

**JSC LATVIJAS GĀZE PROFIT AND LOSS STATEMENT**  
**AS AT SEPTEMBER 30,2004 (EUR/LVL = 0.671)**

			LVL	EUR
	1	2	3	4
1	Net income	<b>010</b>	82 810 487	123 413 542
2	Production costs of goods sold	<b>020</b>	(64 629 904)	(96 318 784)
<b>3</b>	<b>GROSS PROFIT OR LOSS</b>	<b>030</b>	<b>18 180 583</b>	<b>27 094 758</b>
4	Sales costs	<b>040</b>		
5	Administrative expenses	<b>050</b>	(3 300 682)	(4 919 049)
6	Other income from economic activities of the undertaking	<b>060</b>	568 315	846 967
7	Other costs from economic activities of the undertaking	<b>061</b>	(3 289 941)	(4 903 042)
8	Income from participation in capital of group subsidiary and of associated undertakings	<b>070</b>	-	-
9	Income from securities and loans forming long-term investment	<b>080</b>	-	-
10	Other interest income and similar income	<b>090</b>	1 137 554	1 695 311
11	Write off of the value of long-term financial investments and short-term securities	<b>100</b>	-	-
12	Interest payments and similar expenses	<b>110</b>	(1 158)	(1 726)
<b>13</b>	<b>PROFIT OR LOSS before extraordinary items and taxes</b>	<b>120</b>	<b>13 294 671</b>	<b>19 813 220</b>
14	Extraordinary income	<b>130</b>	-	-
15	Extraordinary expenses	<b>140</b>	-	-
<b>16</b>	<b>PROFIT OR LOSS before taxes</b>	<b>150</b>	<b>13 294 671</b>	<b>19 813 220</b>
17	Enterprise income tax for the accounting year	<b>160</b>	(2 479 332)	(3 694 981)
17a	Provisions for taxes		(1 000 000)	(1 490 313)
18	Other taxes	<b>170</b>	(954 612)	(1 422 671)
	<b>TAXES</b>		<b>(4 433 944)</b>	<b>(6 607 964)</b>
<b>19</b>	<b>NET PROFIT OR LOSS</b>	<b>180</b>	<b>8 860 727</b>	<b>13 205 256</b>

**JSC "LATVIJAS GĀZE" BALANCE SHEET**  
**AS AT SEPTEMBER 30,2004 (EUR/LVL = 0.671)**

<b>ASSETS</b>	Row #	LVL	EUR
<b>1.Long-term investments</b>			
<i>I Intangible assets</i>			
1 Research and development	<b>010</b>	204 379	304 589
2 Concessions, patents, licences, trademarks and similar rights	<b>020</b>	933 647	1 391 426
4 Advance payments for intangible assets	<b>040</b>	11 083	16 517
<b>I Total intangible assets</b>	<b>050</b>	<b>1 149 109</b>	<b>1 712 532</b>
<i>II Fixed assets</i>			
1 Land, buildings and constructions	<b>060</b>	156 371 175	233 041 990
2 Equipment and machinery	<b>070</b>	18 332 063	27 320 511
3 Other fixed assets	<b>080</b>	570 787	850 651
4 Fixed assets under installation and fixed assets under construction	<b>090</b>	15 297 865	22 798 607
<b>II Total fixed assets</b>	<b>100</b>	<b>190 571 890</b>	<b>284 011 759</b>
<i>III Long-term financial investments</i>			
3 Investment in associated companies	<b>130</b>	80	119
5 Other securities and investments	<b>150</b>	8 941	13 325
6 Other loans and enquiries	<b>160</b>	-	-
9 Long-term trade debtors	<b>181</b>	273 256	407 237
<b>III Total long-term financial investments:</b>	<b>190</b>	<b>282 277</b>	<b>420 681</b>
<b>1. Total long-term investments</b>	<b>200</b>	<b>192 003 276</b>	<b>286 144 972</b>
<b>2. Current assets</b>			
<i>I Inventories</i>			
1 Raw materials and consumables	<b>210</b>	20 823 532	31 033 580
3 Finished goods and goods for sale	<b>230</b>	2 214	3 300
5 Advances for goods receivable	<b>250</b>	7 406	11 037
<b>I Total inventories</b>	<b>270</b>	<b>20 833 152</b>	<b>31 047 917</b>
<i>II Debtors</i>			
1 Trade debtors	<b>280</b>	4 672 443	6 963 402
4 Other debtors	<b>310</b>	3 069 544	4 574 581
7 Deferred expenses	<b>340</b>	216 186	322 185
<b>II Total debtors</b>	<b>350</b>	<b>7 958 173</b>	<b>11 860 168</b>
<i>III Securities and shareholdings:</i>			
3 Other securities and shareholdings	<b>380</b>	25 290	37 690
<b>III Total securities and shareholdings</b>	<b>390</b>	<b>25 290</b>	<b>37 690</b>
<i>IV Cash and bank</i>	<b>400</b>	36 543 769	54 461 653
<b>2. Total current assets</b>	<b>410</b>	<b>65 360 384</b>	<b>97 407 428</b>
<b>TOTAL ASSETS</b>	<b>420</b>	<b>257 363 660</b>	<b>383 552 399</b>

<b>LIABILITIES</b>	Row #	LVL	EUR
<b>1.Shareholders' funds</b>			
1 Share capital	<b>430</b>	39 900 000	59 463 487
2 Share premium	<b>440</b>	14 320 210	21 341 595
3 Long-term investments revaluation reserve	<b>450</b>	117 431 764	175 010 080
4 Reserves			
a) legal reserves	<b>460</b>	2 091 647	3 117 209
b) reserves for own shares	<b>470</b>	-	-
c) statutory reserve	<b>480</b>	23 310 942	34 740 599
d) Other reserves	<b>490</b>		
<b>4 Reserves total</b>	<b>500</b>	<b>25 402 589</b>	<b>37 857 808</b>
5 Retained earnings		8 860 727	13 205 256
a) previous years' retained earnings	<b>510</b>	-	-
b) current year's retained profit	<b>520</b>	8 860 727	13 205 256
<b>1. Total shareholders' funds:</b>	<b>530</b>	<b>205 915 290</b>	<b>306 878 227</b>
<b>2.Provisions</b>			
2 Provisions for taxes	<b>550</b>	21 657 499	32 276 452
3 Other provisions	<b>560</b>	3 670 000	5 469 449
<b>2. Total provisions</b>	<b>570</b>	<b>25 327 499</b>	<b>37 745 900</b>
<b>3. Creditors</b>			
<i>I. Long-term creditors</i>			
3 Borrowings from credit institutions	<b>600</b>	80 898	120 563
7 Deferred income		3 524 969	5 253 307
<b>I Total long-term creditors:</b>	<b>640</b>	<b>3 605 867</b>	<b>5 373 870</b>
<i>II Current creditors</i>			
3 Borrowings from credit institutions	<b>670</b>	16 090	23 979
4 Advances received	<b>680</b>	2 605 695	3 883 301
5 Trade creditors	<b>690</b>	15 014 211	22 375 873
6 Reserve for prospective costs	<b>691</b>	1 148 063	1 710 973
9 Income Tax	<b>730</b>	2 479 332	3 694 981
10 Other creditors, including taxes and social security payments	<b>740</b>	1 123 856	1 674 897
11 Deferred income	<b>750</b>	127 757	190 398
<b>II Total current creditors:</b>	<b>780</b>	<b>22 515 004</b>	<b>33 554 402</b>
<b>3. Total creditors:</b>	<b>790</b>	<b>26 120 871</b>	<b>38 928 273</b>
<b>Total liabilities and shareholders' funds</b>	<b>800</b>	<b>257 363 660</b>	<b>383 552 399</b>

**JSC "Latvijas Gāze" Cash flow statement**  
**January-September, 2004 (EUR/LVL = 0.671)**

	LVL	EUR
<b>Cash flow from operating activities</b>		
1. Money resources received from clients	90 808 914	135 333 702
2. Money resources paid to suppliers and workers	(68 321 006)	(101 819 681)
<b>Cash flow from operating activities</b>	<b>22 487 908</b>	<b>33 514 021</b>
3. Interests paid	(1 158)	(1 726)
4. Corporate income tax paid	(1 371 520)	(2 043 994)
<b>Net cash flow from operating activities</b>	<b>21 115 230</b>	<b>31 468 301</b>
<b>Cash flow from investing activities</b>		
5. Purchase of the subsidiary companies	-	-
5a. Sale of branches	-	-
6. (Issue) / receipts under loans to branches	-	-
7. Purchase of the connected companies	-	-
7a. Sale of connected companies	-	-
8. (Issue) / receipts under loans to the connected enterprises	-	-
9. Purchase of other securities		
9a. Sale of securities		
10. (Issue) / receipts under the other loans	-	-
11. Fixed assets acquisitions	(11 182 519)	(16 665 453)
12. Intangible assets acquisitions	(179 607)	(267 671)
13. Proceeds from disposal of fixed assets	35 854	53 434
14. Proceeds from disposal of intangible assets	-	1
15. Received percents	731 622	1 090 346
<b>Net cash flow from investing activities</b>	<b>(10 594 650)</b>	<b>(15 789 343)</b>
<b>Cash flow from financing activities</b>		
16. Settlement of loans	(16 269)	(24 246)
17. Loans received	-	-
18. Issue of shares	-	-
19. Dividends paid	(9 722 307)	(14 489 280)
<b>Increase / (reduction) of money received from financial activity</b>	<b>(9 738 576)</b>	<b>(14 513 526)</b>
<b>Net cash and cash equivalents flow</b>	<b>782 004</b>	<b>1 165 432</b>
<b>Cash and cash equivalents flow</b>		
20. At the beginning of the period	35 761 765	53 296 222
<b>21. Increase / (reduction) of cash and cash equivalents</b>	<b>782 004</b>	<b>1 165 431</b>
22. At the end of the period	36 543 769	54 461 653

## Statement of changes in equity, January - September 2004,

(EUR/LVL = 0.671)

	Share capital	Share premium	Revaluation reserve	Legal reserves	Reserves by Company statutes	Unrealised gains from investments in subsidiary undertakings	Retained earnings	Total
	Ls	Ls	Ls	Ls	Ls	Ls	Ls	Ls
<b>31.12.2003.</b>	<b>39 900 000</b>	<b>14 320 210</b>	<b>7 877 665</b>	<b>2 091 647</b>	<b>20 264 394</b>	<b>-</b>	<b>13 021 548</b>	<b>97 475 464</b>
Dividends							-9 975 000	-9 975 000
Transferred to reserves					3 040 410		-3 040 410	-
Previous years' retained earnings					6 138		-6 138	-
Disposal of revalued fixed assets			-96 250					-96 250
Increase of fixed assets value due to revaluation			128 371 139					128 371 139
provisions for income tax due to revaluation of fixed assets			-18 720 790					-18 720 790
Current period's profit							8 860 727	8 860 727
<b>30.09.2004.</b>	<b>39 900 000</b>	<b>14 320 210</b>	<b>117 431 764</b>	<b>2 091 647</b>	<b>23 310 942</b>	<b>-</b>	<b>8 860 727</b>	<b>205 915 290</b>
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>31.12.2003.</b>	<b>59 463 487</b>	<b>21 341 595</b>	<b>11 740 186</b>	<b>3 117 209</b>	<b>30 200 289</b>	<b>-</b>	<b>19 406 182</b>	<b>145 268 948</b>
Dividends							-14 865 872	-14 865 872
Transferred to reserves					4 531 162		-4 531 162	-
Previous years' retained earnings					9 148		-9 148	-
Disposal of revalued fixed assets			-143 443					-143 443
Increase of fixed assets value due to revaluation			191 313 173					191 313 173
provisions for income tax due to revaluation of fixed assets			-27 899 836					-27 899 836
Current period's profit							13 205 256	13 205 256
<b>30.09.2004.</b>	<b>59 463 487</b>	<b>21 341 595</b>	<b>175 010 080</b>	<b>3 117 209</b>	<b>34 740 599</b>	<b>-</b>	<b>13 205 256</b>	<b>306 878 227</b>