JOINT STOCK COMPANY VENTSPILS NAFTA

(UNIFIED REGISTRATION NUMBER 50003003091)

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

PREPARED IN ACCORDANCE WITH

INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY EUROPEAN UNION

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

Riga, 2015

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MANAGEMENT REPORT

Dear shareholders,

2014 was a challenging year for the Group. In addition to the longer term issues facing the Group as Russia looks to rebalance the export of its petroleum products to domestic ports, geopolitical tensions added further uncertainty to the near-term outlook.

Ventspils nafta and its subsidiaries (Group)

The financial results of Ventspils nafta and its subsidiaries (the Group) for 2014 were as follows:

- Net loss of 13.98 million EUR (2013: loss of 61.21 million EUR).
- Consolidated income fell by 3% to 161.87 million EUR (2013: 166.73 million EUR)
- Gross profit increased by 2.7% to 42.56 million EUR (2013: 41.45 million EUR).

Results were impacted by the following:

- The previously reported partial settlement of the Antonio Gramsi Corporation court case in the High Court of London which positively impacted financial results by 20.05 million USD.
- Further impairments to the fleet, amounting to 55.25 million USD.
- A downwards re-evaluation of the investment in JSC Latvijas Naftas tranzīts of 8.34 million USD.
- The Group recognized an impairment of the crude oil infrastructure to the amount of 25.21 million EUR, following the displacement of the remaining technological crude oil from idle pipelines. The crude oil infrastructure now is fully impaired.
- The sale of the displaced crude oil generated one off gains in 2014 in the amount of 13.7 million EUR.

Further details on performance of the companies within the Group are described below.

Ventspils Nafta (VN)

VN, the holding company, made a loss of 5.28 million EUR in 2014 (2013: loss of 28.15 million EUR), largely as a result of a 9.67 million EUR impairment (2013: 47.32 million EUR) recognised in respect of VN's investment in LatRosTrans Ltd. Net result for the reporting year was also affected by the 2.38 million EUR impairment of debt following changes in market value of real estate upon which this debt is secured.

Dividend income from VN's investment in Ventspils nafta terminals Ltd amounted to 6.37 million EUR. Net interest income was 1.33 million EUR (2013: 1.19 million EUR). Administrative costs, which fell by approximately 200 thousand EUR to 952 thousand EUR (2013: 1.15 million EUR), are fully covered by management services provided to the Group and interest income from the issued loans and placed deposits.

Ventspils nafta terminals (VNT)

Ventspils nafta termināls' income rose by 3.95 million EUR to 76.85 million EUR (2013: 72.90 million EUR), driven by a 10% growth in volumes to 10.6 million tonnes of petroleum products (2013: 9.6 million tonnes). Net profit was 12.18 million EUR (2013: 12.43 million EUR). Volumes continue flowing through both the pipeline (55%) and rail or sea (45%).

During 2014, the share capital of VNT was reduced by 25 million EUR. As of 31 December 2014, the share capital of VNT is 86.75 million EUR. There were no changes in the shareholding structure.

In 2014, VNT was awarded with 'Gold' in the Latvian Sustainability Index Award and also received an award for being the Second Largest Taxpayer in 2013 in Ventspils. VNT has also ranked third in the good labour protection practice contest "Golden Helmet" organised by the State Labour Inspectorate.

In 2014, by implementing the declared environmental and quality policy goals, VNT carried on with the tasks included in the environment management program, such as maintaining the safety level of technological processes, improving the operating environmental monitoring system, treating and rehabilitating polluted areas in the VNT's territory.

MANAGEMENT REPORT (CONT'D)

LatRosTrans (LRT)

Transhipped volumes in first half of the year of 2014 were significantly affected by both geopolitical tensions and anaemic economic growth in Europe, however, a favourable increase in volumes in second half of the reporting year resulted in a minor increase in total volumes of transported petroleum products to 5.7 million tonnes, up from 5.5 million tonnes in 2013.

Revenues increased commensurately to 16.5 million EUR (2013: 15.3 million EUR) and gross profit rose by 4.66 million EUR to 5.8 million EUR. In part, this improvement in gross profit resulted from the impairment of non-current assets recognised in the previous reporting year. Further impairments of 2.64 million EUR were recognised in 2014 against non-current petroleum transportation assets.

Also in 2014, LRT completed the displacement of technological crude from idle pipelines. As a result more than 64 thousand tonnes of crude oil were displaced and sold throughout the year and in early 2015. No further use of these assets is foreseen and LRT has recognized an additional impairment of 25.21 million EUR.

Profit from foreign exchange movements was 6 million EUR in 2014, compared with a loss of 1.34 million EUR the previous year, contributing to a net profit figure of 1.18 million EUR (2013: 59.47 million EUR loss).

In 2014 LRT carried out reduction of the share capital to the amount of the accumulated losses (59.47 million EUR) as of 31st December 2013. This divestment was undertaken in order to retain the ability to return cash retained within LRT to shareholders in the future. The reduction of the share capital did not change the total equity of LRT. There were no changes in the shareholding structure.

Latvian Shipping Company (LSC)

Income from the fleet fell 12% to 90.71 million USD, due to the reduction in the fleet from 20 vessels in January 2013 to 16 vessels at the end of 2014. Net voyage income of 77.44 million USD (2013: 88.93 million USD) was also down and both impacted operating profit which fell to 46.28 million USD (2013: 54.17 million USD).

A net loss of 31.16 million USD was largely a result of impairments. These included the impairment of vessels, amounting to 55.25 million USD, a loss of 0.34 million USD from the sale of the vessel Riga and a 8.34 million USD re-evaluation of the Company's investment in JSC Latvijas Naftas tranzīts. These were offset, in part, by; the partial settlement of the Antonio Gramsi Corporation court case (20.05 million USD); the sale of property located on Jēkaba Street, Riga, and the revaluation and disposal of the company's investment in the medical clinic Via Una Ltd.

Nonetheless, LSC's cash position has improved as a result of the aforementioned disposals and positive cash flow from shipping activities. As at 31st December 2014 the LSC Group had cash and deposits with maturity up to 12 months in the amount of 45.58 million USD, an increase of 7.04 million USD on January 2014. Two intergroup loans from VN, received in early 2012 and 2013, were repaid.

No further sales are currently planned from the LSC Group's commercial fleet, which currently consists of sixteen medium range and handy size tankers with an average age of 7 years.

Environmental protection and employee engagement

VN Group has embedded its sustainability principles within its business strategy. It operates in a responsible manner providing safe and efficient services. VN Group's aim is to decrease its impact on the environment in an economically responsible way. In 2014 VN Group continued to develop environmental protection and quality policies with aim to successfully ensure preservation and restoration of the quality of the environment, sustainable use of natural resources and minimisation of accident risks at the VN Group's environmentally sensitive facilities.

Experience and professionalism of employees plays integral part VN Group business. The Group continuously improves employee individual skills and promotes development through various educational initiatives, educating about health, safety and environmental issues in order to build personal responsibility and personal involvement improving performance of the Group in a sustainable way.

MANAGEMENT REPORT (CONT'D)

Continued commitment to improving investor relations

The VN Group remains committed to the continuous improvement of its investor relations and we are pleased and proud to receive further recognition from Nasdaq OMX. We shall continue to provide our investors and stakeholders with access to Group Management through meetings and webinars and we welcome their engagement.

The challenges for 2015 will be to identify and pursue further efficiencies, whilst seeking opportunities to leverage the expertise and infrastructure of the Group.

Financial risk management

Financial Instruments and Financial risk management related to the operations of the JSC Ventspils nafta are disclosed in Notes 23 and 24 to these separate financial statement.

Post balance conditions and events

As of the last day of the reporting year until the date of signing these separate financial statements there have been no events requiring adjustment of or disclosure in these separate financial statements or notes thereto, except those disclosed in Note 25 of this report.

Suggestions as to covering the Company's losses

The Company's losses in the reporting year will be covered from the retained earnings of previous years.

The annual report for 2014 and Corporate Governance Report for 2014 have been submitted to the NASADQ OMX Riga as well as published on JSC Ventspils nafta website www.vnafta.lv.

I would like to take this opportunity to thank our employees for their hard work and commitment, as well as the stakeholders across our businesses for their cooperation and support.

Riga, 20 March 2015

On behalf of the Management Board:

Robert Kirkup
Chairman of the Management Board

MANAGEMENT BOARD

Chairman of the Board	Robert Kirkup
Members of the Board	Boris Bednov Aleksej Tarasov

No member of the Management Board has more than 5% of direct ownership in any of Group's business partners, suppliers and clients.

There were no changes in the Management Board during the period from 1 January 2014 to 20 March 2015.

Professional experience of the members of the Management Board

Robert Kirkup is the Chairman of the JSC Ventspils nafta Management Board since 1 September 2013, elected for a period of 3 years. Kirkup also holds positions in Ventspils nafta subsidiaries – he is the Chairman of the Supervisory Council of LatRosTrans Ltd and the Chairman of the Management Board of JSC Latvian Shipping Company as well as a member of the Supervisory Council of Ventspils nafta termināls Ltd.
In 1996 he joined Vitol Group and has held a variety of management positions in oil, sugar and metal. Professional education: BA Honours Degree in Business.
Mr. Robert Kirkup does not own any shares of JSC Ventspils nafta.

Boris Bednov has worked as a member of the Management Board of JSC Ventspils Nafta since April 28, 2010, and was re-elected for a period of 3 years starting from April 28, 2013.
He is an oil and transit industry professional. He began his career in the oil and transit business in 1982 as a Refinery Engineer. Since 1993 he has been working as Oil Trader. He has been the Head of the Lithuanian office of Vitol, based in Mazeikai, since 1996. Professional education: he has graduated the D. Mendeleyev University of Chemical Technology in Russia.
Mr. Boris Bednov does not own any shares of JSC Ventspils nafta.

Aleksej Tarasov has worked as a member of the Management Board of JSC Ventspils Nafta since January 6, 2011, and was re-elected for a period of 3 years on June 26, 2013.
He has worked for Mazeikiu Nafta since 1986. In 1997, he joined the Vitol Lithuania office and since then has continuously worked there as Technical Specialist. Main fields of his expertise include logistics, transportation, storage, and product quality preservation. Professional education: degree in Engineering from the St-Petersburg VVMURE Academy (currently – the Naval Institute of Marine Radioelectronics, VVMURE named after A.S. Popov).
Mr. Aleksej Tarasov does not own any shares of JSC Ventspils nafta.

SUPERVISORY COUNCIL

Chairman of the Council	Vladimir Egger
Deputy Chairman of the Council	Rubel Yilmaz
Members of the Council	Simon Boddy
	Andrea Schlaepfer
	Yulia Vereschagina
	Varvara Maximova
	Rudolf Meroni
	David Guy Anstis
	Jānis Berķis
	Nauris Berķis
	Ivars Bērziņš

To the best of the Group's knowledge, no member of the Supervisory Council has more than 5% of direct ownership in related companies of the Group's business partners, suppliers and clients.

The changes in the Council during the period from 1 January 2014 to 20 March 2015 were as follows:

Elected	Dismissed/ Resigned	Name	Position held
11/06/2014	-	Andrea Schlaepfer	Member of the Council
11/06/2014	-	Yulia Vereschagina	Member of the Council
11/06/2014	-	Varvara Maximova	Member of the Council
20/01/2010	11/06/2014	Mikhail Dvorak	Member of the Council
20/01/2010	11/06/2014	Javed Ahmed	Member of the Council
07/07/2010	11/06/2014	Christophe Theophanis Matsacos	Member of the Council

According to the Supervisory Council's resolution of 11 March 2014 Mikhail Dvorak was recalled from the position of the deputy chairman of the Supervisory Council and Rubel Yilmaz was elected as the deputy chairman of the Supervisory Council. On 28 August 2014, Vladimir Egger was re-elected as the Chairman of the Supervisory Council and Rubel Yilmaz was re-elected as Deputy Chairman of the Supervisory Council respectively.

SUPERVISORY COUNCIL (CONT'D)

Professional experience of the members of the Supervisory Council

Vladimir Egger has worked as the Chairman of the Supervisory Council of JSC Ventspils nafta since January 20, 2010, and was re-elected for a period of 3 years on June 11, 2014.Vladimir Egger is also Chairman of the Supervisory Council of the Ventspils nafta subsidiary JSC Latvian Shipping Company.
Vladimir Egger is the Chief Representative in the Vitol Group's company VNT SA in Moscow. He has almost 30 years of professional experience in the field of commodities trading. Prior to working for Vitol, he was the Managing Director of the company Lukoil Asia Pacific based in Singapore and Beijing, China. Professional education: Bachelor of Arts degree in Economics and a Master of Business Administration degree.
Mr. Vladimir Egger does not own any shares of JSC Ventspils nafta.

Rubel Yilmaz is the Deputy Chairman of the Supervisory Council of JSC Ventspils nafta. He is a member of the Supervisory Council of JSC Ventspils nafta since January 20, 2010, and was re-elected for a period of 3 years on June 11, 2014. Yilmaz also holds positions in Ventspils nafta subsidiaries – he is the Deputy Chairman of the Supervisory Council of JSC Latvian Shipping Company, and has been a member of the Supervisory Council of Ventspils nafta termināls Ltd since March 1, 2010.
Rubel Yilmaz is the Head of Business Development and Strategy of VTTI (Vitol Tank Terminals International). Professional education: he has obtained a degree in economics in University of Groningen (Netherlands).
Mr. Rubel Yilmaz does not own any shares of JSC Ventspils nafta.

Simon Boddy is a member of the JSC Ventspils nafta Supervisory Council since 17 October 2013, and was re-elected for a period of 3 years on June 11, 2014. He is also a member of the Supervisory Council of JSC Latvian Shipping Company, a Ventspils nafta subsidiary.
Simon Boddy has worked in the oil business for more than 30 years. He has worked for the energy company Shell and then for BP. In 1989 he joined Vitol Group and has held senior positions in trading, refinery supply and economics, and as the Chief Representative in Vitol's Moscow office from 2006 to 2008. He was appointed as a Board Member of Vitol Tank Terminals International and is also a qualified United Kingdom Barrister. He was the Chairman of the Management Board of JSC Ventspils nafta in the period from January 20, 2010 until September 1, 2013. Professional education: academic degree in Mathematics from the Oxford University, post-graduate diploma in Law from the College of Law of England and Wales in London.
Mr. Simon Boddy does not own any shares of JSC Ventspils nafta.

Andrea Schlaepfer is a member of the JSC Ventspils nafta Supervisory Council since 11 June 2014, elected for a period of 3 years. Schlaepfer is also a member of the Supervisory Council of the Ventspils nafta subsidiary JSC Latvian Shipping Company.
Andrea Schlaepfer is Head of Corporate Affairs at Vitol. She joined Vitol in February 2013. Prior to this she was Executive Director of Communications at LCH.Clearnet. She has over 15 years' experience in communications, primarily in the financial sector and has worked in an advisory capacity in communication firms, including Citigate Dewe Rogerson, and as head of European communications for Schroders Investment Management. She has a degree in Philosophy and Modern Languages from the University of Oxford.
Ms Andrea Schlaepfer does not own any shares of JSC Ventspils nafta.

Varvara Maximova is a member of the JSC Ventspils nafta Supervisory Council since 11 June 2014, elected for a period of 3 years. Maximova is also a member of the Supervisory Council of the Ventspils nafta subsidiary JSC Latvian Shipping Company.
Varvara Maximova is employed by Business Development Finance at Vitol since 2013. Previously she has worked for Natixis Bank and VTB Capital in Moscow. V.Maximova has degree in banking and finance from London School of Economics and Political Science and degree in economics from Russian State University "Higher School of Economics".
Ms Varvara Maximova does not own any shares of JSC Ventspils nafta.

SUPERVISORY COUNCIL (CONT'D)

Professional experience of the members of the Supervisory Council (cont'd)

Yulia Vereschagina is a member of the JSC Ventspils nafta Supervisory Council since 11 June 2014, elected for a period of 3 years. Vereschagina is also a member of the Supervisory Council of the Ventspils nafta subsidiary JSC Latvian Shipping Company.
Yulia Vereschagina is a head of operations in distillates matrix at Vitol Services BV Moscow representative office since 2012, previously she took position of operator in logistic department at VNT SA, Moscow representative. Y.Vereschagina has graduated State University – Higher School of Economics in Moscow.
Ms Yulia Vereschagina does not own any shares of JSC Ventspils nafta.

Rudolf Meroni is a member of the JSC Ventspils nafta Supervisory Council since 17 October 2013, and was re-elected for a period of 3 years on June 11, 2014.
Rudolf Meroni was also on the Supervisory Council of the JSC Ventspils nafta in the period from July 7, 2010 until July 25, 2012.

David Guy Anstis is a member of the JSC Ventspils nafta Supervisory Council since 17 October 2013, and was re-elected for a period of 3 years on June 11, 2014.
David Guy Anstis has worked on the Management Board of several stevedoring companies in Ventspils. Previously he worked for Moore Stephens LLP, Chartered Accountants, in London, where he was a partner in the International Business Group, focusing on clients in the maritime industry.
Mr. David Guy Anstis does not own any shares of JSC Ventspils nafta.

Jānis Berķis is a member of the JSC Ventspils nafta Supervisory Council since 17 October 2013, and was re-elected for a period of 3 years on June 11, 2014.
Jānis Berķis is Deputy Chairman of the Supervisory Council of Noord Natie Ventspils Terminals Ltd since February 2012 and Deputy Chairman of the Supervisory Council of JSC Ventbunkers since February 2013. In June 2010 Janis Berķis became the member of the Supervisory Council of JSC L.V.K., and in March 2011 became the board member of N&J ratio Ltd. Professional education: bachelor's degree in management at the Ventspils University College, MBA at the "Turība" University.
Mr Jānis Berķis does not own any shares of JSC Ventspils nafta.

Nauris Berķis is a member of the JSC Ventspils nafta Supervisory Council since 17 October 2013, and was re-elected for a period of 3 years on June 11, 2014.
Nauris Berķis is the Chairman of the Supervisory Council of JSC Baltijas Ekspresis since March 2012 and the Chairman of the Supervisory Council of JSC Latvijas Naftas Tranzīts since May 2013. In June 2011 he became the board member of Privātfonds Ltd, whereas from March 2012 he became the board member of N&J Ltd. Professional education: bachelor's degree in management at the Ventspils University College.
Mr. Nauris Berķis does not own any shares of JSC Ventspils nafta.

Ivars Bērziņš has worked as a member of the Supervisory Council of Ventspils Nafta since July 25, 2012, and was re-elected for a period of 3 years on June 11, 2014.
He is a member of Supervisory Council of JSC Latvijas naftas tranzīts and authorised representative of Skonto nafta Ltd. Professional education: Master's degree in law.
Mr. Ivars Bērziņš does not own any shares of JSC Ventspils nafta.

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

The following statement, which should be read in conjunction with the independent auditor's report set out on pages 44 to 45, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditor in relation to the separate financial statements of *JSC Ventspils nafta (*the "Company").

Management is responsible for the preparation of the separate financial statements that present fairly the financial position of the Company as of 31 December 2014, and the results of its operations, cash flows and changes in shareholders' equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") as adopted by EU.

In preparing the separate financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's separate financial statements; and
- making an assessment of the Company's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls, throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the separate financial statements of the Company comply with IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Riga, 20 March 2015

On behalf of the Management Board:

Robert Kirkup
Chairman of the Management Board

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 EUR	2013 EUR
Revenue	3	68 216	180 749
Gross profit		**68 216**	**180 749**
General and administrative expenses	4	(951 513)	(1 145 991)
Other operating expenses, net	5	(32 568)	(3 123)
Operating loss		**(915 865)**	**(968 365)**
Income from investment in subsidiaries	6	6 365 353	18 969 568
Impairment of investment in subsidiaries	8	(9 666 344)	(47 324 001)
Impairment of other financial assets	13c	(2 377 866)	-
Finance income, net	9	1 358 288	1 170 921
Loss before income tax		**(5 236 434)**	**(28 151 877)**
Income tax expense	10	(48 407)	1 184
Loss for the year		**(5 284 841)**	**(28 150 693)**
Other comprehensive income / (expenses)		-	-
Total comprehensive loss for the year		**(5 284 841)**	**(28 150 693)**

The accompanying notes on pages 16 to 43 form an integral part of these Separate Financial Statements.

On behalf of the Management Board:

Robert Kirkup
Chairman of the Management Board

20 March 2015

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

ASSETS

	Note	31/12/2014	31/12/2013
		EUR	EUR
NON-CURRENT ASSETS			
Property, plant and equipment			
Property, plant and equipment	11	52 997	76 906
TOTAL		**52 997**	**76 906**
Other non-current assets			
Investments in subsidiaries	12	149 570 094	171 986 432
Loans to related parties	13a	92 385 090	91 393 894
Other financial assets	13c	27 870 492	30 248 358
TOTAL		**269 825 676**	**293 628 684**
TOTAL NON-CURRENT ASSETS		**269 878 673**	**293 705 590**
CURRENT ASSETS			
Receivables			
Short term deposits	14	40 900 000	22 500 367
Loan to related parties		-	1 204 182
Receivables from related parties	13b	2 594 352	71 761
Other assets	15	263 183	233 136
TOTAL		**43 757 535**	**24 009 446**
Cash and cash equivalents	16	**1 700 260**	**513 396**
TOTAL CURRENT ASSETS		**45 457 795**	**24 522 842**
TOTAL ASSETS		**315 336 468**	**318 228 432**

The accompanying notes on pages 16 to 43 form an integral part of these Separate Financial Statements.

On behalf of the Management Board:

Robert Kirkup
Chairman of the Management Board

20 March 2015

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (CONT'D)

EQUITY AND LIABILITIES

	Note	31/12/2014 EUR	31/12/2013 EUR
EQUITY			
Share capital	17	146 271 327	148 660 962
Share premium		60 248 061	60 248 061
Reserve of share capital denomination		2 389 635	-
Retained earnings		88 785 239	94 070 080
TOTAL EQUITY		**297 694 262**	**302 979 103**
LIABILITIES			
Non-current liabilities			
Borrowings from related companies	18a	17 434 199	15 057 924
Deferred income tax liabilities	10	649	3 460
TOTAL		**17 434 848**	**15 061 384**
Current liabilities			
Payables to related companies	18b	29 008	8 655
Taxes payable	19	13 221	13 566
Payables and accruals	20	165 129	165 724
TOTAL		**207 358**	**187 945**
TOTAL LIABILITIES		**17 642 206**	**15 249 329**
TOTAL EQUITY AND LIABILITIES		**315 336 468**	**318 228 432**

The accompanying notes on pages 16 to 43 form an integral part of these Separate Financial Statements.

On behalf of the Management Board:

Robert Kirkup
Chairman of the Management Board

20 March 2015

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 EUR	2013 EUR
Cash flow from operating activities			
Loss before tax		(5 236 434)	(28 151 877)
Non-cash adjustments to reconcile loss before tax to net cash flows:			
Interest income	9	(1 802 601)	(1 643 724)
Depreciation	11	11 135	13 477
Dividends	6	(6 365 353)	(18 969 568)
Impairment of investment in subsidiaries	8	9 666 344	47 324 001
Impairment of other financial assets		2 377 866	-
Interest expense	9	470 458	456 726
Loss on disposal of property, plant and equipment	5	13 118	-
Income from fluctuations of currency exchange rates		(437)	-
		(865 904)	***(970 965)***
Increase in receivables		(16 447)	(18 530)
Decrease in current liabilities		(16 967)	(8 671)
Net cash flows used in operating activities		***(899 318)***	***(998 166)***
Corporate income tax (paid)/received	19	(14 838)	84 201
Net cash used in operating activities		**(914 156)**	**(913 965)**
Investing activities			
Purchase of property, plant and equipment	11	(2 452)	(6 744)
Interest received		1 039 388	836 730
Loans repaid/(issued)		2 896 262	(2 670 000)
Dividends received		6 365 353	18 969 568
Proceeds from disposal of property, plant and equipment		2 107	-
Increase in short-term deposits		(18 399 633)	(15 810 459)
Net cash flow (used in)/ generated from investing activities		**(8 098 975)**	**1 319 095**
Financing activities			
Proceeds from share capital reduction in subsidiary		10 199 995	-
Net cash generated from financing activities		**10 199 995**	**-**
Net increase in cash and cash equivalents		**1 186 864**	**405 130**
Cash and cash equivalents at the beginning of the reporting year		**513 396**	**108 266**
Cash and cash equivalents at the end of the reporting year	16	**1 700 260**	**513 396**

The accompanying notes on pages 16 to 43 form an integral part of these Separate Financial Statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Share premium	Reserve of share capital denomination	Retained earnings	**Total**
	EUR	EUR	EUR	EUR	**EUR**
Balance as at 1 January 2013	**148 660 962**	**60 248 061**	**-**	**122 220 773**	**331 129 796**
Total comprehensive loss for the reporting year	-	-	-	(28 150 693)	(28 150 693)
Balance as at 31 December 2013	**148 660 962**	**60 248 061**	**-**	**94 070 080**	**302 979 103**
Share capital denomination	(2 389 635)	-	2 389 635	-	-
Total comprehensive loss for the reporting year	-	-	-	(5 284 841)	(5 284 841)
Balance as at 31 December 2014	**146 271 327**	**60 248 061**	**2 389 635**	**88 785 239**	**297 694 262**

As of 31 December 2014 the authorised, issued and fully paid share capital of the Company consists of 104 479 519 shares with nominal value of EUR 1.40 per share. All shares are publicly traded and listed on NASDAQ OMX Riga Official list. All shares are ordinary shares with voting rights.

The denomination of the Company's bearer shares was made from LVL to EUR with the nominal value of EUR 1.40. As a result EUR 2 389 635 reserve recognised and value of the share capital was EUR 146 271 327.

The accompanying notes on pages 16 to 43 form an integral part of these Separate Financial Statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Corporate information

JSC Ventspils nafta (hereinafter– the Company) is a public joint stock company incorporated under the laws of the Republic of Latvia. The Company was first registered in the Enterprise Register on 9 May 1991, and then re-registered in the Commercial Register on 5 August 2004 (under the number 50003003091). Since 20 October 1998 *JSC Ventspils nafta* is listed on the *NASDAQ OMX Riga* main list. Legal address of the Company is Elizabetes street 1, LV-1010, Riga, the Republic of Latvia.

The Company's main business types (NACE 2nd wording) are operation of head offices (70.1), operation of holding companies (64.2) and other business types. *JSC Ventspils nafta* is a holding company mainly engaged in management of investments in companies of the *JSC Ventspils nafta* Group.

In 2014, the main activities carried out by the subsidiaries of *JSC Ventspils nafta* were as follows:

- Transporting oil products via pipelines (*LatRosTrans Ltd*),
- Storage and reloading of crude oil and oil products from/ to rail tank cars and vessels and also reloading from pipeline of oil products (*Ventspils nafta termināls Ltd*),
- Marine shipping business(*JSC Latvian Shipping Company)*.

The following table summarizes ownership of the Company in subsidiaries:

Ownership, %	31/12/2014	31/12/2013	Registration number	Legal address
Subsidiaries				
LatRosTrans Ltd	66.00	66.00	40003190740	LRDS "Ilūkste", Šederes pagasts, Ilūkstes novads, Latvia, LV-5474
Ventspils nafta termināls Ltd	51.00	51.00	41203019923	Talsu iela 75, Ventspils, Latvia, LV-3602
JSC Latvian Shipping Company	49.94	49.94	40003021108	Elizabetes iela 1, Riga, Latvia, LV-1010

The separate financial statements of the Company were authorized for issue in accordance with resolution of the Management Board on 20 March 2015.

The Shareholders of the Company has the right to dispute the accuracy of the separate financial statements line items and to postpne the approval of the separate financial statements in the sharholder's meeting.

2. Significant accounting policies

Basis of preparation

The annual report of the Company represents only the financial results of *JSC Ventspils nafta* as a holding company stand alone. The financial results of the *JSC Ventspils nafta* and its subsidiaries (the "Group") are represented in the consolidated financial statements of the Group.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

Statement of compliance

The separate financial statements of the Company standing alone are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by European Union (EU). The same accounting policies have been applied throughout all periods presented.

The separate financial statements have been prepared on a historical cost basis. The reporting period for the annual report is from 1 January 2014 till 31 December 2014 and separate financial statements are prepared in Euro (EUR).

Changes in accounting standards

The following new and amended IFRS and interpretations became effective in 2014, but did not have significant impact on these separate financial statements, except additional disclosures:

- **IFRS 10 "Consolidated financial statements"** (effective for annual periods beginning on or after 1 January 2013, endorsed by EU for annual periods beginning on or after 1 January 2014);
- **IFRS 11 "Joint arrangements"** (effective for annual periods beginning on or after 1 January 2013, endorsed by EU for annual periods beginning on or after 1 January 2014);
- **IFRS 12 "Disclosures of interests in other entities"** (effective for annual periods beginning on or after 1 January 2013, endorsed by EU for annual periods beginning on or after 1 January 2014);
- **Amendments to IFRS 10, 11 and 12 on transition guidance** (effective for annual periods beginning on or after 1 January 2013, endorsed by EU for annual periods beginning on or after 1 January 2014);
- **IAS 27 (revised in 2011) "Separate financial statements"** (effective for annual periods beginning on or after 1 January 2013, endorsed by EU for annual periods beginning on or after 1 January 2014);
- **IAS 28 (revised in 2011) "Associates and joint ventures"** (effective for annual periods beginning on or after 1 January 2013, endorsed by EU for annual periods beginning on or after 1 January 2014);
- **Amendments to IFRS 10, IFRS 12 and IAS 27 on consolidation for investment entities** (effective for annual periods beginning on or after 1 January 2014);
- **Amendments to IAS 32 "Financial instruments: Presentation" on offsetting financial assets and financial liabilities** (effective for annual periods beginning on or after 1 January 2014);
- **Amendments to IAS 36 "Impairment of assets" on recoverable amount disclosures** (effective for annual periods beginning on or after 1 January 2014);
- **Amendments to IAS 39 "Financial instruments: Recognition and measurement" on novation of derivatives and hedge accounting** (effective for annual periods beginning on or after 1 January 2014);
- **IFRIC 21 "Levies"** (effective for annual periods beginning on or after 1 January 2014).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

Standards issued but not yet effective

Certain new standards and interpretations have been published and come into force on financial periods beginning on or after 1 January 2015, and are not endorsed by the European Union:

Amendments to IAS 19 "Employee benefits plans" regarding defined benefit plans (effective for annual periods beginning on or after 1 July 2014, not yet endorsed in the EU)**.**

Annual improvements 2012 (effective for annual periods beginning on or after 1 July 2014, not yet endorsed in the EU):

- IFRS 2 "Share-based payment";
- IFRS 3 "Business Combinations";
- IFRS 8 "Operating segments";
- IFRS 13 "Fair value measurement";
- IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets";
- Consequential amendments to IFRS 9 "Financial instruments";
- IAS 37 "Provisions, contingent liabilities and contingent assets", and
- IAS 39 "Financial instruments – Recognition and measurement".

Annual improvements 2013 (effective for annual periods beginning on or after 1 July 2014, not yet endorsed in the EU):

- IFRS 1 "First time adoption";
- IFRS 3 "Business combinations";
- IFRS 13 "Fair value measurement", and
- IAS 40 "Investment property".

Amendment to IFRS 11 "Joint arrangements" on acquisition of an interest in a joint operation (effective for annual periods beginning on or after 1 January 2016, not yet endorsed in the EU).

Amendment to IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets" on depreciation and amortisation (effective for annual periods beginning on or after 1 January 2016, not yet endorsed in the EU).

Amendments to IAS 16 "Property, plant and **equipment" and IAS 41 "Agriculture" regarding bearer plants** (effective for annual periods beginning on or after 1 January 2016, not yet endorsed in the EU).

IFRS 14 "Regulatory deferral accounts" (effective for annual periods beginning on or after 1 January 2016, not yet endorsed in the EU).

Amendments to IAS 27 "Separate financial statements" on the equity method (effective for annual periods beginning on or after 1 January 2016, not yet endorsed in the EU).

Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2016, not yet endorsed in the EU).

Annual improvements 2014 (effective for annual periods beginning on or after 1 July 2016, not yet endorsed in the EU):

- IFRS 5 "Non-current assets held for sale and discontinued operations";
- IFRS 7 "Financial instruments: Disclosures" with consequential amendments to IFRS 1;
- IAS 19 "Employee benefits";
- IAS 34 "Interim financial reporting".

IFRS 15 "Revenue from contracts with customers" (effective for annual periods beginning on or after 1 January 2017, not yet endorsed in the EU).

IFRS 9 "Financial instruments" (effective for annual periods beginning on or after 1 January 2018, not yet endorsed in the EU).

There are no other new or revised standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

Foreign currency translation

In accordance with the requirements of the „Law on the Procedure for Introduction of Euro" all amounts in these financial statements are expressed in the Latvian national currency – euro (EUR). The comparative figures as at 31 December 2013 have been translated from lats to euro in accordance with the rate set by the European Union Council 1 EUR = 0.702804 LVL and rounded to the nearest euro cent.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

Foreign currency translation (cont'd)

Foreign currency transactions are translated to euro using the official exchange rates of the European Central Bank prevailing at the transaction date. When the European Central Bank does not quote a particular currency, the official exchange rate against the Euro of the central bank issuing the currency is used as the basis.

Exchange rate differences resulting from the settlement of such transactions are reported in the statement of comprehensive income when they occur.

Monetary assets and liabilities denominated in foreign currencies are translated using the official exchange rate of the European Central Bank prevailing at the date of the statement of financial position or on the basis of the official exchange rate of the central bank of the country issuing the foreign currency when the European Central Bank does not quote the particular currency.

In the table below are the main foreign currency rates of European Central Bank (foreign currency against 1 EUR/ 1 LVL), which were used when preparing these financial statements of the Company:

	31/12/2014 EUR	**31/12/2013 LVL**
USD	1.2141	0.515

Property, plant and equipment

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of fixed assets comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The following depreciation rates were established and applied by management:

	% per annum
Other property, plant and equipment	*10 - 50*

Depreciation is calculated starting with the following month after the fixed asset is put into operation or engaged in commercial activity. Significant parts of fixed assets, which requires regular replacement, are recognized as seperate fixed assets, for which useful life is determined individually; also depreciation of these fixed assets are calculated individually.

When fixed assets are sold or disposed of, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Where the carrying amount of fixed asset exceeds its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of the fair value less costs of disposal and the value in use of the related fixed asset.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Such costs are depreciated over the remaining useful life of the related asset. Capitalising the cost of mounted spare parts, the carrying value of the part replaced is written off to the statement of comprehensive income.

Gains or losses on disposals are determined by comparing carrying amount with proceeds and are charged to the statement of comprehensive income during the period in which they are incurred.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

Investments in subsidaries

Investments in subsidiary undertakings (such entities in which the Company has an interest of more than 50% of the voting rights or otherwise has power to exercise control over the operations) are stated at cost. Investments in subsidiaries are valued at their initial value less impairment losses. Where events or changes in circumstances indicate that the carrying amount of investments in subsidiaries may not be recoverable, the respective investments are tested for impairment. Recoverable value of investment is determined on the basis of cash flow forecasts based on budgets and business plans prepared by the management of companies.

The Company recognises income from its investments in subsidiary only to the extent that the Company receives distributions from accumulated profits of the subsidiary or arising after the date of acquisition. Any distributions received out of pre-acquisition profits are treated as a recovery of the cost of investment.

Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement
Financial assets of the Company have been classified as loans and receivables. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Regular purchases and sales of financial assets are recognised on the trade-date.

The Company's financial assets include cash and short-term deposits, receivables from related parties and other receivables, and loans.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income for cash and cash equivalents and in other operating income for other loans and receivables. The losses arising from impairment are recognised in the statement of comprehensive income in "Impairment of investment in subsidiaries".

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii) Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

Financial instruments - initial recognition and subsequent measurement *(cont'd)*

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted using the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

iii) Financial liabilities

Initial recognition and measurement

All financial liabilities within the scope of IAS 39 are classified as financial liabilities at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of a financial liability not at fair value through profit or loss directly attributable transaction costs.

The Company's financial liabilities include payables to related parties, payables and accruals and loan from related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate (EIR) method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash comprises cash at bank and short-term deposits with an original maturity of three months or less.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue from rendering of services is recognized in the period when the services are provided by reference to the stage of completion of the transaction.

Interest income

For all financial instruments measured at amortised cost interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividends

Revenue is recognized when the Company's right to receive dividend payment is established.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

2. Significant accounting policies (cont'd)

***Taxes** (cont'd)*

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and associates the deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Subsequent events

Post-year-end events that provide additional information about the Company's position at the statement of financial postion date (adjusting events) are reflected in the separate financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

Employee benefits

Short-term employee benefits, including salaries and social security contributions, bonuses and paid vacation benefits are included in General and administrative expenses and administrative expenses on an accrual basis.

The Company pays social security contributions to state pension insurance and to the state funded pension scheme in accordance with Latvian legislation. In accordance with the Rules of the Cabinet of Ministers of Latvia Republic 73.80% (2013: 75.80%) of the social insurance contributions are used to fund the state defined contribution pension system. State funded pension scheme is a defined contribution plan under which the Company pays fixed contributions determined by law and will have no legal or constructive obligation to pay further contributions if the state pension insurance system or state funded pension scheme are not able to settle their liabilities to employees. The social security contributions are accrued in the year in which the associated services are rendered by the employees of the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

3. Revenue

	2014 EUR	2013 EUR
Management services	68 216	180 749
TOTAL:	**68 216**	**180 749**

The costs for provided management services mainly include salaries for work, statutory social insurance contributions and professional charges and legal costs. These costs are included in General and administrative expenses (see Note 4).

4. General and administrative expenses

	2014 EUR	2013 EUR
Salaries (see also Note 7)	528 604	609 184
Professional charges and legal costs	114 958	180 833
Statutory social insurance contributions (see also Note 7)	86 688	146 324
Lease of premises	43 449	30 710
Bank charges	34 767	31 603
Audit fees	24 500	19 500
Remuneration of the Audit Committee	14 156	5 976
Depreciation (see also Note 11)	11 135	13 477
Other expense	93 256	108 384
TOTAL:	**951 513**	**1 145 991**

5. Other operating expense, net

	2014 EUR	2013 EUR
Sponsorship	(19 450)	(7 114)
Loss on disposal of property, plant and equipment	(13 118)	-
Other income	-	7 732
Other expense	-	(3 741)
TOTAL:	**(32 568)**	**(3 123)**

6. Income from investment in subsidiaries

	2014 EUR	2013 EUR
Dividends received	6 365 353	18 969 568
TOTAL:	**6 365 353**	**18 969 568**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

7. Personnel expense

	2014	2013
Average number of employees during the reporting year	10	11

Salaries and statutory social insurance contributions

	2014 EUR	2013 EUR
Salaries	426 604	529 653
Statutory social insurance contributions	75 742	127 165
Management and Board Members		
Salaries	102 000	79 531
Statutory social insurance contributions	10 946	19 159
TOTAL:	**615 292**	**755 508**

In accordance with resolution adopted by shareholders of *JSC Ventspils nafta*, the remuneration fund for Supervisory Council members for fulfilment of duties as the Company's Supervisory Council members was fixed in the amount of zero EUR in 2014 (2013: EUR nil).

The total personnel expense is included in the income statement as follows:

	2014 LVL	2013 LVL
General and administrative expense	615 292	755 508
TOTAL:	**615 292**	**755 508**

8. Impairment of the investment in subsidiaries

The Company's non-current investments in the subsidiaries are tested for impairment on an annual basis. The total net carrying value of the Company's non-current investments in its subsidiaries tested for impairment was EUR 65 785 344 (31 December 2013: EUR 113 109 345). In 2014 impairment in the amount of EUR 9 666 344 was recognized (2013: EUR 47 324 001). Impairment was recognised with respect to the Company's 66% shareholding in *LatRosTrans Ltd*. The recoverable amount of EUR 56 119 000 of investment was calculated assuming that *LatRosTrans Ltd* will continue as going concern, was based on calculation of recoverable amount of *LatRosTrans Ltd* non-current assets as described below, and considering the net estimates of the free assets and liabilities.

For impairment test purposes *LatRosTrans Ltd* business including the non-current assets is considered as two separate cash generating units (CGU), for which cash inflows are largely independent. CGU 1 represents property, plant and equipment related to oil product pipeline. CGU 2 represents land use rights and property, plant and equipment related to crude oil pipeline.

The recoverable amount of CGU 1 of EUR 8 965 thousand was determined based on the value in use calculation using discounted cash flow projections approved by the management and covering 5 years considering the required investments.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

8. Impairment of the investment in subsidiaries (cont'd)

The following describes the major key assumption on which the management of *LatRosTrans Ltd* has based its cash flow projections in relation to the cash flow from the main operations:

- Oil product throughput in 2015 an onwards is planned in the amount of 4 400 thousand tons:
- The weighted average cost of capital rate applied to the cash flow projections is 4.0%;
- The inflation rate used is 0.7% for 2015 and 1.3% onwards;

For CGU 2 the events and circumstances that led to the recognition of the impairment loss for full amount of the carrying value of intangible assets and property, plant and equipment in amount of EUR 21 542 thousand and EUR 3 667 thousand respectively (31 December 2013: EUR nil) were based on the fact that the technological crude oil displacement project was completed and no further active use of these assets is foreseen in the nearest future. Therefore the recoverable amount of the CGU 2 is considered to be EUR nil as at 31 December 2014.

9. Finance income, net

		2014 EUR	2013 EUR
Interest income from loans and receivables		1 614 402	1 470 266
Interest on bank account balances		188 199	173 458
Gain / (loss) from currency exchange, net		23 377	(13 399)
Gain / (loss) from purchase/ sale of foreign currency, net		2 768	(2 678)
Interest expense		(470 458)	(456 726)
	TOTAL:	**1 358 288**	**1 170 921**

10. Corporate income tax for the reporting year and deferred income tax

		2014 EUR	2013 EUR
Corporate income tax charge for the current year		(51 218)	-
Deferred corporate income tax credit		2 811	1 184
	TOTAL:	**(48 407)**	**1 184**

Deferred corporate income tax:

	Statement of financial position EUR		Statement of comprehensive income EUR	
Deferred corporate income tax liability	31/12/2014	31/12/2013	2014	2013
Accelerated depreciation for tax purposes	(2 376)	(4 465)	2 089	1 404
Gross deferred tax liability	(2 376)	(4 465)	2 089	1 404
Deferred corporate income tax asset				
Provisions established	1 727	1 005	722	(220)
Gross deferred income tax asset	**1 727**	**1 005**	**722**	**(220)**
Net deferred income tax liability	**(649)**	**(3 460)**	**2 811**	**1 184**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

10. Corporate income tax for the reporting year and deferred income tax (cont'd)

Actual corporate income tax charge for the reporting year, if compared with theoretical calculations:

	2014 EUR	2013 EUR
Loss before tax	(5 236 434)	(28 151 877)
Corporate income tax at 15%	*(785 465)*	*(4 222 782)*
The effect of impairment of investments in subsidiaries	1 449 952	7 098 601
The effect of impairment of other financial assets	356 680	-
Non-taxable profit, dividends received	(954 803)	(2 845 435)
Permanent differences, net	(17 957)	(31 568)
Corporate income tax charged/(credited) to the statement of comprehensive income:	**48 407**	**(1 184)**

11. Property, plant and equipment

	Other property , plant and equipment EUR	TOTAL EUR
Cost:		
At 1 January 2013	227 036	227 036
Additions	6 744	6 744
Disposals	(8 605)	(8 605)
31 December 2013	**225 175**	**225 175**
Additions	2 452	2 452
Disposals	(72 074)	(72 074)
31 December 2014	**155 553**	**155 553**
Depreciation		
At 1 January 2013	143 398	143 398
Depreciation charge for 2013	13 477	13 477
Disposals	(8 605)	(8 605)
31 December 2013	**148 270**	**148 270**
Depreciation charge for 2014	11 135	11 135
Disposals	(56 849)	(56 849)
31 December 2014	**102 556**	**102 556**
Net book value		
31 December 2014	52 997	52 997
31 December 2013	76 906	76 906
1 January 2013	83 638	83 638

The total depreciation charge is included in General and administrative expense caption (see Note 4).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

12. Investments in subsidiaries

The investments in subsidiaries of the Company as at 31 December 2014 and 2013, as well as the key performance indicators, core business activity and registered office of the subsidiaries:

	31/12/2014 Shareholding, %	31/12/2013 Shareholding, %	31/12/2014 Investment, EUR	31/12/2013 Investment, EUR	31/12/2014 Equity of subsidiary, EUR	31/12/2013 Equity of subsidiary, EUR	2014 Profit/(loss) of subsidiary EUR	2013 Profit/(loss) of subsidiary EUR	Business activity	Legal address
LatRosTrans Ltd.	66.00	66.00	56 119 000	65 785 344	94 673 027	93 496 552	1 176 476	(59 465 155)	Crude oil and oil product transportation by pipeline	LRDS "Ilūkste", Šederes pagasts, Ilūkstes novads, Latvia, LV-5474
Ventspils nafta termināls Ltd.	51.00	51.00	43 728 333	56 478 327	98 938 500	124 235 998	12 183 587	12 429 606	Crude oil and oil product reloading and storage	Talsu iela 75, Ventspils, LV-3602, Latvia
JSC Latvian Shipping Company.	49.94	49.94	49 722 761	49 722 761	134 632 498	159 790 649	(25 354 029)	(14 384 295)	Marine shipping business	Elizabetes iela 1, Riga, LV-1010, Latvia
		TOTAL:	**149 570 094**	**171 986 432**						

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

12. Investments in subsidiaries (cont'd)

The investments in the subsidiaries can be specified as follows:

	LatRosTrans Ltd.	*Ventspils nafta termināls Ltd.*	*JSC Latvian Shipping Company*	**Total**
	EUR	*EUR*	*EUR*	***EUR***
Cost:				
At 1 January 2013	**114 186 035**	**56 478 327**	**49 722 761**	**220 387 123**
At 31 December 2013	**114 186 035**	**56 478 327**	**49 722 761**	**220 387 123**
Decrease of share capital of the subsidiary	-	(12 749 994)	-	(12 749 994)
At 31 December 2014	**114 186 035**	**43 728 333**	**49 722 761**	**207 637 129**
Accumulated impairment:				
At 1 January 2013	1 076 690	-	-	1 076 690
Impairment (see Note 8)	47 324 001	-	-	47 324 001
At 31 December 2013	**48 400 691**	**-**	**-**	**48 400 691**
Impairment (see Note 8)	9 666 344	-	-	9 666 344
At 31 December 2014	**58 067 035**	**-**	**-**	**58 067 035**
Net carrying amount:				
At 31 December 2014	56 119 000	43 728 333	49 722 761	**149 570 094**
At 31 December 2013	65 785 344	56 478 327	49 722 761	**171 986 432**
At 1 January 2013	113 109 345	56 478 327	49 722 761	**219 310 433**

Information on the operations of the subsidiaries

Ventspils nafta termināls Ltd

Ventspils nafta termināls Ltd has been in the transit business for ten years already, providing transit services such as receipt of crude oil and diesel from pipelines, receipt of diesel, gasoline and other oil products delivered by rail and sea, storing and reloading such products. Ventspils nafta termināls Ltd is the largest company of this type in the region. Ventspils nafta termināls Ltd operates storage facilities for petroleum products with total capacity of 1.2 million cubic meters making it by far larger than any other company involved in similar business in Latvia or the neighbouring countries.

Ventspils nafta termināls Ltd increased its transhipment volumes from 9.6 million metric tons in 2013 to 10.6 million metric tons of various petroleum products in 2014. Throughput of products delivered by railway and vessels was 4.8 million metric tons and throughput of pipeline gasoil was 5.8 million metric tons.

In 2014, net turnover of *Ventspils nafta termināls Ltd* was EUR 76 845 380 (2013: EUR 72 897 240), while the net profit for the reporting period amounted to EUR 12 183 587 (2013: EUR 12 429 606).

On 5 November 2014 shareholders of *Ventspils nafta termināls Ltd* agreed to reduce share capital of *Ventspils nafta termināls Ltd* by EUR 25 000 000 (by 25 000 000 shares) and to pay out a compensation, which is equal to the nominal value of the cancelled shares, to the shareholders in proportion of their investment. In 2014, as a result of share capital reduction *Ventspils nafta termināls Ltd* has made a partial payment to its shareholders in the amount of EUR 20 000 000, the outstanding balance for share capital reduction is EUR 5 000 000 as at 31 December 2014. *JSC Ventspils nafta* share in proportion to its investment is EUR 2 549 999 as at 31 December 2014 (see Note 13b).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

12. Investments in subsidiaries (cont'd)

***Information on the operations of the subsidiaries** (cont'd)*

LatRosTrans Ltd

LatRosTrans Ltd provides transit services of oil product. In the territory of the Republic of Latvia, *LatRosTrans Ltd* owns a pipeline network consisting of three main pipelines: Polotsk – Mazeikiai crude oil pipeline, Polotsk – Ventspils crude oil pipeline, and Polotsk – Ventspils oil product pipeline.

The sales of *LatRosTrans Ltd* in 2014 amounted to EUR 16 501 635 (2013: EUR 15 297 360), and oil product transportation for the year reached 5.7 million tons (2013: 5.5 million tons) which is by 4% over if compared to 2013. *LatRosTrans Ltd* closed 2014 with a net profit of EUR 1 176 476 (2013: net loss EUR 59 465 155).

On 17 June 2014, *LatRosTrans Ltd* reduced the share capital by EUR 59 465 thousand, covering the losses incurred in 2013. After the reduction, the share capital of *LatRosTrans Ltd* amounts to EUR 93 497 thousand, with the nominal value of each capital share of EUR 1, where *JSC Ventspils nafta* owns 61 707 735 shares and *Transnefteprodukt AK* owns 31 788 815 shares.

JSC Latvian Shipping Company

JSC Latvian Shipping Company is providing commercial management services to its subsidiaries. The *JSC Latvian Shipping Company* and its subsidiaries operate in marine shipping business. In 2014, *JSC Latvian Shipping Company* decreased its share capital in order to cover the accumulated losses of *JSC Latvian Shipping Company* in amount of EUR 220 million. The share capital before the reduction was EUR 280 million and where decreased accordingly by the accumulated losses in amount of EUR 220 million; as a result, the decreased share capital of *JSC Latvian Shipping Company* is EUR 60 million.

As of 31 December 2014 the authorised, issued and fully paid share capital of *JSC Latvian Shipping Company* consists of 200 000 000 shares with nominal value of EUR 0.30 per share. All shares are publicly traded and listed on NASDAQ OMX Riga Official list. All shares are ordinary shares with voting rights.

Interest of *JSC Ventspils nafta* in *JSC Latvian Shipping Company* has not changed since obtaining it.

The share price on NASDAQ OMX Riga at the end of the year was EUR 0.36 per share (31/12/2013: EUR 0.559 per share). On a net asset value basis *JSC Ventspils nafta's* 49.94% share of *JSC Latvian Shipping Company* as at 31 December 2014 is EUR 35 957 thousand (31/12/2013: EUR 55 853 thousand).

In 2014, the net losses of the *JSC Latvian Shipping Company* Group amounted to EUR 25 354 029. In 2013, net losses of the *JSC Latvian Shipping Company* amounted to EUR 14 384 295.

13. Loans to related companies, receivables from related companies and other financial assets

13 (a) Non-current loans:

	31/12/2014 EUR	31/12/2013 EUR
Receivable from *Euromin Holdings (Cyprus) Limited**	67 955 301	67 955 301
Receivable from *Latmar Holdings Corporation***	24 429 789	23 438 593
TOTAL:	**92 385 090**	**91 393 894**

* Pursuant to the decision of the *JSC Ventspils nafta* Council dated 26 October 2006, an Option agreement on sale of 49% of shares in the subsidiary *Ventspils nafta termināls Ltd* has been concluded with *Euromin Holdings (Cyprus) Limited* (a subsidiary of *Vitol SA*). The option has been exercised in March 2007 when a share sale agreement was signed after the necessary permit was obtained from the Latvian Competition Council. The change of shareholders in the subsidiary has been registered on 15 March 2007. The Company has received a loan note from *Euromin Holdings (Cyprus) Limited* in the amount of USD 90 million bearing interest at LIBOR + 1% or 9.99%, whichever is lower.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

13. Loans to related companies, receivables from related companies and other financial assets (cont'd)

13 (a) Non-current loans (cont'd)

On 8 December 2010, the principal amount of the loan note issued by *Euromin Holdings (Cyprus) Limited* was converted from USD 90 million to an equivalent amount in Euro, namely, Euro 67 955 thousand. In accordance with the mentioned conversion, as of 8 December 2010, the interest rate of the loan note is fixed at 3M EUR LIBOR + 1% or 9.99% per year, whichever is lower. All other conditions of the loan note remained unchanged.

The loan note is repayable either when *Euromin Holdings (Cyprus) Limited* disposes of its investment in JSC Ventspils nafta or when *Vitol SA* disposes of its investment in *Euromin Holdings (Cyprus) Limited* or 15 October 2016, whichever is the earliest.

The balance of the loan note at 31 December 2014 and 2013 was Euro 67 955 301. As at 31 December 2014 and 31 December 2013 the loan note balance was neither due nor impaired. The Company's management believes that debt is fully recoverable.

**Loans of *JSC Ventspils nafta* to *Latmar Holdings Corporation*

On August 29, 2011, a loan agreement was concluded for Euro 1 500 000 between *JSC Ventspils nafta* and *Latmar Holdings Corporation* – a subsidiary of *JSC Latvian Shipping Company.* The initial loan repayment time was fixed until September 2, 2013, and the initial interest rate was fixed at 3 months EUR LIBOR + 1%.
Amendments were made to the loan agreement on March 29, 2012, determining the new loan amount of Euro 1 517 704 (the principal of previous loan agreement and the accrued interest as at the time of amending the agreement), the new repayment time was fixed as at June 30, 2017, but the new loan interest rate was fixed at 3 months EUR LIBOR + 2.75%.
The loan security was the real property at Jēkaba Street 30, Riga, which was sold by *JSC Latvian Shipping Company* in 2014. The loan and accrued interest in the amount of EUR 1 634 881 was repaid on September 17, 2014

On March 29, 2012, a loan agreement was concluded for Euro 5 000 000 between *JSC Ventspils nafta* and *Latmar Holdings Corporation* – a subsidiary of *JSC Latvian Shipping Company*. The loan is repayable until June 30, 2017, and the interest rate is fixed 3 months EUR LIBOR + 2.75%. Loan securities are the real property at Elizabetes Street 1, Riga, , as well as the commercial pledge of *Latmar Holdings Corporation* subsidiary *Skonto nafta Ltd* for a part of registered shares of *JSC Latvijas Naftas Tranzīts* owned by it.

On May 18, 2012, a loan agreement was concluded for USD 19 557 000 between *JSC Ventspils nafta* and *Latmar Holdings Corporation* – a subsidiary of its associated company *JSC Latvian Shipping Company*. The loan is repayable until June 30, 2017, and the interest rate is fixed 3 months USD LIBOR + 2.75%. The loan security is the commercial pledge of *Latmar Holdings Corporation* subsidiary *Skonto nafta Ltd* for a part of registered shares of *JSC Latvijas Naftas Tranzīts* owned by it.

On March 13, 2013, a loan agreement was concluded for up to USD 7 000 000 between *JSC Ventspils nafta* and *Latmar Holdings Corporation* – a subsidiary of its associated company *JSC Latvian Shipping Company*. The loan term is until June 30, 2017 and the fixed interest rate was 3 months USD LIBOR +2.75%. The loan was available for issuing until December 31, 2013 upon the borrower's request. The loan security is the commercial pledge of *Latmar Holdings Corporation* subsidiary *Skonto nafta Ltd* for a part of registered shares of *JSC Latvijas Naftas Tranzīts* owned by it. Amendments were made to the loan agreement on December 3, 2013, translating the amount of loan from USD 7 000 000 to Euro 5 200 000, prolonging the issuing date of the loan until June 30, 2017 and determining the new loan interest rate, which was fixed at 3 months EUR LIBOR + 3.5%. The first tranche of the loan payment in the amount of Euro 1 500 000 was issued on December 3, 2013.

On July 26, 2013, a loan agreement was concluded for Euro 1 170 000 between *JSC Ventspils nafta* and *Latmar Holdings Corporation* – a subsidiary of its associated company *JSC Latvian Shipping Company*. The loan was repayable until July 25, 2014, and the fixed interest rate was 3 months EUR LIBOR + 6.5%. The loan was not secured. The loan and accrued interest in the amount of EUR 1 282 318 was repaid fully on December 12, 2014.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

13. Loans to related companies and receivables from related companies (cont'd)

13 (b) Receivables from related companies (current):	31/12/2014 EUR	31/12/2013 EUR
Receivable from *JSC Latvian Shipping Company* in relation to management consulting services	2 619	10 733
Receivable from *Ventspils nafta termināls Ltd* in relation to management consulting services	-	39 604
Receivable from *Ventspils nafta termināls Ltd in relation to share capital reduction (see Note 12)*	2 549 999	-
Receivable from *LatRosTrans Ltd* in relation to management consulting services	10 298	10 694
Receivable from *Vitol Baltics Ltd* in relation to management consulting services	18 582	-
Receivable from *Latvijas Naftas Tranzīts JSC* in relation to other services	12 854	10 730
TOTAL:	**2 594 352**	**71 761**

13 (c) Other financial assets:

LASCO Investment Ltd

On 17 December 2008, the Company signed a share sales agreement with *LASCO Investment Ltd,* the subsidiary of *JSC Latvian Shipping Company,* on the sale of the shares in the following subsidiaries of *JSC Ventspils Nafta: JSC Preses Nams, Mediju Nams Ltd*, *LASCO nekustamie īpašumi Ltd* (*until March 2009 - Nekustamie īpašumi VN Ltd), Rīgas Līcis Ltd (until March 2009 - Rīgas Līcis VN Ltd),* as well as on the sale of its the real estate located at Aristida Briāna iela 3, Riga, Talsu iela 75D, Ventspils, and Lejastiezumi, Rendas pag., Kuldīga district, and its movable property. The total transaction amount was EUR 116 035 thousand.

For the outstanding payments the buyer pays interest to the seller on the actually outstanding amount at the annual rate of EUR 3 month LIBOR plus 2.75%.

In 2008 the Company received payment in the amount of EUR 26 931 thousand for the above mentioned sale transaction, and in 2009 – EUR 51 491 thousand (including interest income). In 2010, EUR 378 thousand (interest for 2009) were received. Payment of debt in 2010 was delayed.

The aforementioned debt is secured against pledged real estate properties and shares of the companies holding the sold companies.

On December 17, 2010 the administrator filed in court an insolvency application of *LASCO Investment Ltd*. On 3 January 2011, the insolvency of *LASCO Investment Ltd* was announced by the Vidzeme Suburb Court.

On 26 January 2011, *JSC Ventspils nafta* submitted a creditor's claim to the administrator of the insolvent *LASCO Investment Ltd*, which was rejected by the administrator on January 31, 2011. *JSC Ventspils nafta* is pursuing a claim in the Riga Regional Court against the insolvent *LASCO Investment Ltd*, requesting the court to recognize *JSC Ventspils nafta* as a secured creditor and to recover debt amount. In 2011 also the administrator of the insolvent *LASCO Investment Ltd* has initiated a claim in the Riga Regional Court against *JSC Ventspils nafta*, requesting the reversal a sale of the shares of *LASCO nekustamie īpašumi Ltd* and *JSC Preses nams*. Both above mentioned cases are joint in one proceeding. On October 29, 2013, the court of first instance reviewed this unified civil case. With judgment of November 12, 2013 the court partially satisfied the claim of *JSC Ventspils nafta*, recognising *JSC Ventspils nafta* as the secured creditor and recovering EUR 40.7 million for the benefit of *JSC Ventspils nafta* from the insolvent *LASCO Investment Ltd*. The court fully rejected the claim of the insolvent *LASCO Investment Ltd*. In January 2014 the insolvent *LASCO Investment Ltd*. filed appeal complaint regarding the judgment passed by the court of first instance on November 12, 2013. At the moment of preparation of this report cases are not reviewed by merits in second instance of the court.

In view of the above mentioned proceeding, it is management's opinion that the recoverable amount of the debt directly relates to the value of real properties and shares of companies holding real properties that are pledged for *JSC Ventspils nafta*. On 31 December 2014, the carrying value of the debt is the net present value of properties pledged in favour of *JSC Ventspils nafta*.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

13. Loans to related companies and receivables from related companies (cont'd)

13 (c) Other financial assets (cont'd)

Net present value of *LASCO Investment Ltd* debt at 31 December 2014 is EUR 27 870 492 (31/12/2013: EUR 30 248 358). The cost of *LASCO Investment Ltd* debt as at 31 December 2014 is EUR 40 734 923 (31/12/2013: EUR 40 734 923). In 2014 *JSC Ventspils nafta* recognized additional EUR 2 377 866 impairment of the *LASCO Investment Ltd* debt (2013: EUR no additional impairment recognised). The market value of the pledged real estate properties is EUR 29 458 000 as at 31 December 2014. To determine the market value of pledged real estate properties *JSC Ventspils nafta* engages independent certified valuation specialists. The valuator uses valuation techniques based on a discounted cash flow model and comparable market data.

14. Short-term deposits

	31/12/2014 EUR	31/12/2013 EUR
Short-term deposits	40 900 000	22 500 367
TOTAL:	**40 900 000**	**22 500 367**

Credit quality of short-term deposits (Fitch's):

	31/12/2014 EUR	31/12/2013 EUR
F1+	28 300 000	-
F1	12 600 000	19 700 367
B	-	2 799 980
TOTAL:	**40 900 000**	**22 500 367**

Under Fitch's classification F1+ and F1 indicates the strongest intrinsic capacity for timely payment of financial commitments.

Short-term deposits are placed for periods ranging from 90 days to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. Interests for short-term deposits are calculated corresponding with the respective short-term deposit rates. Annual rates of short-term deposits that are placed in the reporting period range from 0.22% to 0.68%.

15. Other assets

	31/12/2014 EUR	31/12/2013 EUR
Corporate income tax receivable (See Note 19)	-	32 668
Personal income tax receivable (See Note 19)	7 062	6 898
Statutory social insurance contributions receivable (See Note 19)	2 450	2 180
Advances for services to be provided	7 113	-
Accrued interest income	171 337	185 147
Other accounts receivable *Rīgas Līcis Ltd*	70 533	-
Other	4 688	6 243
TOTAL:	**263 183**	**233 136**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

16. Cash and cash equivalents

	31/12/2014 EUR	31/12/2013 EUR
Current bank accounts	1 700 260	513 396
TOTAL:	**1 700 260**	**513 396**

Credit quality of cash and cash equivalents (Fitch's):

	31/12/2014 EUR	31/12/2013 EUR
F1+	205	-
F1	1 638 378	292 246
B	61 677	221 150
TOTAL:	**1 700 260**	**513 396**

Under Fitch's classification F1+ and F1 indicates the strongest intrinsic capacity for timely payment of financial commitments.

17. Share capital

As of 31 December 2014 the authorised, issued and fully paid share capital of the Company consists of 104 479 519 shares with nominal value of EUR 1.40 per share. All shares are publicly traded and listed on *NASDAQ OMX Riga* Official list. All shares are ordinary shares with voting rights.

Earnings per share and dividends

Earnings or loss per share are calculated by dividing the net loss for the reporting year by the weighted average number of shares in issue during the year. Diluted number of shares as at 31 December 2014 and 2013 is the same as the number of ordinary shares.

	2014	2013
Net loss for the year	(5 284 841)	(28 150 693)
Weighted average number of shares	104 479 519	104 479 519
Loss per share (EUR)	**(0.05)**	**(0.27)**

As on 11 June 2014, when the last shareholders' general meeting of *JSC Ventspils nafta* took place, *Euromin Holdings (Cyprus) Limited*, was registered as the largest shareholder by owning 49.5% of the *JSC Ventspils nafta's* share capital.

Reserve of share capital denomination

On 1 January 2014 Latvia entered into Euro Zone. Therefore the denomination of *JSC Ventspils nafta's* bearer shares was made from LVL to EUR with the nominal value of EUR 1.40. As a result EUR 2 389 635 reserve recognised and value of the share capital was EUR 146 271 327. The reserve can be distributed based on the shareholders decision.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

18. Payables to related companies

18 (a) Long-term borrowings:

	31/12/2014	31/12/2013
	EUR	EUR
Loan payable to LatRosTrans Ltd	17 434 199	15 057 924
TOTAL long-term borrowings:	**17 434 199**	**15 057 924**

On March 23, 2012, a loan agreement was concluded for USD 19 557 000 between *JSC Ventspils nafta* and its subsidiary *LatRosTrans Ltd*. The loan is repayable until November 1, 2016, and the interest rate is fixed 3 months USD LIBOR + 2.74%. The loan security is the commercial pledge issued by *JSC Ventspils nafta* for a part of the claim pertaining to *JSC Ventspils nafta* from *Euromin Holdings (Cyprus) Limited.*

18 (b) Payabes to related companies (current):

	31/12/2014	31/12/2013
	EUR	EUR
Payables to *Ventspils nafta termināls Ltd* in relation to services received	113	107
Payables to LatRosTrans Ltd in relation to services received	-	8 548
Payables to JSC Latvian Shipping Company in relation to services received	28 895	-
TOTAL payables (current):	**29 008**	**8 655**

19. Taxes receivable/ (payable)

	31/12/2014	Charge for 2014	Paid/ (returned) in 2014	31/12/2013
	EUR	EUR	EUR	EUR
Statutory social insurance contributions	2 450	(123 924)	124 194	2 180
Personal income tax	7 062	(113 741)	113 905	6 898
Corporate income tax	(3 712)	(51 218)	14 838	32 668
Value added tax	(9 509)	(3 807)	7 864	(13 566)
TOTAL:	**(3 709)**	**(292 690)**	**260 801**	**28 180**
TOTAL PAYABLE:	**(13 221)**			**(13 566)**
TOTAL RECEIVABLE:	**9 512**			**41 746**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

20. Payables and accruals

	31/12/2014 EUR	31/12/2013 EUR
Trade payables	24 596	33 180
Accrued personnel expense	111 231	111 230
Vacation pay reserve	11 514	6 695
Other accrued liabilities	17 788	14 619
TOTAL:	**165 129**	**165 724**

21. Related party disclosures

		2014		**31/12/2014**	
Related party	**Nature of services**	Income from related parties EUR	Purchases from related parties EUR	Amounts owed by related parties EUR	Amounts owed to related parties EUR
Ventspils Nafta Termināls Ltd	Consulting services provided	17 579	806	-	113
Ventspils Nafta Termināls Ltd	Share capital reduction	-	-	2 549 999	-
JSC Latvian Shipping Company	Rent of premises/ Consulting services provided	10 407	39 215	2 619	28 895
Euromin Holdings' (Cyprus) Ltd	Interest income	816 443	-	67 955 301	-
Latmar Holdings Corporation	Interest income	797 959	-	24 429 789	-
LatRosTrans Ltd	Rent of premises/ Consulting services provided	26 942	5 017	10 298	-
LatRosTrans Ltd	Interest expense	-	470 458	-	17 434 199
Vitol Baltics Ltd	Consulting services provided	13 288	-	18 582	-
JSC Latvijas naftas tranzīts	Other services	-	-	12 854	-
Total		**1 682 618**	**515 496**	**94 979 442**	**17 463 207**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

21. Related party disclosures (cont'd)

		2013		31/12/2013	
Related party	**Nature of services**	Income from related parties EUR	Purchases from related parties EUR	Amounts owed by related parties EUR	Amounts owed to related parties EUR
Ventspils Nafta Termināls Ltd	Consulting services provided	74 862	825	39 604	107
JSC Latvian Shipping Company	Consulting services provided	58 094	-	10 733	-
Euromin Holdings' (Cyprus) Ltd	Interest income	772 064	-	67 955 301	-
Latmar Holdings Corporation	Interest income	698 203	-	24 642 775	-
LatRosTrans Ltd	Rent of premises/ Consulting services provided	47 793	32 267	10 694	8 548
LatRosTrans Ltd	Interest expense	-	456 726	-	15 057 924
JSC Latvijas naftas tranzīts	Other services	7 115	-	10 730	-
Total		**1 658 131**	**489 818**	**92 669 837**	**15 066 579**

22. Total fee to commercial company of certified auditors PricewaterhouseCoopers Ltd for:

	2014 EUR	2013 EUR
Audit of financial statements	24 500	19 500
TOTAL:	**24 500**	**19 500**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

23. Financial instruments

The main financial instruments of the Company are issued loans, short term deposits and cash. The main purpose of these financial instruments is to ensure the financing of the Company's operations. The Company also deals with several other financial instruments which result from its operations, for example, loans received, receivables from related parties and other financial assets, payables to related parties, and other payables.

Fair value of financial assets and liabilities

The Company's principal financial instruments comprise cash and cash equivalents, short term deposits, trade and other receivables, receivables from related parties, other non-current financial assets, loans to related parties and trade and other payables. The main purpose of these financial instruments which mainly arise directly from operations is to raise finance for the Company's operations.

The carrying amounts and fair values of the Company's financial assets and liabilities by categories are as follows:

	EUR		EUR	
	31.12.2014. Carrying	31.12.2014. Fair value	31.12.2013. Carrying amount	31.12.2013. Fair value
Assets at amortized cost				
Non-current loans to related parties	92 385 090	92 385 090	91 393 894	91 393 894
Non- current other financial assets	27 870 492	27 870 492	30 248 358	30 248 358
Receivables from related parties	2 594 352	2 594 352	71 761	71 761
Short term deposits	40 900 000	40 900 000	22 500 367	22 500 367
Trade and other receivables	241 870	241 870	185 147	185 147
Current loans to related parties	-	-	1 204 182	1 204 182
Cash and cash equivalents	1 700 260	1 700 260	513 396	513 396
Total assets at amortized cost	**165 692 064**	**165 692 064**	**146 117 105**	**146 117 105**
Liabilities at amortized cost				
Non-current borrowings from related parties	17 434 199	17 434 199	15 057 924	15 057 924
Payables to related companies	29 008	29 008	8 655	8 655
Other payables	42 360	42 360	47 797	47 797
Total liabilities at amortized cost	**17 505 567**	**17 505 567**	**15 114 376**	**15 114 376**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

23. Financial instruments (cont'd)

Hierarchy of input data for determining the fair value of assets and liabilities

The Company use the following hierarchy of three levels of input data for determining and disclosing the fair value of financial assets and liabilities.

Level 1: Quoted prices in active markets;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable;

Level 3: Other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Level 1 contains cash and cash equivalents and short term deposits. Cash and cash equivalents and short term deposits are assets with short term remaining maturity (less than 1 year). As a result the Company assumes that the fair value of those assets approximates to their carrying amount.

There are no financial assets or financial liabilities, which are included in Level 2.

Level 3 contains receivables from related parties, other financial assets, loans, payables to related parties and other payables. Assets and liabilities mentioned before, except for loans issued and loans received to / from related parties, are assets/ liabilities with short term remaining maturity (less than 1 year). As a result the Company assume that the fair value of those assets and liabilities approximates to their carrying amount.

Loans issued and loans received to/ from related parties are at arm's length and carry margin plus USD LIBOR or EUR LIBOR rate; therefore, the Company assumes that the carrying value of the loans approximate their fair value.

The Company's assets and liabilities according to the hierarchy of input data for determining fair value.

	31.12.2014.			
	EUR	EUR	EUR	EUR
	Level 1	Level 2	Level 3	Total
Assets at amortized cost				
Non-current loans to related parties	-	-	92 385 090	92 385 090
Non- current other financial assets	-	-	27 870 492	27 870 492
Receivables from related parties	-	-	2 594 352	2 594 352
Short term deposits	40 900 000	-	-	40 900 000
Trade and other receivables	-	-	241 870	241 870
Cash and cash equivalents	1 700 260	-	-	1 700 260
Total assets at amortized cost	**42 600 260**	**-**	**123 091 804**	**165 692 064**
Liabilities at amortized cost				
Non-current borrowings from related parties	-	-	17 434 199	17 434 199
Payables to related companies	-	-	29 008	29 008
Other payables	-	-	42 360	42 360
Total liabilities at amortized cost	**-**	**-**	**17 505 567**	**17 505 567**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

23. Financial instruments (cont'd)

Hierarchy of input data for determining the fair value of assets and liabilities (cont'd)

	31.12.2013.			
	EUR	EUR	EUR	EUR
	Level 1	Level 2	Level 3	Total
Assets at amortized cost				
Non-current loans to related parties	-	-	91 393 894	91 393 894
Non- current other financial assets	-	-	30 248 358	30 248 358
Receivables from related parties	-	-	71 761	71 761
Short term deposits	22 500 367	-	-	22 500 367
Trade and other receivables	-	-	185 147	185 147
Current loans to related parties	-	-	1 204 182	1 204 182
Cash and cash equivalents	513 396	-	-	513 396
Total assets at amortized cost	**23 013 763**	**-**	**123 103 342**	**146 117 105**
Liabilities at amortized cost				
Non-current borrowings from related parties	-	-	15 057 924	15 057 924
Payables to related companies	-	-	8 655	8 655
Other payables	-	-	47 797	47 797
Total liabilities at amortized cost	**-**	**-**	**15 114 376**	**15 114 376**

24. Financial risk management

The Company has a policy of regularly reviewing its approach to risk management. The main financial risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Management Board reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

Latvia has joined the Euro Zone and its national currency is Euro since January 1, 2014. Fluctuations of currency exchange rates in respect of Euro will no longer influence the operational activities of the Company.

The Company's financial assets and liabilities exposed to foreign currency risk comprise cash and cash equivalents, non-current loans and borrowings from related companies.

The Company does not use any financial instruments to manage their exposure to foreign currency risk.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

24. Financial risk management (cont'd)

Foreign currency risk *(cont'd)*

The Company's currency risk in USD dollars as at 31 December 2014 and 2013 may be specified as follows:

	31/12/2014	31/12/2013
Financial assets denominated in USD	21 172 359	21 070 929
Financial liabilities denominated in USD	(21 166 861)	(20 480 564)
Net financial position in USD	**5 498**	**590 365**
Net financial position in EUR	**4 528**	**432 784**

The following table demonstrates the sensitivity to a reasonably possible change in the USD dollar exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of financial assets and liabilities).

	Increase/ (decrease) in US dollar exchange rate	Effect on profit before tax EUR
2014		
	+9%	408
	-5%	(226)
2013		
	+5%	21 639
	-5%	(21 639)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

24. **Financial risk management** (cont'd)

Liquidity risk

The Company manages its liquidity risk by planning of terms of payment of trade payables. The budgeting system which is being successfully applied by the Company is of great use for liquidity risk management and control. Risk analysis and designing of risk management plans are conducted at the top management level.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2014 and 2013 based on contractual undiscounted payments.

2014	On demand EUR	< 3 months EUR	3 to 12 months EUR	1 to 5 years EUR	> 5 years EUR	Total EUR
Trade payables	-	24 596	-	-	-	24 596
Payables to related companies	29 008	-	-	-	-	29 008
TOTAL:	**29 008**	**24 596**	**-**	**-**	**-**	**53 604**

2013	On demand EUR	< 3 months EUR	3 to 12 months EUR	1 to 5 years EUR	> 5 years EUR	Total EUR
Trade payables	-	33 180	-	-	-	33 180
Payables to related companies	8 655	-	-	-	-	8 655
TOTAL:	**8 655**	**33 180**	**-**	**-**	**-**	**41 835**

Credit risk

The Company is exposed to credit risk through its non-current loan to *Euromin Holdings (Cyprus) Limited, Latmar Holdings Corporation* and the receivable from *LASCO Investment Ltd,* as well as through cash and cash equivalents. The Company manages credit risk arising out of cash and cash equivalents by investing in EU-registered credit institutions. The credit risk arising out of non-current loans and other financial non-current asset is managed by evaluating the creditworthiness of business partners.

The Company is exposed to credit risk through its trade and other receivables. The Company manages its credit risk by continuously assessing the credit history. Stable credit institutions with the possible highest ratings are used for placement of free cash. In addition, receivable balances are monitored on an on-going basis to ensure that the Company's exposure to bad debts is minimised.

Interest rate risk

The Company is exposed to the interest rate risk mainly through its current loans. The interest rate receivable on the loans and interest rate payable on the borrowings is disclosed in Notes 13 and 18.

	2014		2013	
	Increase/ (decrease) in basis points	Effect on profit before tax EUR	Increase/ (decrease) in basis points	Effect on profit before tax EUR
Loan receivable				
EUR LIBOR	+0.10%	74 946	+0.10%	77 538
	-0.10%	(74 946)	-0.10%	(77 538)
USD LIBOR	+0.10%	17 439	+0.25%	37 651
	-0.10%	(17 439)	-0.10%	(15 060)
Borrowings				
USD LIBOR	+0.10%	(17 434)	+0.25%	(37 645)
	-0.10%	17 434	-0.10%	15 058

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONT'D)

24. Financial risk management (cont'd)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy debt to equity ratio in order to support its business growth in line with strategic development guidelines, ensure continuity of operations, maintain low credit risk and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions in Latvia and the European Union, the capital market trends and interest rate fluctuations. To maintain optimum capital structure, the Company may use a share capital increase or decrease, distribution of dividends or various forms of borrowed capital. The Company's capital management objectives, policies and procedures have not been changed in 2014 and 2013.

The Company manages its capital structure by using the gearing ratio of net debt against total capital. Total capital is the sum of net debt and equity. Net debt is calculated as the sum of interest-bearing loans and other non-current liabilities less cash and cash equivalents. Equity includes share capital with share premium, reserves and retained earnings or accumulated deficit. The Company's policy is to maintain the gearing ratio not exceeding 25 percent in medium term.

	2014 EUR	2013 EUR
Borrowings	17 434 199	15 057 924
Less cash and cash equivalents	(1 700 260)	(513 396)
Net debt	*15 733 939*	*14 544 528*
Equity	297 694 262	302 979 103
Total capital	281 960 323	288 434 575
GEARING RATIO:	**5.58%**	**5.04%**

25. Events after the reporting period

Between the last day of the reporting year and the date of signing these separate financial statements there have been no events requiring adjustment of or disclosure in the separate financial statements or notes thereto.

Translation from Latvian original*

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of JSC "Ventspils nafta"

Report on the Financial Statements

We have audited the accompanying financial statements of JSC "Ventspils nafta" set out on pages 11 to 43 of the accompanying annual report, which comprise the statement of financial position as of 31 December 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of JSC "Ventspils nafta" as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We have read the Management Report for 2014 set out on pages 3 to 5 of the accompanying annual report for 2014 and did not identify material inconsistencies between the financial information contained in the Management Report and that contained in the financial statements for 2014.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Ilandra Lejiņa
Certified auditor in charge
Certificate No. 168

Member of the Board

Riga, Latvia
23 March 2015

* This version of our report is a translation from the original, which was prepared in Latvian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

GENERAL INFORMATION

Name of the company	*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	Elizabetes street 1, LV-1010, Riga, Republic of Latvia
Subsidiaries of *JSC Ventspils nafta*	*LatRosTrans Ltd.* (66%) LRDS "Ilūkste", Šēderes pagasts, Ilūkstes novads, LV-5474 *Ventspils nafta termināls Ltd.* (51%) Talsu street 75, Ventspils, LV-3602 *JSC Latvian Shipping Company* (49.94%) Elizabetes street 1, Riga, LV-1010
Financial year	1 January – 31 December 2014
Auditors	*PricewaterhouseCoopers Ltd.* Kr. Valdemāra iela 21 - 21, Riga Latvia, LV - 1010 Licence No. 5 Sworn auditor: Ilandra Lejiņa Latvian Certified Auditor Certificate No. 168

GENERAL INFORMATION (CONT'D)

About the Company

VN Group (*JSC Ventspils nafta* and its subsidiaries) is one of the largest groups of companies in Latvia. The core companies of the group are the crude oil and petroleum products terminal *Ventspils nafta termināls Ltd*, which is the largest in the Baltics; the largest Latvian-Russian joint venture in the Baltic States *LatRosTrans*, which provides transportation of petroleum products by the main diesel pipeline and which also owns the main pipeline for transport of crude oil; as well as *Latvian Shipping Company*, which owns a fleet in the medium size and handy tanker segment.

Mission

The mission of JSC *Ventspils nafta*, the Group's parent company, is to manage investments in the Group's companies with a view to ensure development and maximise investment returns; to strengthen the position of the Group's companies in the global market; and to make maximum use of the unique resources of *Ventspils nafta* – the experience and professionalism of employees, well developed infrastructure, modern technology and advantageous geographic location – always with a view to increase the economic value of the VN Group.

Vision

The goal of *JSC Ventspils nafta*, the Group's parent company, is to increase the value of investments in its managed companies and to ensure maximum operating efficiency; to maintain open dialogue with all shareholders, the Supervisory Council, management and other interested parties; to ensure transparency of the parent company's operations and manage the company in line with best principles of good governance; to plan for any potential risks for the group of companies; and focus on having in place the best long term strategy for the Group.

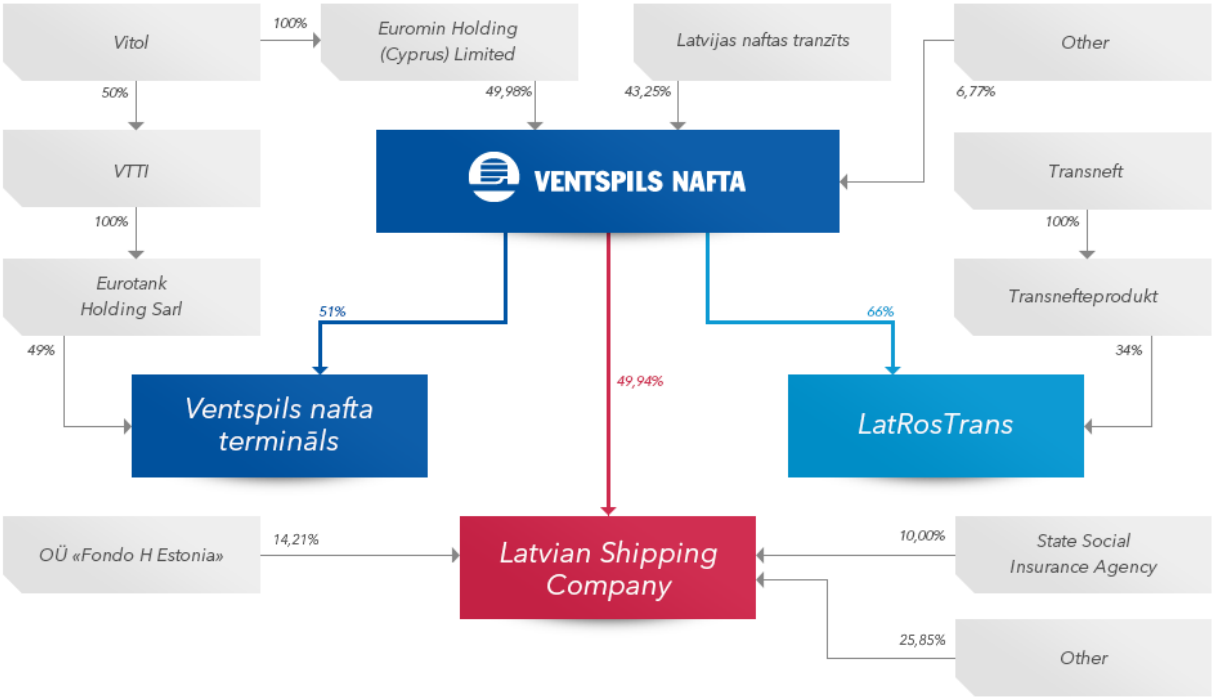
Strategy

The strategy of *JSC Ventspils nafta*, the Group's parent company, is to improve performance of Group companies by providing policy advice and international know-how on down-stream oil business, by organising joint public procurement tenders and coordinating business activities including corporate loans and communication policy. In this respect the intention of VN Group is to streamline Group's activities by introducing best business practices and good corporate governance standards to improve shareholders value.

GENERAL INFORMATION (CONT'D)

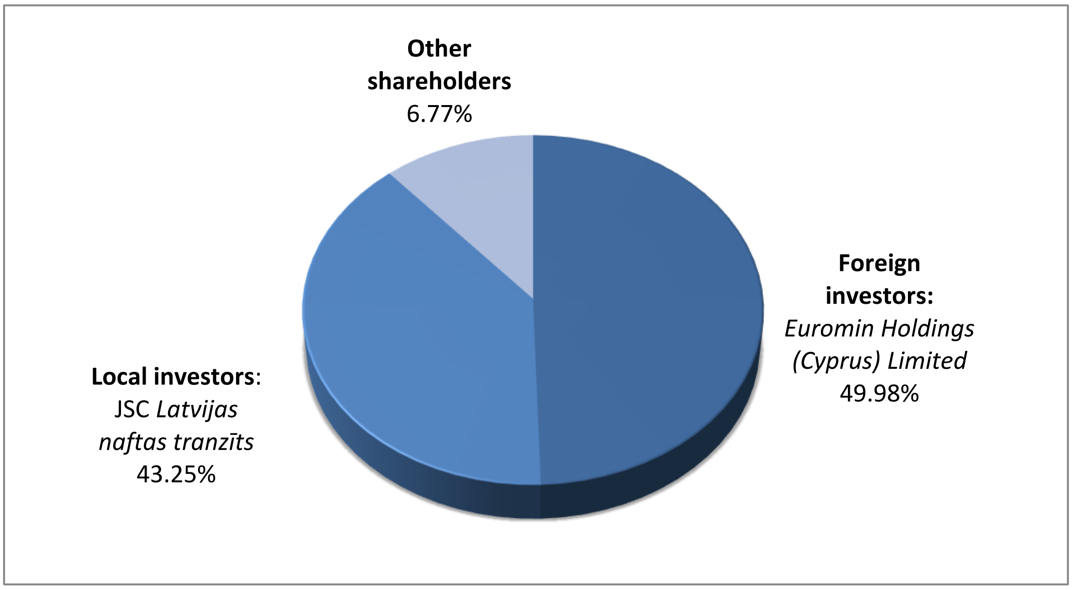
Corporate structure

Corporate structure of *JSC Ventspils nafta* as at the date of signing this Annual report



Shareholders

Main shareholders (over 5%) of *JSC Ventspils nafta* as at 31 December 2014



GENERAL INFORMATION (CONT'D)

Information on shares

ISIN	LV0000100816
Ticker	VNF1R
Nominal value	1.40 EUR
Total number of securities	104 479 519
Number of listed securities	104 479 519
List	Baltic Main List, NASDAQ OMX Riga
Listing date	20 October 1998
Liquidity providers	None
Indexes	B2000GI, B2000PI, B2700GI, B2700PI, OMXBGI, OMXBPI, OMXRGI

Trading information (1 January 2014 – 31 December 2014)

Open	1.423 EUR
Max	1.500 EUR
Min	0.954 EUR
Last	1.130 EUR
Average price	1.184 EUR
Change	-20.58 %
Deals	522
No of shares traded	95 771
Turnover	114 907.69 EUR
Capitalisation on 31.12.2014	118 061 856.47 EUR

Securities trading history (2010-2014)

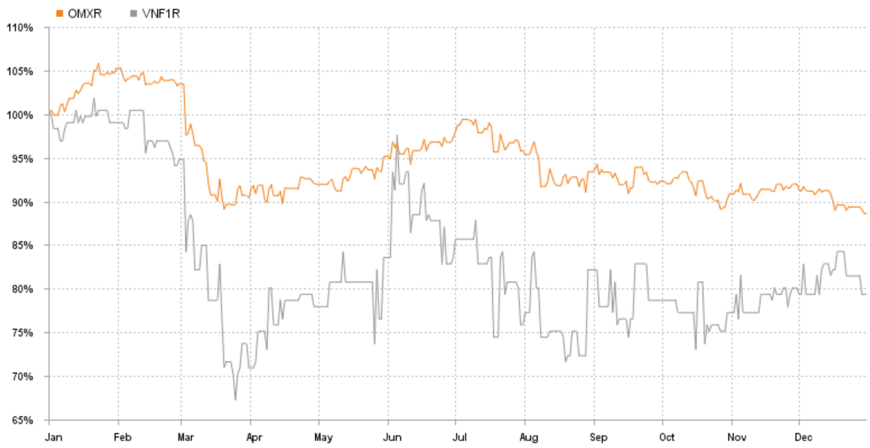
Price	2010	2011	2012	2013	2014
Open, EUR	1.309	2.062	1.707	1.522	1.423
High, EUR	2.689	2.104	1.791	1.665	1.500
Low, EUR	1.295	1.441	1.423	1.295	0.954
Last, EUR	1.992	1.707	1.522	1.423	1.130
Traded volume	1 492 345	1 632 287	1 222 348	305 600	95 771
Turnover, million EUR	3.16	3.30	2.33	0.44	0.11
Capitalisation, million EUR	208.13	178.39	159.07	148.66	118.06

GENERAL INFORMATION (CONT'D)

Share price (EUR) (1 January 2014 – 31 December 2014)

Share price (EUR) (1 January 2010- 31 December 2014)

Share price in comparison with *NASDAQ OMX Riga* index (1 January 2014 – 31 December 2014)



Index/Equity	01.01.2014	31.12.2014	+/-%
OMX Riga	460.13	408.03	-11.32
VNF1R	1.423 EUR	1.130 EUR	-20.58

Information source: *JSC NASDAQ OMX Riga* webpage www.nasdaqbaltic.com