



AS VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

UNAUDITED CONSOLIDATED FINANCIAL REPORT FOR THE NINE MONTHS 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	
	9 months of 2008	9 months of 2007
	EUR thousand	EUR thousand
Net sales	83 375	89 392
Cost of sales	(83 113)	(75 220)
Gross profit	262	14 172
Sales and distribution expense	(2 234)	(1 643)
General and administrative expense	(8 796)	(8 312)
Other operating income/(expense), net	7 211	361
Result from operating activities	(3 557)	4 578
Gain/ (loss) in subsidiaries and associated entities, net	22 619	58 026
Financial income/ (expense), net	(1 140)	(4 286)
Result before taxes	17 922	58 318
Corporate income tax	(37)	(5 697)
Net profit	17 885	52 622
Attributable to:		
Minority interest	(1 985)	2 362
Parent company's shareholders	19 870	50 260
Earnings per share		
in EUR per share	0,191	0,481

EUR exchange rate of the Bank of Latvia on 30 September 2008 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone
 Chairperson of the Board

Balance Sheet

ASSETS

	Group		Reference
	30/09/2008	31/12/2007	30/09/2007
	EUR thousand	EUR thousand	EUR thousand
NON CURRENT ASSETS			
Intangible assets	39 744	40 525	40 807
Property, plant and equipment			
Land, buildings and networks	152 037	143 505	108 490
Investment properties	50 243	45 149	45 087
Machinery and equipment	74 051	78 262	67 917
Other property, plant and equipment	6 256	6 946	5 544
Construction in progress	27 487	29 510	30 758
Prepayments for property, plant and equipment	403	1 248	1 411
TOTAL	310 477	304 620	259 207
Investments			
Investments in subsidiaries and associated entities	177 704	167 744	177 717
Other long-term loans to corporate entities	458	484	1 461
Other long-term receivables	62 236	61 980	63 645
TOTAL	240 398	230 208	242 823
TOTAL NON CURRENT ASSETS	590 619	575 353	542 837
CURRENT ASSETS			
Inventories	5 578	6 201	7 188
Trade accounts receivable	4 596	6 185	5 515
Other accounts receivable	4 061	4 663	3 775
Trading investments	-	73	73
Cash and cash equivalents	27 587	27 907	28 257
TOTAL CURRENT ASSETS	41 822	45 029	44 808
TOTAL ASSETS	632 441	620 382	587 645

EUR exchange rate of the Bank of Latvia on 30 September 2008 – 0.702804 LVL

On behalf of the Board:

 Olga Pētersone
 Chairperson of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	30/09/2008	31/12/2006	30/09/2007
	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	(38 234)	(25 454)	(13 418)
Restricted reserves	1 017	1 017	1 017
Other reserves	277 678	207 102	207 102
Current period unappropriated result	19 870	70 576	50 260
MINORITY INTEREST	105 893	107 933	91 798
TOTAL SHAREHOLDERS' EQUITY	575 133	570 083	545 668
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	19 441	20 016	15 635
Long-term loan from credit institution	8 980	-	-
TOTAL	28 421	20 016	15 635
Current liabilities			
Short-term portion of long-term loan	4 284	4 348	3 862
Financial lease liabilities	1 628	2 837	767
Advances from customers	1 160	916	192
Trade accounts payable	7 069	5 561	4 010
Taxes payable	992	1 049	918
Other liabilities	1 019	1 342	976
Accrued liabilities	2 699	2 406	7 341
Provisions	-	1 790	-
TOTAL	18 851	20 249	18 066
TOTAL LIABILITIES	47 274	40 265	33 700
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	632 441	620 382	587 645

EUR exchange rate of the Bank of Latvia on 30 September 2008 – 0.702804 LVL

On behalf of the Board:

 Olga Pētersone
 Chairperson of the Board

Statement of Cash Flows

	<u>Group</u>	
	9 months of 2008 9 months of 2007	
	EUR thousand	EUR thousand
Cash flow from/ (to) operating activities		
Net Result	19 870	50 260
Adjustments	(19 139)	30 445
Amortisation and depreciaton	9 856	10 505
Operating profit before changes in current assets and liabilities	10 587	91 210
Decrease/(increase) in inventory	623	1 365
Decrease/ (increase) in trade accounts receivable	2 191	4 684
Increase/ (decrease) in current liabilities	(1 397)	(2 787)
Net cash from/ (to) operating activities	12 004	94 472
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(10 612)	(17 719)
(Increase)/ decrease in long-term financial investments	(10 191)	(81 667)
(Increase)/decrease in issued loans	73	13 984
Net cash flow from/ (to) investment activities	(20 730)	(85 402)
Cash flow from/ (to) financing activities		
Increase/ (decrease) in loans and leases	8 405	11 457
Net cash from/ (to) financing activities	8 405	11 457
Net increase(decrease) in cash	(320)	20 525
Cash at the beginning of the period	27 907	7 732
Cash at the end of the period	27 587	28 257

EUR exchange rate of the Bank of Latvia on 30 September 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 unappro- priated 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
Foreign currency translation	-	-	(12 780)	-	-	-	-	(12 780)
Current period result	-	-	-	-	-	19 870	-	19 870
Transfer of 2007 net result	-	-	-	-	70 576	(70 576)	-	-
Minority interest	-	-	-	-	-	-	(2 040)	(2 040)
Balance as of 30 September 2008	148 660	60 249	(38 234)	1 017	277 678	19 870	105 893	575 133

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