



AS VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

UNAUDITED CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER OF 2008

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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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 (99.73%) 31/2 Cesu street, LV-1012, Riga SIA Rīgas Līcis VN (100%) 51 Dubultu prospekts, LV-2015, Jūrmala SIA Nekustamie īpašumi VN (100%) 10 Palasta street, LV-1050, 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 till 26/02/2008

Ilva Purēna

Guntis Tīrmanis

Normunds Staņēvičs from 26/02/2008

Income Statement

	Group	
	1st quarter of 2008	1st quarter of 2007
	EUR thousand	EUR thousand
Net sales	31 669	34 287
Cost of sales	(31 073)	(24 919)
Gross profit	596	9 368
Sales and distribution expense	(664)	(573)
General and administrative expense	(2 699)	(2 540)
Other operating income/(expense), net	8 267	(11 549)
Result from operating activities	5 500	(5 295)
Gain/ (loss) in subsidiaries and associated entities, net	4 742	16 884
Financial income/ (expense), net	(6 325)	(501)
Result before taxes	3 917	11 088
Corporate income tax	-	-
Net profit	3 917	11 088
Attributable to:		
Minority interest	(781)	(487)
Parent company's shareholders	4 698	11 575
Earnings per share		
in EUR per share	0,046	0,111

EUR exchange rate of the Bank of Latvia on 31 March 2008 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairperson of the Board

Balance Sheet

ASSETS

	Group		Reference
	31/03/2008	31/12/2007	31/03/2007
	EUR thousand	EUR thousand	EUR thousand
NON CURRENT ASSETS			
Intangible assets	40 242	40 525	41 352
Property, plant and equipment			
Land, buildings and networks	142 101	143 505	108 996
Investment properties	53 686	45 149	45 087
Machinery and equipment	77 023	78 262	66 598
Other property, plant and equipment	6 518	6 946	5 993
Construction in progress	32 602	29 510	33 299
Prepayments for property, plant and equipment	1 588	1 248	2 053
TOTAL	313 518	304 620	262 026
Investments			
Investments in subsidiaries and associated entities	172 486	167 744	176 539
Other long-term loans to corporate entities	468	484	1 471
Other long-term receivables	56 986	61 980	-
TOTAL	229 940	230 208	178 010
TOTAL NON CURRENT ASSETS	583 700	575 353	481 388
CURRENT ASSETS			
Inventories	6 549	6 201	7 423
Trade accounts receivable	6 282	6 185	12 905
Accounts receivable from related party	51	-	17
Other accounts receivable	4 915	4 663	6 171
Trading investments	73	73	73
Cash and cash equivalents	25 632	27 907	26 169
TOTAL CURRENT ASSETS	43 502	45 029	52 758
TOTAL ASSETS	627 202	620 382	534 146

EUR exchange rate of the Bank of Latvia on 31 March 2008 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairperson of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	31/03/2008	31/12/2006	31/03/2007
	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	(25 454)	(25 454)	(9 089)
Restricted reserves	1 017	1 017	1 017
Other reserves	277 678	207 102	207 102
Current period unappropriated result	4 698	70 576	11 575
MINORITY INTEREST	107 144	107 933	56 536
TOTAL SHAREHOLDERS' EQUITY	573 992	570 083	476 048
PROVISIONS			
Deferred corporate income tax	10 034	10 034	8 277
TOTAL PROVISIONS	10 034	10 034	8 277
LIABILITIES			
Long-term liabilities			
Long-term portion of financial lease liability	19 940	20 016	15 151
Long-term loan from credit institution	3 224	-	1 821
TOTAL	23 164	20 016	16 972
Current liabilities			
Short-term portion of long-term loan	4 249	4 348	7 600
Financial lease liabilities	2 706	2 837	2 489
Advances from customers	965	916	165
Trade accounts payable	5 682	5 561	4 091
Taxes payable	1 153	1 049	904
Other liabilities	1 315	1 342	1 264
Accrued liabilities	3 941	2 406	16 336
Provisions	-	1 790	-
TOTAL	20 011	20 249	32 849
TOTAL LIABILITIES	43 176	40 265	49 821
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	627 202	620 382	534 146

EUR exchange rate of the Bank of Latvia on 31 March 2008 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
Chairperson of the Board

Statement of Cash Flows

	Group	
	1st quarter of 2008	1st quarter of 2007
	EUR thousand	EUR thousand
Cash flow from/ (to) operating activities		
Net Result	4 698	11 575
Adjustments	(8 537)	(487)
Amortisation and depreciaiton	3 992	3 468
Operating profit before changes in current assets and liabilities	153	14 556
Decrease/(increase) in inventory	(349)	1 130
Decrease/ (increase) in trade accounts receivable	(400)	(5 119)
Increase/ (decrease) in current liabilities	(238)	11 995
Net cash from/ (to) operating activities	(834)	22 562
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(4 856)	(14 049)
(Increase)/ decrease in long-term financial investments	266	(16 854)
(Increase)/decrease in issued loans	-	13 984
Net cash flow from/ (to) investment activities	(4 590)	(16 919)
Cash flow from/ (to) financing activities		
Increase/ (decrease) in loans and leases	3 149	12 794
Net cash from/ (to) financing activities	3 149	12 794
Net increase(decrease) in cash	(2 275)	18 437
Cash at the beginning of the period	27 907	7 732
Cash at the end of the period	25 632	26 169

EUR exchange rate of the Bank of Latvia on 31 March 2008 – 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 2007	148 660	60 249	(25 454)	1 017	207 102	70 576	107 933	570 083
Current period result	-	-	-	-	-	4 698	-	4 698
Transfer of 2007 net result	-	-	-	-	70 576	(70 576)	-	-
Minority interest	-	-	-	-	-	-	(790)	(790)
Balance as of 31 March 2008	148 660	60 249	(25 454)	1 017	277 678	4 698	107 144	573 992

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