



AS VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

UNAUDITED CONSOLIDATED FINANCIAL REPORT FOR THE NINE MONTHS OF 2007

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Ventspils, 2007

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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	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 (51%) 75 Talsu street, LV-3600, Ventspils AS Preses nams (95.39%) 3 Balasta dambis, LV-1081, Riga SIA Mediju nams (99.47%) 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 Futbola klubs Ventspils (42.50%) 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 was recalled from office of a Chairman of the Council on 20/07/2007

Vladimirs Solomatins was appointed a Chairman of the Council on 20/07/2007

Deputy Chairman of the Council:

Vladimirs Solomatins was recalled from office of a Deputy Chairman of the Council on 20/07/2007

Dennis Crema

Vladimirs Krastiņš was recalled from office of a Deputy Chairman of the Council on 20/07/2007

Andris Vilcmeiers was appointed a Deputy Chairman of the Council on 20/07/2007

Jeffrey Scott Martz was appointed a Deputy Chairman of the Council on 20/07/2007

Members of the Council:

Māris Gailis

Gints Laiviņš - Laivenieks

Jeffrey Scott Martz till 20/07/2007

Paul Edward Mulholland

Ashley John Neale

Ansis Sormulis

Andris Vilcmeiers till 20/07/2007

Mamerts Vaivads from 20/07/2007

Vladimirs Krastiņš from 20/07/2007

Board of AS Ventspils nafta

Members of the Board:

Olga Pētersone

Aldis Āķis

Ilva Purēna

Guntis Tīrmanis

Income Statement

	Group	
	9 months of 2007	9 months of 2006
	EUR thousand	EUR thousand
Net sales	89 392	74 692
Cost of sales	(75 220)	(65 271)
Gross profit	14 172	9 421
Sales and distribution expense	(1 643)	(1 938)
General and administrative expense	(8 312)	(6 988)
Other operating income/(expense), net	362	337
Result from operating activities	4 579	832
Gain/ (loss) in subsidiaries and associated entities, net	58 026	10 003
Financial income/ (expense), net	(4 286)	(1 111)
Result before taxes	58 319	9 724
Corporate income tax	(5 697)	(1 532)
Net result before minority interest	52 622	8 192
Minority interest	(2 363)	(664)
Net result for the period	50 259	7 528
Earnings per share		
in EUR per share	0,481	0,073

EUR exchange rate of the Bank of Latvia on 30 September 2007 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
Chairperson of the Board

Balance Sheet

ASSETS

	Group		Reference
	30/09/2007	31/12/2006	30/09/2006
	EUR thousand	EUR thousand	EUR thousand
NON CURRENT ASSETS			
Intangible assets	40 807	41 608	42 110
Property, plant and equipment			
Land, buildings and networks	108 490	109 868	106 388
Investment properties	45 087	45 087	38 072
Machinery and equipment	67 917	67 833	77 726
Other property, plant and equipment	5 544	6 510	6 736
Construction in progress	30 758	17 504	16 739
Prepayments for property, plant and equipment	1 411	4 330	6 271
TOTAL	259 207	251 132	251 932
Investments			
Investments in subsidiaries and associated entities	177 717	159 655	172 049
Other long-term loans to corporate entities	1 461	1 501	1 514
Other long-term loans	63 645	-	-
TOTAL	242 823	161 156	173 563
TOTAL NON CURRENT ASSETS	542 837	453 896	467 605
CURRENT ASSETS			
Inventories	7 188	8 553	12 940
Current portion of long-term receivables	60	60	60
Trade accounts receivable	5 515	10 290	8 098
Other accounts receivable	1 733	1 485	2 292
Prepaid expense	1 623	1 645	1 678
Accrued income	359	552	666
Held-to-maturity investments	-	13 984	-
Trading investments	73	73	73
Cash and cash equivalents	28 257	7 732	24 197
TOTAL CURRENT ASSETS	44 807	44 374	50 004
TOTAL ASSETS	587 644	498 270	517 609

EUR exchange rate of the Bank of Latvia on 30 September 2007 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
Chairperson of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	30/09/2007	31/12/2006	30/09/2006
	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	(13 418)	(9 089)	6 733
Restricted reserves	1 017	1 017	1 017
Other reserves	207 102	197 359	214 377
Previous period unappropriated result	-	-	(30 912)
Current period unappropriated result	50 259	9 743	7 528
MINORITY INTEREST	91 798	57 024	60 350
TOTAL SHAREHOLDERS'EQUITY	545 667	464 963	468 002
PROVISIONS			
Deferred corporate income tax	8 277	8 277	22 669
TOTAL PROVISIONS	8 277	8 277	22 669
LIABILITIES			
Long-term liabilities			
Long-term portion of financial lease liability	15 635	1 554	2 187
Long-term loan from credit institution	-	2 624	6 336
TOTAL	15 635	4 178	8 523
Current liabilities			
Short-term portion of long-term loan	3 862	8 261	7 335
Financial lease liabilities	767	1 202	354
Advances from customers	192	88	737
Trade accounts payable	4 010	6 720	6 232
Taxes payable	918	741	676
Other liabilities	659	942	620
Accrued liabilities	7 341	2 531	2 086
Deferred income	316	367	373
TOTAL	18 065	20 852	18 415
TOTAL LIABILITIES	33 700	25 030	26 938
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	587 644	498 270	517 609

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On behalf of the Board:

 Olga Pētersone
 Chairperson of the Board

Statement of Cash Flows

	Group	
	9 months of 2007 EUR thousand	9 months of 2006 EUR thousand
Cash flow from/ (to) operating activities		
Net Result	50 259	7 528
Adjustments	30 445	-
Amortisation and depreciaiton	10 506	11 099
<i>Operating profit before changes in current assets and liabilities</i>	<i>91 210</i>	<i>18 627</i>
Decrease in inventory	1 365	(1 224)
Decrease/ (increase) in trade accounts receivable	4 684	2 577
Increase/ (decrease) in provisions	-	1 532
Increase/ (decrease) in current liabilities	(2 787)	1 784
Net cash from/ (to) operating activities	94 472	23 296
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(17 719)	(9 284)
(Increase)/ decrease in long-term financial investments	(81 668)	(9 962)
(Increase) in issued loans	13 984	-
Net cash flow from/ (to) investment activities	(85 404)	(19 246)
Cash flow from/ (to) financing activities		
Lease payments received/(returned)	11 457	(2 735)
Net cash from/ (to) investment activities	11 457	(2 735)
Net (decrease) in cash	20 525	1 317
Cash at the beginning of the period	7 732	22 880
Cash at the end of the period	28 257	24 197

EUR exchange rate of the Bank of Latvia on 30 September 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
Foreign currency translation	-	-	(4 329)	-	-	-	-	(4 329)
Current period result	-	-	-	-	-	50 259	-	50 259
Transfer of 2006 net result	-	-	-	-	9 743	(9 743)	-	-
Minority interest	-	-	-	-	-	-	34 774	34 774
Balance as of 30 September 2007	148 660	60 249	(13 418)	1 017	207 102	50 259	91 798	545 667

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