



AS VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

UNAUDITED CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER OF 2007 (EUR)

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONTENTS

General information	3
Council of AS Ventspils nafta	5
Board of AS Ventspils nafta	5
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	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 (93.01%) 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 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

Dennis Crema

Vladimirs Krastiņš

Members of the Council:

Māris Gailis

Gints Laiviņš - Laivenieks

Jeffrey Scott Martz

Paul Edward Mulholland

Ashley John Neale

Ansis Sormulis

Andris Vilcmeiers

Board of AS Ventspils nafta

Members of the Board:

Olga Pētersone

Aldis Āķis

Ilva Purēna

Guntis Tīrmanis

Income Statement

	Group	
	1st quarter of 2007	1st quarter of 2006
	EUR thousand	EUR thousand
Net sales	34 287	28 260
Cost of sales	(24 919)	(23 418)
Gross profit	9 368	4 842
Sales and distribution expense	(573)	(643)
General and administrative expense	(2 540)	(2 200)
Other operating income/(expense), net	(11 549)	(269)
Result from operating activities	(5 294)	1 729
Gain/ (loss) in subsidiaries and associated entities, net	16 884	4 343
Financial income/ (expense), net	(501)	(124)
Result before taxes	11 089	5 949
Corporate income tax	-	(652)
Net result before minority interest	11 089	5 297
Minority interest	487	(519)
Net result for the year	11 575	4 778
Earnings per share		
in EUR per share	0,111	0,046

EUR exchange rate of the Bank of Latvia on 31 March 2007 – 0.702804 LVL

On behalf of the Board:

 Olga Pētersone
 Chairperson of the Board

Balance Sheet

ASSETS

	Group		Reference
	31/03/2007	31/12/2006	31/03/2006
	EUR thousand	EUR thousand	EUR thousand
NON CURRENT ASSETS			
Intangible assets	41 352	41 608	42 673
Property, plant and equipment			
Land, buildings and networks	108 996	109 868	108 184
Investment properties	45 087	45 087	37 860
Machinery and equipment	66 598	67 833	80 668
Other property, plant and equipment	5 993	6 510	6 507
Construction in progress	33 299	17 504	12 602
Prepayments for property, plant and equipment	2 053	4 330	8 032
TOTAL	262 026	251 132	253 853
Investments			
Investments in subsidiaries and associated entities	176 539	159 655	166 112
Other long-term loans to corporate entities	1 471	1 501	1 527
TOTAL	178 010	161 156	167 639
TOTAL NON CURRENT ASSETS	481 388	453 896	464 165
CURRENT ASSETS			
Inventories	7 423	8 553	11 944
Current portion of long-term receivables	60	60	60
Trade accounts receivable	12 905	10 290	10 371
Accounts receivable from related party	17	-	-
Other accounts receivable	4 318	1 485	4 049
Prepaid expense	1 769	1 645	2 016
Accrued income	24	552	525
Held-to-maturity investments	-	13 984	-
Trading investments	73	73	73
Cash and cash equivalents	26 169	7 732	20 898
TOTAL CURRENT ASSETS	52 758	44 374	49 936
TOTAL ASSETS	534 146	498 270	514 101

EUR exchange rate of the Bank of Latvia on 31 March 2007 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairperson of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	31/03/2007	31/12/2006	31/03/2006
	EUR thousand	EUR thousand	EUR thousand
SHAREHOLDERS' EQUITY			
Share capital	148 660	148 660	148 660
Share premium	60 249	60 249	60 249
Foreign currency translation reserve	(9 089)	(9 089)	6 733
Restricted reserves	1 017	1 017	1 017
Other reserves	207 102	197 359	214 377
Previous year unappropriated result	-	-	(30 912)
Current year unappropriated result	11 575	9 743	4 778
MINORITY INTEREST	56 536	57 024	60 290
TOTAL SHAREHOLDERS'EQUITY	476 050	464 963	465 192
PROVISIONS			
Other provisions	-	-	70
Deferred corporate income tax	8 277	8 277	21 788
TOTAL PROVISIONS	8 277	8 277	21 858
LIABILITIES			
Long-term liabilities			
Long-term portion of financial lease liability	15 151	1 554	2 187
Long-term loan from credit institution	1 821	2 624	2 846
Other liabilities	-	-	5 310
TOTAL	16 972	4 178	10 343
Current liabilities			
Short-term portion of long-term loan	7 600	8 261	5 502
Financial lease liabilities	2 489	1 202	1 029
Advances from customers	165	88	369
Trade accounts payable	4 091	6 720	5 269
Taxes payable	904	741	882
Other liabilities	722	942	663
Accrued liabilities	16 335	2 531	2 146
Deferred income	541	367	848
TOTAL	32 847	20 852	16 708
TOTAL LIABILITIES	49 819	25 030	27 051
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	534 146	498 270	514 101

EUR exchange rate of the Bank of Latvia on 31 March 2007 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
Chairperson of the Board

Statement of Cash Flows

	Group	
	1st quarter of 2007 EUR thousand	1st quarter of 2006 EUR thousand
Cash flow from/ (to) operating activities		
Net Result	11 575	4 778
Adjustments	(488)	555
Amortisation and depreciaton	3 470	3 670
<i>Operating profit before changes in current assets and liabilities</i>	<i>14 557</i>	<i>9 003</i>
Decrease in inventory	1 130	(228)
Decrease/ (increase) in trade accounts receivable	(5 119)	(1 652)
Increase/ (decrease) in provisions	-	721
Increase/ (decrease) in current liabilities	11 995	80
Net cash from/ (to) operating activities	22 563	7 924
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(14 049)	(4 956)
(Increase)/ decrease in long-term financial investments	(16 854)	(4 037)
(Increase) in issued loans	13 984	-
Net cash flow from/ (to) investment activities	(16 919)	(8 993)
Cash flow from/ (to) financing activities		
Lease payments received/(returned)	12 794	(913)
Net cash from/ (to) investment activities	12 794	(913)
Net (decrease) in cash	18 437	(1 982)
Cash at the beginning of the year	7 732	22 880
Cash at the end of the year	26 169	20 898

EUR exchange rate of the Bank of Latvia on 31 March 2007 – 0.702804 LVL

Statement of Changes in Shareholders' Equity

Group (EUR thousand)

	Share capital	Share premium	Foreign currency translation reserve	Restricted reserves	Other reserves	Current year unappropriated result	Minority interest	Total
-								
Balance as of 31 December 2006	148 660	60 249	(9 089)	1 017	197 359	9 743	57 024	464 963
Current year result	-	-	-	-	-	11 575	-	11 575
Transfer of 2006 net result	-	-	-	-	9 743	(9 743)	-	-
Minority interest	-	-	-	-	-	-	(488)	(488)
Balance as of 31 March 2007	148 660	60 249	(9 089)	1 017	207 102	11 575	56 536	476 050

EUR exchange rate of the Bank of Latvia on 31 March 2007 – 0.702804 LVL