

JSC "Latvijas Gaze"

BALANCE SHEET AS AT 31 DECEMBER 2004

	31.12.2004. LVL'000	31.12.2003. LVL'000	Change	31.12.2004. EUR'000	31.12.2003. EUR'000	Change
Assets						
<u>Non-current assets</u>						
Intangible assets	1 275	1 153	123	1 815	1 640	175
Property, plant and equipment	200 718	58 488	142 231	285 597	83 220	202 376
Available-for-sale investments	9	9	0	13	13	0
Trade accounts receivable	202	133	69	287	189	98
Total non-current assets	202 205	59 782	142 422	287 711	85 062	202 649
<u>Current assets</u>						
Inventories	27 394	6 390	21 004	38 978	9 092	29 886
Trade accounts receivable	9 831	9 751	80	13 988	13 874	114
Other current assets	1 368	670	698	1 946	953	994
Corporate income tax		992	(992)	0	1 411	(1 411)
Cash and cash equivalents	20 202	35 762	(15 560)	28 744	50 884	(22 140)
Total current assets	58 794	53 564	5 230	83 656	76 214	7 442
Total assets	260 999	113 346	147 653	371 367	161 277	210 091
Equity and liabilities						
<u>Equity</u>						
Share capital	39 900	39 900		56 773	56 773	
Share premium	14 320	14 320		20 376	20 376	
Revaluation reserve	117 816	8 020	109 796	167 637	11 411	156 226
Other reserves	33 237	30 190	3 047	47 291	42 957	4 335
Retained earnings from previous years		6	(6)	0	9	(9)
Retained earnings	10 898	5 039	5 858	15 506	7 170	8 336
Total equity	216 171	97 475	118 695	307 583	138 695	168 888
<u>Liabilities</u>						
<u>Non-current liabilities</u>						
Deferred tax liabilities	20 034	1 157	18 877	28 505	1 646	26 859
Borrowings	46	81	(35)	66	115	(49)
Deferred income	4 500	2 745	1 755	6 403	3 906	2 497
Total non-current liabilities	24 580	3 983	20 597	34 974	5 667	29 307
<u>Current liabilities</u>						
Trade accounts payable	11 182	5 786	5 396	15 910	8 232	7 678
Other current liabilities	6 595	5 301	1 294	9 384	7 543	1 841
Corporate income tax liability	891		891	1 268	0	1 268
Provisions	1 386	670	716	1 972	953	1 019
Borrowings	31	32	(1)	44	46	(2)
Deferred income	163	98	64	231	140	92
Total current liabilities	20 248	11 887	8 360	28 810	16 914	11 896
Total liabilities	44 828	15 870	28 958	63 785	22 582	41 203
Total equity and liabilities	260 999	113 346	147 653	371 367	161 277	210 091

JSC "LATVIJAS GAZE"
CASH FLOW STATEMENT FOR
THE PERIOD ENDED 31 DECEMBER 2004

	31.12.2004 LVL'000	31.12.2003 LVL'000	Change	31.12.2004 EUR'000	31.12.2003 EUR'000	Change
Cash flow from operating activities						
Cash generated from operations	18 445	25 165	(6 720)	26 245	35 807	(9 562)
Interest received	1 163	883	280	1 655	1 256	399
Corporate income tax paid	(1 508)	(2 911)	1 403	(2 145)	(4 142)	1 997
Net cash from operating activities	18 101	23 137	(5 036)	25 755	32 921	(7 166)
Cash flow from investing activities						
Purchase of property, plant and equipment	(23 191)	(15 537)	(7 654)	(32 998)	(22 107)	(10 890)
Purchase of intangible assets	(472)	(330)	(142)	(672)	(470)	(202)
Proceeds from sales of securities		5 020	(5 020)	0	7 143	(7 143)
Proceeds from sale of property, plant and equipment	15	70	(55)	22	100	(78)
Net cash used in investing activities	(23 648)	(10 777)	(12 871)	(33 648)	(15 334)	(18 313)
Cash flow from financing activities						
Payments on long term borrowings	(36)	(47)	11	(51)	(67)	16
Service charge on borrowings	(2)	(3)	1	(3)	(4)	1
Dividends paid	(9 975)	(7 980)	(1 995)	(14 193)	(11 355)	(2 839)
Net cash used in financing activities	(10 013)	(8 030)	(1 983)	(14 248)	(11 426)	(2 822)
(Decrease) / increase in cash and cash equivalents	(15 560)	4 330	(19 890)	(22 140)	6 161	(28 301)
Movement in cash and cash equivalents						
At the beginning of the year	35 762	31 432	4 330	50 884	44 724	6 161
(Decrease) / increase	(15 560)	4 330	(19 890)	(22 140)	6 161	(28 301)
At the end of the year	20 202	35 762	(15 560)	28 744	50 885	(22 141)

JSC "Latvijas Gaze" own capital changes according to IAS,th.LVL

	<i>Share capital</i>	<i>Share premium</i>	<i>Revaluation reserve</i>	<i>Legal reserves</i>	<i>Reserves by Company Statutes</i>	<i>Profits from investments in associated companies</i>	<i>Retained earnings</i>	<i>Total</i>
<i>31.12.2003</i>	39 900	14 320	8 020		30 190	6	5 039	97 475
Dividends for the year 2004							(9 975)	(9 975)
Revaluation of fixed assets			129 305					129 305
Deferred tax liability arising on the revaluation of property, plant and equipment			(19 396)					(19 396)
Disposal of revalued fixed assets			(133)				133	
Deferred tax on disposal of revalued property, plant and equipment			20				(20)	
Transfer to reserves					3 047	(6)	(3 041)	
Profits for the Period							18 761	18 761
<i>31.12.2004</i>	39 900	14 320	117 816		33 237		10 897	216 170

JSC "Latvijas Gaze" own capital changes according to IAS,th.EUR

	<i>Share capital</i>	<i>Share premium</i>	<i>Revaluation reserve</i>	<i>Legal reserves</i>	<i>Reserves by Company Statutes</i>	<i>Profits from investments in associated companies</i>	<i>Retained earnings</i>	<i>Total</i>
<i>31.12.2003</i>	56 773	20 376	11 411		42 956	9	7 170	138 694
Dividends for the year 2004							(14 193)	(14 193)
Revaluation of fixed assets			183 984					183 984
Deferred tax liability arising on the revaluation of property, plant and equipment			(27 598)					(27 598)
Disposal of revalued fixed assets			(189)				189	
Deferred tax on disposal of revalued property, plant and equipment			28				(28)	
Transfer to reserves					4 335	(9)	(4 327)	
Profits for the Period							26 694	26 694
<i>31.12.2004</i>	56 773	20 376	167 637		47 292		15 505	307 582

Company: A/S Latvijas Gaze, LV-Riga
INCOME STATEMENT AS AT 31
DECEMBER 2004

	31.12.2004	31.12.2003	<i>Change</i>	31.12.2004	31.12.2003	<i>Change</i>
	LVL'000	LVL'000		EUR'000	EUR'000	
Sales	121 119	119 435	<i>1 684</i>	172 337	169 941	<i>2 397</i>
Cost of sales	(93 963)	(99 941)	<i>5 978</i>	(133 698)	(142 203)	<i>8 506</i>
Gross profit	27 156	19 494	7 662	38 640	27 737	10 902
Administrative expenses	(6 977)	(4 989)	<i>(1 988)</i>	(9 927)	(7 099)	<i>(2 828)</i>
Other operating income	891	882	<i>9</i>	1 268	1 255	<i>13</i>
Other operating expense	(1 169)	(1 051)	<i>(118)</i>	(1 664)	(1 495)	<i>(168)</i>
Operating profit	19 901	14 336	5 565	28 317	20 398	7 919
Income (loss) from investments in subsidiaries						
Loss on available for sale investments	0	1	<i>(1)</i>			
Financial income	1 753	1 365	<i>388</i>	2 495	1 942	<i>553</i>
Financial expense	(2)	(3)	<i>1</i>	(3)	(4)	<i>1</i>
Profit before tax	21 653	15 699	5 954	30 809	22 336	8 473
Tax	2 892	2 710	<i>182</i>	4 115	3 856	<i>259</i>
Net profit	18 761	12 989	5 772	26 694	18 480	8 214
Earnings per share in LVL	0.47	0.326	0.145	0.669	0.463	0.206