

## JSC "Latvijas Gaze"

### BALANCE SHEET AS AT 31 MARCH 2005

	31.03.2005. LVL'000	31.03.2004. LVL'000	Change	31.03.2005. EUR'000	31.03.2004. EUR'000	Change
<b>Assets</b>						
<u>Non-current assets</u>						
Intangible assets	1 187	1 056	131	1 689	1 503	186
Property, plant and equipment	200 550	186 253	14 297	285 357	265 014	20 343
Available-for-sale investments	9	10	(1)	13	14	(1)
Trade accounts receivable	226	187	39	322	266	55
<b>Total non-current assets</b>	<b>201 972</b>	<b>187 506</b>	<b>14 466</b>	<b>287 380</b>	<b>266 797</b>	<b>20 583</b>
<u>Current assets</u>						
Inventories	6 882	1 512	5 370	9 792	2 151	7 641
Trade accounts receivable	13 684	12 032	1 652	19 471	17 121	2 350
Other current assets	1 246	831	415	1 773	1 182	591
Corporate income tax	706	1 606	(900)	1 005	2 285	(1 280)
Cash and cash equivalents	43 936	53 933	(9 997)	62 515	76 740	(14 225)
<b>Total current assets</b>	<b>66 454</b>	<b>69 914</b>	<b>(3 460)</b>	<b>94 556</b>	<b>99 479</b>	<b>(4 923)</b>
<b>Total assets</b>	<b>268 426</b>	<b>257 420</b>	<b>11 006</b>	<b>381 936</b>	<b>366 276</b>	<b>15 660</b>
<b>Equity and liabilities</b>						
<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	117 812	117 629	183	167 631	167 370	261
Other reserves	33 237	30 190	3 047	47 292	42 957	4 335
Retained earnings from previous years	10 898	5 046	5 852	15 506	7 179	8 327
Retained earnings	8 526	7 797	729	12 131	11 094	1 037
<b>Total equity</b>	<b>224 693</b>	<b>214 881</b>	<b>9 812</b>	<b>319 709</b>	<b>305 749</b>	<b>13 961</b>
<u>Liabilities</u>						
<u>Non-current liabilities</u>						
Deferred tax liabilities	20 034	19 877	157	28 506	28 283	223
Borrowings	46	81	(35)	65	115	(50)
Deferred income	4 804	2 863	1 941	6 835	4 074	2 761
<b>Total non-current liabilities</b>	<b>24 884</b>	<b>22 822</b>	<b>2 062</b>	<b>35 407</b>	<b>32 473</b>	<b>2 934</b>
<u>Current liabilities</u>						
Trade accounts payable	3 387	8 985	(5 598)	4 819	12 785	(7 966)
Other current liabilities	7 462	4 775	2 687	10 617	6 794	3 823
Corporate income tax liability	3 408	2 151	1 257	4 849	3 060	1 789
Provisions	4 386	3 670	716	6 241	5 222	1 019
Borrowings	31	32	(1)	44	46	(2)
Deferred income	175	103	72	249	147	102
<b>Total current liabilities</b>	<b>18 849</b>	<b>19 717</b>	<b>(868)</b>	<b>26 820</b>	<b>28 054</b>	<b>(1 235)</b>
<b>Total liabilities</b>	<b>43 733</b>	<b>42 539</b>	<b>1 194</b>	<b>62 226</b>	<b>60 527</b>	<b>1 699</b>
<b>Total equity and liabilities</b>	<b>268 426</b>	<b>257 420</b>	<b>11 006</b>	<b>381 936</b>	<b>366 276</b>	<b>15 660</b>

**JSC "LATVIJAS GAZE"**  
**CASH FLOW STATEMENT FOR**  
**THE PERIOD ENDED 31 MARCH 2005**

	<b>31.03.2005.</b>	<b>31.03.2004.</b>	<b>Change</b>	<b>31.03.2005.</b>	<b>31.03.2004.</b>	<b>Change</b>
	<b>LVL'000</b>	<b>LVL'000</b>		<b>EUR'000</b>	<b>EUR'000</b>	
<b>Cash flow from operating activities</b>						
Cash generated from operations	26 959	20 106	6 853	38 360	28 608	9 752
Interest received	102	110	(8)	146	157	(11)
Corporate income tax paid	(706)	(614)	(92)	(1 004)	(873)	(131)
<b>Net cash from operating activities</b>	<b>26 356</b>	<b>19 603</b>	<b>6 754</b>	<b>37 501</b>	<b>27 892</b>	<b>9 610</b>
<b>Cash flow from investing activities</b>						
Purchase of property, plant and equipment	(2 621)	(1 417)	(1 205)	(3 730)	(2 016)	(1 714)
Purchase of intangible assets	(9)	(15)	5	(13)	(21)	7
Proceeds from sales of securities			0	0	0	0
Proceeds from sale of property, plant and equipment	9	0	9	13	1	12
<b>Net cash used in investing activities</b>	<b>(2 622)</b>	<b>(1 431)</b>	<b>(1 191)</b>	<b>(3 730)</b>	<b>(2 036)</b>	<b>(1 694)</b>
<b>Cash flow from financing activities</b>						
Payments on long term borrowings						
Service charge on borrowings						
Dividends paid						
<b>Net cash used in financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>23 734</b>	<b>18 172</b>	<b>5 563</b>	<b>33 771</b>	<b>25 856</b>	<b>7 915</b>
<b>Movement in cash and cash equivalents</b>						
At the beginning of the year	20 202	35 762	(15 560)	28 744	50 884	(22 140)
(Decrease) / increase	23 734	18 172	5 563	33 771	25 856	7 915
<b>At the end of the year</b>	<b>43 936</b>	<b>53 933</b>	<b>(9 997)</b>	<b>62 515</b>	<b>76 740</b>	<b>(14 225)</b>

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>
31.12.2004.	39 900	14 320	117 816		33 237		10 898	216 171
Dividends for the year 2004								
Revaluation of fixed assets								
Deferred tax liability arising on the revaluation of property, plant and equipment								
Disposal of revalued fixed assets				(4)				(4)
Deferred tax on disposal of revalued property, plant and equipment								
Transfer to reserves								
Profits for the Period							8 526	8 526
31.03.2005.	39 900	14 320	117 812		33 237		19 424	224 693

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>
31.12.2004.	56 773	20 376	167 637		47 292		15 506	307 584
Dividends for the year 2004								
Revaluation of fixed assets								
Deferred tax liability arising on the revaluation of property, plant and equipment								
Disposal of revalued fixed assets				(6)				(6)
Deferred tax on disposal of revalued property, plant and equipment								
Transfer to reserves								
Profits for the Period							12 131	12 131
31.03.2005.	56 773	20 376	167 631		47 292		27 638	319 709

**Company: A/S Latvijas Gaze, LV-Riga**  
**INCOME STATEMENT AS AT 31**  
**MARCH 2005**

	31.03.2005.	31.03.2004.	<i>Change</i>	31.03.2005.	31.03.2004.	<i>Change</i>
	LVL'000	LVL'000		EUR'000	EUR'000	
Sales	49 403	47 103	2 300	70 294	67 021	3 272
Cost of sales	(34 313)	(33 149)	(1 164)	(48 822)	(47 166)	(1 656)
<b>Gross profit</b>	15 090	13 954	1 136	21 471	19 855	1 616
Administrative expenses	(4 000)	(4 149)	149	(5 691)	(5 904)	213
Other operating income	189	150	39	269	214	55
Other operating expense	(77)	(101)	24	(110)	(144)	34
<b>Operating profit</b>	11 203	9 855	1 348	15 940	14 022	1 918
Income (loss) from investments in subsidiaries						
Loss on available for sale investments						
Financial income	112	134	(22)	159	190	(31)
Financial expense	(272)	(40)	(231)	(386)	(58)	(329)
<b>Profit before tax</b>	11 043	9 948	1 095	15 713	14 155	1 558
Tax	2 517	2 151	366	3 581	3 060	520
<b>Net profit</b>	8 526	7 797	729	12 132	11 094	1 038
<b>Earnings per share in LVL</b>	0.214	0.195	0.018	0.304	0.278	0.026