



# **AS VENTSPILS NAFTA**

(UNIFIED REGISTRATION NUMBER 50003003091)

## **UNAUDITED CONSOLIDATED FINANCIAL REPORT FOR THE FIRST QUARTER OF 2009**

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
Associated entities of the Group	AS Latvijas kuģniecība (49.94%) 2 Basteja bulvāris, LV-1807, Riga  SIA Futbola klubs Ventspils (42.50%) 20a Dzintaru iela, LV-3602, Ventspils

## Council of AS Ventspils nafta

Chairman of the Council:

**Vladimirs Solomatins**

Deputy Chairman of the Council:

**Dennis Crema**

**Andris Vilcmeiers**

**Jeffrey Scott Martz**

Members of the Council:

**Māris Gailis**

**Gints Laiviņš - Laivenieks**

**Paul Edward Mulholland**

**Ashley John Neale**

**Ansis Sormulis**

**Mamerts Vaivads**

**Vladimirs Krastiņš**

## 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

	<b>Group</b>	
	<b>1st quarter of 2009</b>	<b>1st quarter of 2008</b>
	EUR thousand	EUR thousand
<b>Net sales</b>	<b>29 172</b>	<b>31 669</b>
Cost of sales	(24 922)	(31 073)
<b>Gross profit</b>	<b>4 250</b>	<b>596</b>
Sales and distribution expense	-	(664)
General and administrative expense	(1 820)	(2 699)
Other operating income/(expense), net	(6 246)	8 267
<b>Result from operating activities</b>	<b>(3 816)</b>	<b>5 500</b>
Gain/ (loss) in subsidiaries and associated entities, net	2 851	4 742
Financial income/ (expense), net	7 052	(6 325)
<b>Result before taxes</b>	<b>6 087</b>	<b>3 917</b>
Corporate income tax	(154)	-
<b>Net profit</b>	<b>5 933</b>	<b>3 917</b>
<b>Attributable to:</b>		
Minority interest	1 600	(781)
<b>Parent company's shareholders</b>	<b>4 333</b>	<b>4 699</b>
Earnings per share		
in EUR per share	0,041	0,046

EUR exchange rate of the Bank of Latvia on 31 March 2009 – 0.702804 LVL

On behalf of the Board:

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Olga Pētersone  
 Chairperson of the Board

## Balance Sheet

### ASSETS

	Group		Reference
	31/03/2009	31/12/2008	31/03/2008
	EUR thousand	EUR thousand	EUR thousand
<b>NON CURRENT ASSETS</b>			
<b>Intangible assets</b>	<b>38 988</b>	<b>39 268</b>	<b>40 242</b>
<b>Property, plant and equipment</b>			
Land, buildings and networks	116 956	118 088	142 101
Investment properties	-	-	53 686
Machinery and equipment	52 851	54 045	77 023
Other property, plant and equipment	5 125	5 354	6 518
Construction in progress	1 461	1 484	32 602
Prepayments for property, plant and equipment	539	304	1 588
TOTAL	<b>176 933</b>	<b>179 276</b>	<b>313 518</b>
<b>Investments</b>			
Investments in subsidiaries and associated entities	193 748	190 857	172 486
Other long-term loans to corporate entities	127 257	122 576	56 986
Other long-term receivables	424	445	468
TOTAL	<b>321 430</b>	<b>313 879</b>	<b>229 940</b>
<b>TOTAL NON CURRENT ASSETS</b>	<b>537 351</b>	<b>532 423</b>	<b>583 700</b>
<b>CURRENT ASSETS</b>			
Inventories	3 364	3 456	6 549
Trade accounts receivable	4 217	2 053	6 282
Receivables from related companies	1 084	31 979	51
Loans to related companies	778	778	-
Other accounts receivable	2 484	5 593	4 915
Trading investments	-	-	73
Cash and cash equivalents	86 439	50 834	25 632
TOTAL CURRENT ASSETS	<b>98 367</b>	<b>94 693</b>	<b>43 502</b>
<b>TOTAL ASSETS</b>	<b>635 718</b>	<b>627 116</b>	<b>627 202</b>

EUR exchange rate of the Bank of Latvia on 31 March 2009 – 0.702804 LVL

On behalf of the Board:

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Olga Pētersone  
 Chairperson of the Board

## LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	31/03/2009	31/12/2008	31/03/2008
	EUR thousand	EUR thousand	EUR thousand
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	148 660	148 660	148 660
Share premium	60 249	60 249	60 249
Foreign currency translation reserve	(22 461)	(22 561)	(25 454)
Restricted reserves	1 017	1 017	1 017
Other reserves	307 300	277 678	277 678
Current period unappropriated result	4 333	29 623	4 699
MINORITY INTEREST	105 667	104 117	107 144
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>604 765</b>	<b>598 783</b>	<b>573 993</b>
<b>PROVISIONS</b>			
Deferred corporate income tax	1 934	1 844	10 034
<b>TOTAL PROVISIONS</b>	<b>1 934</b>	<b>1 844</b>	<b>10 034</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Long-term portion of financial lease liability	10	-	19 940
Long-term loan from credit institution	-	-	3 224
Deferred income	12 245	11 377	-
<b>TOTAL</b>	<b>12 255</b>	<b>11 377</b>	<b>23 164</b>
<b>Current liabilities</b>			
Short-term portion of long-term loan	-	-	4 249
Financial lease liabilities	6	20	2 706
Advances from customers	105	1 034	965
Trade accounts payable	2 170	3 439	5 682
Payables to related companies	36	145	-
Taxes payable	7 598	7 604	1 153
Other liabilities	326	350	1 316
Accrued liabilities	5 962	2 520	3 941
Provisions	561	-	-
<b>TOTAL</b>	<b>16 764</b>	<b>15 112</b>	<b>20 012</b>
<b>TOTAL LIABILITIES</b>	<b>29 019</b>	<b>26 489</b>	<b>43 175</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>635 718</b>	<b>627 116</b>	<b>627 202</b>

EUR exchange rate of the Bank of Latvia on 31 March 2009 – 0.702804 LVL

On behalf of the Board:

Olga Pētersone  
 Chairperson of the Board

## Statement of Cash Flows

	Group	
	1st quarter of 2009	1st quarter of 2008
	EUR thousand	EUR thousand
<b>Cash flow from/ (to) operating activities</b>		
Net Result	4 333	4 699
Adjustments	1 582	(8 537)
Amortisation and depreciaton	3 299	3 990
<b>Operating profit before changes in current assets and liabilities</b>	<b>9 214</b>	<b>152</b>
Decrease/(increase) in inventory	92	(349)
Decrease/ (increase) in trade accounts receivable	31 638	(400)
Increase/ (decrease) in provisions	90	-
Increase/ (decrease) in current liabilities	2 664	(238)
<b>Net cash from/ (to) operating activities</b>	<b>43 698</b>	<b>(835)</b>
<b>Cash flow from/ (to) investment activities</b>		
Purchase of fixed assets	(669)	(4 856)
(Increase)/ decrease in long-term financial investments	(7 425)	267
<b>Net cash flow from/ (to) investment activities</b>	<b>(8 094)</b>	<b>(4 589)</b>
<b>Cash flow from/ (to) financing activities</b>		
Increase/ (decrease) in loans and leases	-	3 149
<b>Net cash from/ (to) financing activities</b>	<b>-</b>	<b>3 149</b>
<b>Net increase(decrease) in cash</b>	<b>35 605</b>	<b>(2 275)</b>
<b>Cash at the beginning of the period</b>	<b>50 834</b>	<b>27 907</b>
<b>Cash at the end of the period</b>	<b>86 439</b>	<b>25 632</b>

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## 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	<b>Total</b>
<b>Balance as of 31 December 2008</b>	<b>148 660</b>	<b>60 249</b>	<b>(22 561)</b>	<b>1 017</b>	<b>277 678</b>	<b>29 623</b>	<b>104 117</b>	<b>598 783</b>
Foreign currency translation	-	-	100	-	-	-	-	100
Current period result	-	-	-	-	-	4 333	-	4 333
Transfer of 2008 net result	-	-	-	-	29 623	(29 623)	-	-
Minority interest	-	-	-	-	-	-	1 550	1 550
<b>Balance as of 31 March 2009</b>	<b>148 660</b>	<b>60 249</b>	<b>(22 461)</b>	<b>1 017</b>	<b>307 300</b>	<b>4 333</b>	<b>105 667</b>	<b>604 765</b>

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