



JSC VENTSPILS NAFTA
(UNIFIED REGISTRATION NUMBER 50003003091)

**UNAUDITED CONSOLIDATED FINANCIAL REPORT
FOR THE FIRST QUARTER OF 2010 (EUR)**

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Riga, 2010

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General information

Name of the company	JSC Ventspils nafta
Legal status of the company	Joint stock company
Unified registration number, place and date of registration	50003003091 Riga, 9 May 1991 Registered in Commercial Register on 5 August 2004
Legal address	Vaļņu street 3-18, LV-1050, Riga, Republic of Latvia
Subsidiaries of JSC Ventspils nafta	LatRosTrans Ltd. (66%) 7 Balvu street, LV-5043, Daugavpils Ventspils nafta termināls Ltd. (51%) 75 Talsu street, LV-3602, Ventspils
Associated entities of the Group	Latvijas kuģniecība JSC (49.94%) Elizabetes iela 1, LV-1807, Riga, Latvia Futbola klubs Ventspils Ltd. (21.25%) 20a Dzintaru iela, LV-3602, Ventspils

Supervisory Council JSC *Ventspils nafta*

Appointed:

Chairman of the Council:	Vladimir Egger
Deputy Chairman of the Council:	Paul Thomas Oļegs Stepanovs Mikhail Dvorak
Members of the Council:	Javed Ahmed Rubil Yilmaz Mark Ware Gatis Grāvītis Mārtiņš Kvēps Valērijs Godunovs Aleksejs Ovods

Management Board of JSC *Ventspils nafta*

Appointed:

Chairman of the Board:	Simon Boddy
Members of the Board:	Ilva Purēna Boris Bednov Alexander Yagdzhiyants

The changes in the Board during the period from 31 March 2010 to 31 May 2010 were as follows:

Elected	Dismissed	Name	Position held
28/04/2010	-	Boris Bednov	Member of the Board
28/04/2010	-	Alexander Yagdzhiyants	Member of the Board
-	28/04/2010	Normunds Staņēvičs	Member of the Board

Consolidated statement of comprehensive income

	Group	
	1st quarter of 2010	1st quarter of 2009
	EUR thousand	EUR thousand
Revenue	20 819	29 172
Cost of sales	(15 592)	(24 922)
Gross profit	5 227	4 250
General and administrative expense	(1 095)	(1 820)
Other operating income	161	64
Other operating expense	(4 695)	(6 310)
Share of (loss)/ profit in associate	(3 914)	2 851
Financial income	4 937	7 052
Profit before tax	621	6 087
Corporate income tax	(142)	(153)
Net profit for the period	479	5 934
Other comprehensive income		
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period, net of tax	479	5 934
Attributable to:		
Non-controlling interest	2 055	1 601
Parent company's shareholders	(1 576)	4 333
	479	5 934
Earnings per share (EUR per share) attributable to the Parent company's shareholders:		
Diluted and basic earnings per share	(0,015)	0,041

Average exchange rate of EUR during the reporting period by the Bank of Latvia 0.702804 (lats per unit)

On behalf of the Management Board:

 Simon Boddy
 Chairman of the Management Board

Consolidated statement of financial position

	31.03.2010	31.12.2009	Reference
	EUR thousand	EUR thousand	31.03.2009 EUR thousand
Assets			
Non-current asset			
Intangible assets	37 867	38 147	38 988
Property, plant and equipment	185 245	186 570	176 933
Investments in associated entities*	168 354	172 269	193 748
Loan note	66 718	62 621	127 257
Other non-current financial assets	373	399	424
Total non-current assets	458 557	460 006	537 350
Current assets			
Inventories	2 284	3 063	3 364
Trade accounts receivable	83	3 758	4 217
Receivables from related companies	41 674	39 845	1 084
Loans to related companies	-	-	778
Other receivables	2 878	3 473	2 484
Other financial assets	650	-	-
Cash and cash equivalents	41 490	34 093	86 436
Total current assets	89 059	84 232	98 363
Total assets	547 616	544 238	635 713

Exchange rate of EUR at the end of reporting period by the Bank of Latvia 0.702804 (lats per unit)

On behalf of the Management Board:

Simon Boddy
Chairman of the Management Board

Consolidated statement of financial position (cont'd)

	31.03.2010	31.12.2009	Reference 31.03.2009
	EUR thousand	EUR thousand	EUR thousand
Equity and liabilities			
Equity			
Issued capital	148 660	148 660	148 660
Share premium	60 249	60 249	60 249
Legal reserve	1 017	1 017	1 017
Reserves resulting from investment in associates	(23 607)	(23 607)	(22 461)
Other reserves	243 091	247 728	307 300
Profit/ (loss) for the period	(1 576)	(4 637)	4 333
Equity attributable to equity holders of the parent	427 834	429 410	499 098
Non-controlling interest	107 937	105 882	105 667
Total equity	535 771	535 292	604 765
Non-current liabilities			
Deferred corporate income tax liability	2 349	2 251	1 934
Deferred income	1 170	-	12 245
	3 519	2 251	14 179
Current liabilities			
Advances from customers	104	105	105
Trade accounts payable	1 273	2 693	2 170
Payables to related companies	1	88	36
Taxes payable	430	457	7 598
Other liabilities	5 861	3 002	6 305
Deferred income	129	-	-
Provisions	528	350	555
	8 326	6 695	16 769
Total liabilities	11 845	8 946	30 948
Total liabilities and equity	547 616	544 238	635 713

Exchange rate of EUR at the end of reporting period by the Bank of Latvia 0.702804 (lats per unit)

On behalf of the Management Board:

Simon Boddy
Chairman of the Management Board

Consolidated statement of cash flows

	Group	
	1st quarter of 2010 EUR thousand	1st quarter of 2009 EUR thousand
Operating activities		
Net result	621	6 087
Non-cash adjustments to reconcile (loss)/ profit before tax to net cash flows		
Accruals for financial market fluctuations	4 098	5 691
Amortisation and depreciation	3 243	3 302
Interest income	(670)	(2 055)
Share of net profit of associate	3 914	(2 826)
Foreign exchange loss/ (gain)	(4 098)	(4 824)
Loss/ (gain) on disposal of property, plant and equipment	14	4
	7 122	5 379
Working capital adjustments:		
Decrease/ (increase) in inventories	633	91
Decrease/ (increase) in trade accounts receivable and receivables from related parties	2 271	2 477
Increase/ (decrease) in liabilities	(1 702)	(4 651)
	8 324	3 296
Corporate income tax paid	-	(80)
Net cash flows from operating activities	8 324	3 216
Investing activities		
Purchase of intangibles and property, plant and equipment	(1 653)	(669)
Proceeds from sale of property, plant and equipment and investment properties	-	5 945
Proceeds from disposal of investment	-	61
Proceeds from sale of subsidiaries	-	25 896
Interest received	717	1 111
Net cash flows from investing activities	(936)	32 344
Financing activities		
Net cash flows from financing activities	-	-
Net increase in cash and cash equivalents	7 388	35 560
Cash and cash equivalents at the beginning of the period	34 102	50 876
Cash and cash equivalents at the end of the period	41 490	86 436

Average exchange rate of EUR during the reporting period by the Bank of Latvia 0.702804 (lats per unit)

Consolidated statement of changes in equity

Group	Attributable to the equity holders of the parent							Non-controlling interest	Total shareholders' equity
	Share capital	Share premium	Legal reserve	Reserves resulting from investment in associates	Other reserves	Total			
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand		
Balance as of 31 December 2009	148 660	60 249	1 017	(23 607)	243 091	429 410	105 882	535 292	
Profit for the period	-	-	-	-	(1 576)	(1 576)	2 055	479	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	(1 576)	(1 576)	2 055	479	
Balance as of 31 March 2010	148 660	60 249	1 017	(23 607)	241 515	427 834	107 937	535 771	

Exchange rate of EUR at the end of reporting period by the Bank of Latvia 0.702804 (lats per unit)