



AS VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

REPORT FOR THE FIRST QUARTER OF 2006

Ventspils, 2006

CONTENTS

General information	3
Council of AS Ventspils nafta	5
Board of AS Ventspils nafta	5
Income Statement	6
Balance Sheet	7
Statement of Cash Flows	9
Statement of Changes in Shareholders' Equity	10

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	
	1st quarter of 2006	1st quarter of 2005
	EUR thousand	EUR thousand
Net sales	28 260	30 630
Cost of sales	(23 418)	(27 003)
Gross profit	4 842	3 627
Sales and distribution expense	(643)	(508)
General and administrative expense	(2 156)	(2 033)
Other operating income/(expense), net	(269)	343
Result from operating activities	1 774	1 428
Gain/ (loss) in subsidiaries and associated entities, net	4 343	4 782
Non-operating expense	(44)	(144)
Financial income/ (expense), net	(124)	108
Result before taxes	5 949	6 175
Corporate income tax	(652)	(40)
Other taxes	-	(192)
Net result before minority interest	5 297	5 942
Minority interest	(519)	(266)
Net result for the year	4 778	5 676
 Earnings per share		
in EUR per share	0,046	0,054

EUR exchange rate of the Bank of Latvia on 31 March 2006 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairman of the Board

Balance Sheet

ASSETS

	Group		Reference
	31/03/2006	31/12/2005	31/03/2005
	EUR thousand	EUR thousand	EUR thousand
NON CURRENT ASSETS			
Intangible assets	42 673	42 915	(17 281)
Property, plant and equipment			
Land, buildings and networks	108 184	118 246	154 448
Investment properties	37 860	37 861	-
Machinery and equipment	80 668	72 393	79 295
Other property, plant and equipment	6 507	6 897	8 228
Construction in progress	12 602	11 219	22 796
Prepayments for property, plant and equipment	8 032	5 603	1 202
TOTAL	253 853	252 219	265 969
Investments			
Investments in subsidiaries and associated entities	166 112	162 048	136 307
Long-term loan to related parties	-	-	-
Other long-term loans to corporate entities	1 527	1 554	1 578
TOTAL	167 639	163 602	137 885
TOTAL NON CURRENT ASSETS	464 165	458 736	386 572
CURRENT ASSETS			
Inventories	11 944	11 716	13 911
Current portion of long-term receivables	60	60	3 579
Short-term loans to related parties	-	-	-
Trade accounts receivable	10 371	11 117	12 426
Accounts receivable from related party	-	-	63
Other accounts receivable	4 049	2 382	4 405
Prepaid expense	2 016	884	1 774
Accrued income	525	987	703
Trading investments	73	73	73
Cash and cash equivalents	20 898	22 880	11 330
TOTAL CURRENT ASSETS	49 936	50 099	48 264
TOTAL ASSETS	514 101	508 835	434 836

EUR exchange rate of the Bank of Latvia on 31 March 2006 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairman of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	31/03/2006	31/12/2005	31/03/2005
	EUR thousand	EUR thousand	EUR thousand
SHAREHOLDERS' EQUITY			
Share capital	148 660	148 660	148 660
Share premium	60 249	60 249	60 249
Long-term assets revaluation reserve	-	-	-
Foreign currency translation reserve	6 733	6 733	(12 917)
Restricted reserves	1 017	1 017	16 884
Other reserves	214 377	214 377	101 199
Previous year unappropriated result	(30 912)	-	27 338
Current year unappropriated result	4 778	(30 912)	5 676
MINORITY INTEREST	60 290	59 687	62 882
TOTAL SHAREHOLDERS'EQUITY	465 192	459 811	409 971
PROVISIONS			
Other provisions	70	-	588
Deferred corporate income tax	21 788	21 137	3 243
TOTAL PROVISIONS	21 858	21 137	3 831
LIABILITIES			
Long-term liabilities			
Long-term portion of financial lease liability	10 343	11 258	1 310
TOTAL	10 343	11 258	1 310
Current liabilities			
Short-term portion of long-term loan	6 531	4 522	9 354
Advances from customers	369	534	158
Trade accounts payable	5 269	7 002	6 231
Accounts payable to related party	-	-	104
Taxes payable	882	637	1 000
Accrued liabilities	2 810	3 544	2 440
Deferred income	848	390	437
TOTAL	16 709	16 629	19 724
TOTAL LIABILITIES	27 052	27 887	21 034
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	514 101	508 835	434 836

EUR exchange rate of the Bank of Latvia on 31 March 2006 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
Chairman of the Board

Statement of Cash Flows

	Group	
	1st quarter of 2006	1st quarter of 2005
	EUR thousand	EUR thousand
Cash flow from/ (to) operating activities		
Net Result	4 778	5 676
Changes due to changed accounting standards	555	-
Amortisation and depreciaiton	3 670	5 270
Operating profit before changes in current assets and liabilities	9 004	10 946
Decrease in inventory	(228)	322
Decrease/ (increase) in trade accounts receivable	(1 652)	(3 376)
Increase/ (decrease) in provisions	721	627
Increase/ (decrease) in current liabilities	80	1 550
Net cash from/ (to) operating activities	7 925	10 069
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(4 956)	(4 257)
(Increase)/ decrease in long-term financial investments	(4 037)	(4 760)
(Increase)/ decrease in trading investments	-	10
(Increase) in issued loans	-	(175)
Net cash flow from/ (to) investment activities	(8 993)	(9 182)
Cash flow from/ (to) financing activities		
Increase/ (decrease) in own shares	-	-
Lease payments received/(returned)	(915)	(28)
Net cash from/ (to) investment activities	(915)	(28)
Net (decrease) in cash	(1 983)	860
Cash at the beginning of the year	22 880	10 471
Cash at the end of the year	20 898	11 330

EUR exchange rate of the Bank of Latvia on 31 March 2006 – 0.702804 LVL

Statement of Changes in Shareholders' Equity

Group

	Share capital	Share premium	Foreign currency translation reserve	Restricted reserves	Other reserves	Current year unappro- priated result	Minority interest	Total
Balance as of 31 December 2005	148 660	60 249	6 733	1 017	214 377	(30 912)	59 687	459 811
Current year consolidated profit	-	-	-	-	-	4 778	-	4 778
Minority interest	-	-	-	-	-	-	603	603
Balance as of 31 March 2006	148 660	60 249	6 733	1 017	214 377	(26 134)	60 290	465 192

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