



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

	Group	
	1st quarter of 2009	1st quarter of 2008
	LVL thousand	LVL thousand
Net sales	20 502	22 257
Cost of sales	(17 515)	(21 838)
Gross profit	2 987	419
Sales and distribution expense	-	(467)
General and administrative expense	(1 279)	(1 897)
Other operating income/(expense), net	(4 390)	5 810
Result from operating activities	(2 682)	3 865
Gain/ (loss) in subsidiaries and associated entities, net	2 004	3 333
Financial income/ (expense), net	4 956	(4 445)
Result before taxes	4 278	2 753
Corporate income tax	(108)	-
Net profit	4 170	2 753
Attributable to:		
Minority interest	1 125	(549)
Parent company's shareholders	3 045	3 302
Earnings per share		
in lats per share	0,029	0,032

On behalf of the Board:

Olga Pētersone
 Chairperson of the Board

Balance Sheet

ASSETS

	Group		Reference
	31/03/2009	31/12/2008	31/03/2008
	LVL thousand	LVL thousand	LVL thousand
NON CURRENT ASSETS			
Intangible assets	27 401	27 598	28 282
Property, plant and equipment			
Land, buildings and networks	82 197	82 993	99 869
Investment properties	-	-	37 731
Machinery and equipment	37 144	37 983	54 132
Other property, plant and equipment	3 602	3 763	4 581
Construction in progress	1 027	1 043	22 913
Prepayments for property, plant and equipment	379	214	1 116
TOTAL	124 349	125 996	220 342
Investments			
Investments in subsidiaries and associated entities	136 167	134 135	121 224
Other long-term loans to corporate entities	89 437	86 147	40 050
Other long-term receivables	298	313	329
TOTAL	225 902	220 595	161 603
TOTAL NON CURRENT ASSETS	377 652	374 189	410 227
CURRENT ASSETS			
Inventories	2 364	2 429	4 603
Trade accounts receivable	2 964	1 443	4 415
Receivables from related companies	762	22 475	36
Loans to related companies	547	547	-
Other accounts receivable	1 746	3 931	3 454
Trading investments	-	-	51
Cash and cash equivalents	60 750	35 726	18 014
TOTAL CURRENT ASSETS	69 133	66 551	30 573
TOTAL ASSETS	446 785	440 740	440 800

On behalf of the Board:

 Olga Pētersone
 Chairperson of the Board

LIABILITIES AND SHAREHOLDERS' EQUITY

	Group		Reference
	31/03/2009	31/12/2008	31/03/2008
	LVL thousand	LVL thousand	LVL thousand
SHAREHOLDERS' EQUITY			
Share capital	104 479	104 479	104 479
Share premium	42 343	42 343	42 343
Foreign currency translation reserve	(15 786)	(15 856)	(17 889)
Restricted reserves	715	715	715
Other reserves	215 972	195 153	195 153
Current period unappropriated result	3 045	20 819	3 302
MINORITY INTEREST	74 263	73 174	75 301
TOTAL SHAREHOLDERS' EQUITY	425 031	420 827	403 404
PROVISIONS			
Deferred corporate income tax	1 359	1 296	7 052
TOTAL PROVISIONS	1 359	1 296	7 052
LIABILITIES			
Long-term liabilities			
Long-term portion of lease liabilities	7	-	14 014
Long-term loan from credit institution	-	-	2 266
Deferred income	8 606	7 996	-
TOTAL	8 613	7 996	16 280
Current liabilities			
Short-term portion of long-term loan	-	-	2 986
Financial lease liabilities	4	14	1 902
Advances from customers	74	727	678
Trade accounts payable	1 525	2 417	3 993
Payables to related companies	25	102	-
Taxes payable	5 340	5 344	810
Other liabilities	230	246	925
Accrued liabilities	4 190	1 771	2 770
Provisions	394	-	-
TOTAL	11 782	10 621	14 064
TOTAL LIABILITIES	20 395	18 617	30 344
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	446 785	440 740	440 800

On behalf of the Board:

Olga Pētersone
 Chairperson of the Board

Statement of Cash Flows

	Group	
	1st quarter of 2009 LVL thousand	1st quarter of 2008 LVL thousand
Cash flow from/ (to) operating activities		
Net Result	3 045	3 302
Adjustments	1 112	(6 000)
Amortisation and depreciaiton	2 320	2 805
Operating profit before changes in current assets and liabilities	6 477	107
Decrease/(increase) in inventory	65	(245)
Decrease/ (increase) in trade accounts receivable	22 235	(281)
Increase/ (decrease) in provisions	63	-
Increase/ (decrease) in current liabilities	1 872	(167)
Net cash from/ (to) operating activities	30 712	(586)
Cash flow from/ (to) investment activities		
Purchase of fixed assets	(470)	(3 413)
(Increase)/ decrease in long-term financial investments	(5 218)	188
(Increase)/decrease in issued loans	-	-
Net cash flow from/ (to) investment activities	(5 688)	(3 225)
Cash flow from/ (to) financing activities		
Increase/(decrease) in loans and leases	-	2 213
Net cash from/ (to) financing activities	-	2 213
Net increase (decrease) in cash	25 024	(1 599)
Cash at the beginning of the period	35 726	19 613
Cash at the end of the period	60 750	18 014

Statement of Changes in Shareholders' Equity

Group

	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 2008	104 479	42 343	(15 856)	715	195 153	20 819	73 174	420 827
Current period result	-	-	70	-	-	3 045	-	3 115
Transfer of 2008 net result	-	-	-	-	20 819	(20 819)	-	-
Minority interest	-	-	-	-	-	-	1 089	1 089
Balance as of 31 March 2009	104 479	42 343	(15 786)	715	215 972	3 045	74 263	425 031

Notes

LVL thousand

1. Net sales

	<u>Group</u>	
	<u>1st quarter of 2009</u>	<u>1st quarter of 2008</u>
Railway services	10 603	10 033
Reloading services	7 329	5 895
Transportation of oil products	2 570	2 211
Printing services	-	2 565
Newspaper sales	-	528
Advertisements	-	219
Storage services	-	18
Rental income	-	2
Other services	-	<u>786</u>
Total	<u>20 502</u>	<u>22 257</u>

2. Cost of sales

	<u>Group</u>	
	<u>1st quarter of 2009</u>	<u>1st quarter of 2008</u>
Depreciation	2 257	2 673
Raw materials	137	1 401
Remuneration of work	1 298	2 278
Utilities	417	736
Insurance expenses	337	337
Social security contributions	316	505
Materials and spare parts	5	507
Transit development	-	70
Electricity	378	255
Treatment of technological waste water	72	546
Utilisation of piers	635	586
Land rent	200	191
Security	303	253
Repair works done by other companies	296	1 055
Railway charges	10 609	10 040
Environment protection expense	43	211
Communication expense	16	20
Helicopter services	-	29
Other expenses	<u>196</u>	<u>145</u>
Total	<u>17 515</u>	<u>21 838</u>

3. General and administrative expense

	<u>Group</u>	
	<u>1st quarter of 2009</u>	<u>1st quarter of 2008</u>
Remuneration of work	575	781
Advertising and marketing	79	166
Social security contributions	138	180
Depreciation	50	114
Insurance	17	19
Professional charges and legal costs	115	159
Business trips	15	36
Communication expense	9	23
Rent of premises	41	63
Vehicle maintenance expense	33	44
Conferences, seminars and training	25	27
Representation expense	16	22
Secondary costs of cash turnover	14	19
Social infrastructure expense	22	27
Other	<u>130</u>	<u>217</u>
Total	<u>1 279</u>	<u>1 897</u>

4. Other operating income/ (expense), (net)

	<u>Group</u>	
	<u>1st quarter of 2009</u>	<u>1st quarter of 2008</u>
Income from oil extracted from groundwater's and waste waters	-	190
Other income	45	80
Gain from revaluation of investment properties at fair value	-	6 000
Accruals for financial market fluctuations	-4 000	-
Payments to local municipalities	-263	-183
Depreciation	-13	-14
Remuneration of work	-46	-91
Vehicle maintenance expense	-7	-12
Other expense	<u>-106</u>	<u>-160</u>
Total	<u>-4 390</u>	<u>5 810</u>

5. Financial income/(expense), net

	<u>Group</u>	
	<u>1st quarter of 2009</u>	<u>1st quarter of 2008</u>
Foreign currency exchange gain(loss)	3 608	-4 351
Interest income on loans	1 112	85
Interest income from bank account balances and deposits	236	119
Interest expense	-	<u>-298</u>
Total	<u>4 956</u>	<u>-4 445</u>

6. Investments in subsidiaries and associated entities

The following table summarizes ownership of the Parent company and the Group in subsidiaries and associated entities:

<u>Ownership (%)</u>	<u>31.03.2009.</u>	<u>31.12.2008.</u>	<u>Legal address</u>
<u>Subsidiaries</u>			
SIA "“Ventspils nafta” termināls”	51	51	Talsu street 75, LV-3602, Ventspils, Latvia
SIA "LatRosTrans”	66	66	Balvu street 7, LV-5043, Daugavpils Latvia
	<u>31.03.2009.</u>	<u>31.12.2008.</u>	
<u>Associated entities</u>			
SIA "Futbola klubs Ventspils”	42,50	30	Dzintaru street 20a, LV-3602, Ventspils, Latvia
AS "Latvijas Kuģniecība”	49,94	49,94	Basteja bulvāris 2, LV 1807, Rīga, Latvia