128
Lease payments received/(returned)	1 867	720
Net cash from/ (to) investment activities	1 867	848
Net (decrease) in cash	9 591	(1 771)
Cash at the beginning of the year	10 042	11 812
Cash at the end of the year	19 633	10 042

EUR exchange rate of the Bank of Latvia on September 30.,2005 – 0.702804 LVL

Statement of Changes in Shareholders' Equity

Group

	Share capital	Share premium	Long-term asset revaluation reserve	Foreign currency translation reserve	Restricted reserves	Other reserves	Current year unappropriated result	Minority interest	Total
Balance as of 31 December 2004	148 660	60 249	-	(12 915)	16 884	101 199	27 338	-	341 414
Transfer of 2004 net result	-	-	-	-	37 033	(9 695)	(27 338)	-	-
Long-term asset revaluation reserve	-	-	147	-	-	-	-	-	147
Correction of reserves	-	-	-	-	(53 917)	127 831	-	-	73 914
Current year consolidated profit	-	-	-	-	-	-	20 542	-	20 542
Minority interest	-	-	-	-	-	-	-	59 648	59 648
Balance as of 30 September 2005	148 660	60 249	147	(12 915)	-	219 335	20 542	59 648	495 664

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