



VENTSPILS NAFTA

**JSC VENTSPILS NAFTA
CONSOLIDATED FINANCIAL STATEMENTS (EUR)
31 December 2012**

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Consolidated statement of income

for the year ended 31 December 2012

	2012	2011
	EUR thousand	EUR thousand
Revenue	193 045	168 242
Cost of goods sold	(154 669)	(142 179)
Gross profit	38 376	26 063
General and administrative expense	(12 671)	(15 914)
Other operating income	23 470	15 501
Other operating expense	(2 450)	(11 112)
Impairment of other non-financial assets	(21 740)	(20 293)
Finance income	1 935	4 478
Finance costs	(15 122)	(14 836)
Profit/ (Loss) before tax	11 798	(16 113)
Corporate income tax	(6 293)	(1 227)
Profit/ (Loss) for the year	5 505	(17 340)
Attributable to:		
Parent company's shareholders	5 807	(9 952)
Non-controlling interest	(302)	(7 388)
	5 505	(17 340)
Earnings/ (Loss) per share (EUR per share) attributable to the Parent company's shareholders:	0,06	(0,10)
Earnings/ (Loss) per share (EUR per share)	0,05	(0,17)

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

Consolidated statement of comprehensive income

for the year ended 31 December 2012

	2012	2011
	EUR thousand	EUR thousand
Profit/ (Loss) for the year	5 505	(17 340)
Other comprehensive income/ (loss)		
- Foreign currency translation reserve	(3 961)	(74)
- Cash flow hedge reserve	653	1 121
Other comprehensive (loss)/ income for the year	(3 308)	1 047
Total comprehensive income/ (loss) for the year	2 197	(16 293)
Attributable to:		
Parent company's shareholders	4 155	(9 429)
Non-controlling interests	(1 958)	(6 864)
	2 197	(16 293)

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

Consolidated statement of financial position

as of 31 December 2012

	31.12.2012.	31.12.2011.
	EUR thousand	EUR thousand
Assets		
Non-current assets		
Intangible assets	35 930	36 085
Property, plant and equipment	560 825	571 136
Investment properties	1 629	1 256
Investments in associated entities	10	10
Loans to affiliated companies	67 955	67 955
Other non-current financial assets	33 836	36 643
Total non-current assets	700 185	713 085
Current assets		
Inventories	4 341	4 196
Trade and other receivables	19 041	36 441
Short term deposits	46 260	25 676
Other current financial assets	22 760	22 908
Cash and cash equivalents	72 024	47 387
	164 426	136 608
Assets classified as held for sale	-	45 979
Total current assets	164 426	182 587
Total assets	864 611	895 672

EUR exchange rate of the Bank of Latvia on 31 December 2012 – 0,702804.

Consolidated statement of financial position (cont'd)

as of 31 December 2012

	31.12.2012.	31.12.2011.
	EUR thousand	EUR thousand
Equity and liabilities		
Equity		
Share capital	148 660	148 660
Share premium	60 249	60 249
Legal reserve	-	1 017
Foreign currency revaluation reserve	(9 170)	(7 191)
Cash flow hedge reserve	(713)	(1 040)
Other reserves	170 359	179 293
Result for the year	5 807	(9 952)
Equity attributable to equity holders of the parent	375 192	371 036
Non-controlling interest	213 539	215 497
Total equity	588 731	586 533
Non-current liabilities		
Borrowings	200 948	230 047
Finance leases	18 405	19 950
Deferred tax liability	7 154	1 522
Deferred income	3 516	3 732
Derivative financial instruments	915	711
Total non-current liabilities	230 938	255 962
Current liabilities		
Borrowings	23 577	24 135
Finance leases	1 093	978
Trade and other payables	15 748	16 362
Taxes payable	588	620
Derivative financial instruments	571	1 370
Deferred income	2 050	8 160
Provisions	1 315	1 552
Total current liabilities	44 942	53 177
Total liabilities	275 880	309 139
Total equity and liabilities	864 611	895 672

EUR exchange rate of the Bank of Latvia on 31 December 2012 – 0,702804.

Consolidated statement of cash flows

for the year ended 31 December 2012

	2012	2011
	EUR thousand	EUR thousand
Operating activities		
Profit/ (Loss) before tax	11 798	(16 113)
Non-cash adjustments to reconcile profit/ (loss) before tax to net cash flows:		
Depreciation of property, plant and equipment and fleet	33 504	30 260
Amortisation of intangible assets	185	1 363
Depreciation of investment properties	20	20
Decrease in financial instruments	-	(16)
Loss on disposal of non-financial assets	415	2 511
Currency translation difference	906	(2 085)
Finance income	(1 935)	(2 493)
Finance costs	13 479	14 690
Recognized impairment	21 740	20 293
Changes in fair value of financial assets	-	(16)
	80 112	48 414
Working capital adjustments:		
Decrease/ (increase) in trade and other receivables and prepayments	19 648	(14 371)
Increase in inventories	(145)	(1 376)
(Decrease)/ increase in trade and other payables	(8 608)	2 981
	91 007	35 648
Corporate income tax paid	(1 204)	(3 247)
Net cash flows from operating activities	89 803	32 401
Investing activities		
Proceeds from sale of non-current assets held for sale	1 090	22 409
Purchase of non-current assets	(9 572)	(59 046)
Proceeds from sale of financial instruments	-	2 390
Grants from ERDF	-	787
Decrease in short term deposits	(20 583)	12 769
Loans issued	(400)	(417)
Interest received	2 003	2 439
Net cash flows used in investing activities	(27 462)	(18 669)
Financing activities		
Payment of finance lease liabilities	(1 125)	(795)
Dividends paid	-	(6 763)
Proceeds from borrowings	1 993	36 448
Repayment of borrowings	(25 239)	(24 081)
Interest paid	(12 450)	(13 412)
Prepaid financing expenses	(314)	(976)
Net cash flows used in financing activities	(37 135)	(9 579)
Net increase in cash and cash equivalents	25 206	4 153
Cash and cash equivalents at 1 January	47 387	43 762
Exchange losses on cash and cash equivalents	(569)	(528)
Cash and cash equivalents at 31 December	72 024	47 387

EUR exchange rate of the Bank of Latvia on 31 December 2012 – 0,702804.

Consolidated statement of changes in equity

for the year ended 31 December 2012

	Attributable to the equity holders of the parent						Non-controlling interest	Total	
	Share capital	Share premium	Legal reserve	Foreign currency translation reserve	Cash flow hedge reserve	Other reserves			Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand			EUR thousand
Balances as of 1 January 2011	148 660	60 249	1 017	(7 156)	(1 599)	179 293	380 465	229 124	609 589
Loss for the year	-	-	-	-	-	(9 952)	(9 952)	(7 388)	(17 340)
Other comprehensive income/(loss)	-	-	-	(36)	559	-	524	524	1 047
Total comprehensive (loss)/income	-	-	-	(36)	559	(9 952)	(9 428)	(6 864)	(16 293)
Dividends declared	-	-	-	-	-	-	-	(6 763)	(6 763)
Balances as of 31 December 2011	148 660	60 249	1 017	(7 191)	(1 040)	169 342	371 036	215 497	586 533
Profit/(Loss) for the year	-	-	-	-	-	5 807	5 807	(302)	5 505
Other comprehensive (loss)/income	-	-	-	(1 979)	327	-	(1 652)	(1 656)	(3 308)
Total comprehensive income/(loss)	-	-	-	(1 979)	327	5 807	4 155	(1 958)	2 197
Reclassification of legal reserves	-	-	(1 017)	-	-	1 017	-	-	-
Balances as of 31 December 2012	148 660	60 249	-	(9 170)	(713)	176 166	375 192	213 539	588 731

EUR exchange rate of the Bank of Latvia on 31 December 2012 – 0,702804.