



"Latvijas Gāze" Joint Stock Company

Unaudited Financial Report of 6 months of 2015

Prepared in accordance with the International Financial Reporting Standards
as adopted by the EU

Riga, 2015






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Information on the Company

Name of the Company	JSC Latvijas Gāze
Legal status of the Company	Joint Stock Company
Registration number, venue and date	000300064 Riga, March 25, 1991
	Reregistered in the Commercial Register December 20, 2004 with common registration No 40003000642
Address	Vagonu Street 20 Riga, LV – 1009 Latvia
Major shareholders	E.ON Ruhrgas International GmbH (47.2 %) Gazprom PJSC (34.0 %) ITERA Latvija LLC (16.0 %)
Reporting period	January 1 – June 30, 2015

Board members (term of office of the Board – August 16, 2012 to August 16, 2015, for Mario Nullmeier term is January 1, 2014 to December 31, 2016) - names, surnames, posts, recent professional experience and education

	<p>Adrians Dāvis – Chairman of the Board</p> <p>Since 1997 – Chairman of the Board of the JSC “Latvijas Gāze”; involved in gas industry since 1965</p> <p>1997 Physical Energy Institute of Latvian Science Academy, academic degree of doctor in engineering (Dr.sc.ing.).</p>		<p>Alexander Miheyev (Александр Михеев) – Board member, Vice-Chairman of the Board</p> <p>Since 2003 First Deputy Head of the Marketing, Gas and Liquid Hydrocarbon Processing Department of the OJSC Gazprom; involved in gas industry since 1968</p> <p>1968 Graduated from the Moscow Oil and Gas Industry Institute named after I. M. Gubkin and obtained the qualifications of engineer in design and operation of oil and gas pipelines, gas storage facilities and oil tanks</p>
	<p>Mario Nullmeier – Board member, Vice-Chairman of the Board</p> <p>Since 2005 Head of the Baltic Office of E.ON Ruhrgas International AG in Tallinn, Estonia</p> <p>2000 Master Degree in Global Business Administration</p>		<p>Anda Ulpe – Board member</p> <p>Since 1997 Board member of the JSC “Latvijas Gāze”; involved in gas industry since 1984</p> <p>2002 the University of Latvia, Master Degree of Social Sciences in Economics</p>
	<p>Gints Freibergs – Board member</p> <p>Since 1997 Board member of the JSC “Latvijas Gāze”; involved in gas industry since 1984</p> <p>1984 Polytechnical Institute of Riga, engineer in industrial heat power</p>	<p>Names, surnames and posts of Council members (before January 1, 2014)</p>	<p>Adrians Dāvis – Chairman of the Board Alexander Miheyev (Александр Михеев) – Board member, Vice-Chairman of the Board Jörg Tumat - Board member, Vice-Chairman of the Board Anda Ulpe - Board member Gints Freibergs - Board member</p>

JSC “Latvijas Gāze”
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Council members (term of office of the Council - July 3, 2015 to July 2, 2018) – names, surnames, posts, recent professional experience and education

	<p>Kirill Seleznev (Кирилл Селезнев) – Chairman of the Council</p> <p>Since March 20, 2003 Head of the Gas and Liquid Hydrocarbon Sales and Processing Department, OJSC Gazprom; Member of Management Committee, OJSC Gazprom</p> <p>1997 Graduated from Baltic State Technical University of St. Petersburg named after D. F. Ustinov – Engineering of Impulse Devices and Automated Rotation Lines</p> <p>2002 Graduated from St. Petersburg State University – Credit Theory and Finance Management</p>		<p>Juris Savickis –Deputy Chairman of the Council</p> <p>Since 1996 LLC “ITERA Latvija”, president</p> <p>1970 – 1972 Polytechnical Institute of Riga, Graduate school 1983 - 1984 University of Qualification Raising for Executives, Faculty of International Relations</p>
	<p>Oliver Giese – Deputy Chairman of the Council</p> <p>Since 2011 Senior Vice President Infrastructure Management E.ON Global Commodities SE/E.ON Ruhrgas</p> <p>2007 – 2010 VP Infrastructure Management Gas/Acting Head Regulation & Infrastructure/VP Market Regulation E.ON AG</p> <p>1991 – 1995 MBA (Dipl.-Kfm.)</p>		<p>Matthias Kohlenbach – Council member</p> <p>Since July 2012 Member of the Board of Management of E.ON Ruhrgas International GmbH</p> <p>2009 – 2012 Head of Corporate Law Department of E.ON Ruhrgas</p> <p>Degree of doctor in Law</p>
	<p>Jörg Tumat - Council member</p> <p>Since 2013 Member of the Board of E.ON Russia</p> <p>2006 – 2013 Member of the Board, Vice-chairman of the Board of JSC „Latvijas Gāze”</p> <p>2001 – 2004 the University of Hagen, Diploma in Business Administration (Dipl.-Betriebswirt)</p>		<p>Uwe H. Fip – Council member</p> <p>Since 2002 E.ON Ruhrgas AG – Senior Vice-President, Head of Eastern Department of Gas Supplies</p> <p>Master in Oil Engineering, Degree in Business Management (Diploma – Merchant)</p>
	<p>Damian Bunyan – Council member</p> <p>Since 2013 Chief Process Officer, E.ON Global Commodities SE</p> <p>2006 – 2013 Managing Director, E.ON IT</p> <p>1986 – 1990 Combined Honours in Business Administration & Society and Government, Aston University</p>		<p>Vlada Rusakova (Влада Русакова) – Council member</p> <p>Since 2013 Vice president of OJSC Rosneft, Head of gas business development department</p> <p>2003-2012 Board member of the OJSC Gazprom</p> <p>1977 Graduated from the Moscow Oil and Gas Industry Institute named after I. M. Gubkin and obtained the qualifications of engineer in design, planning and operation of oil and gas pipelines, gas storage facilities and oil tanks</p>
	<p>Nikolay Dubik (Николай Дубик) – Council member</p> <p>Since 2008 Member of Management Committee of JSC “Gazprom”, Head of legal Department</p> <p>MBA degree at the Academy of National Economy under the Russian Federation Government</p> <p>Graduated from Lomonosov Moscow State University in majoring law</p>		<p>Elena Karpel (Елена Карпель) – Council member</p> <p>Since 2004 Gazprom’s Council Member by the resolution of the Company’s Shareholders’ Meeting</p> <p>1968 Korotchenko Kiev Institute of National Economy getting speciality in Industry Planning</p>
	<p>Elena Mikhaylova (Елена Михайлова) - Council member</p> <p>Since 2012 Member of the Gazprom Management Committee, Head of the Asset Management and Corporate Relations Department of Gazprom</p> <p>2011 – 2012 Head of the Asset Management and Corporate Relations Department of Gazprom</p> <p>MBA degree at the Academy of National Economy under the Russian Federation Government</p> <p>Law degree at the Moscow State Industrial University</p>	<p>Names, surnames and posts of Council members (before July 3, 2015)</p>	<p>Kirill Seleznev (Кирилл Селезнев) – Chairman of the Council Juris Savickis – Vice-Chairman of the Council Achim Saul - Vice-Chairman of the Council Matthias Kohlenbach – Council member Jörg Tumat - Council member Uwe H. Fip – Council member Rainer Link – Council member Vlada Rusakova (Влада Русакова) – Council member Nikolay Dubik (Николай Дубик) – Council member Elena Karpel (Елена Карпель) – Council member Elena Mikhaylova (Елена Михайлова) – Council member</p>

Report of the Board of Directors

The Joint Stock Company "Latvijas Gāze" (hereinafter – the Company) is the only natural gas transmission, storage, distribution and sale operator in Latvia. The company supplies natural gas to 442.6 thousand customers in Latvia, and in winter – also to Estonia, the Northwestern part of Russia and Lithuania from the Inčukalns Underground Gas Storage Facility (hereinafter – Inčukalns UGS).

The goal of the Company is to strengthen its leading position in the fuel market of Latvia by enhancing the accessibility of natural gas, facilitating the diversity of its consumption and ensuring for consumers in Latvia one the most stable supplies in Europe.

The vision of the Company is to make Latvia one of the largest natural gas storage hubs in Europe by using the unique geological structures of our country.

The mission of the Company is to contribute to the economy of the Baltic region by ensuring the security of energy supplies, the development of the industry and the competitiveness of prices.

The underlying principles of financial activity of the Company are as follows:

- investments in modernization of the infrastructure related to natural gas supply stability and security;
- investments in the development of infrastructure and the quality of service;
- competitive price of natural gas and services;
- profit that enables the company to make investments and pay dividends in compliance with the international natural gas industry practice. Such amount of profit is regulated by the Public Utility Commission of the Republic of Latvia by setting the level of capital return.

1. Operation of the Company in the reporting period

In 6 months of the year 2015, the Company sold to the consumers 628.6 million m³ of natural gas. In comparison with the respective period of 2014 the natural gas sales decreased by 8.8 % due to the differences in outdoor air temperature and investments by heat supply companies in the use of renewable energy resources and a partial replacement of fossil fuels with woodchip.

The gas injection season at the Inčukalns UGS began on May 27, 2015. Upon starting natural gas injection, the reserves of active gas at the Inčukalns UGS were 448.2 million m³. 433.7 million m³ of natural gas were injected into the Inčukalns UGS in the first 6 months of the year 2015.

Over 6 months of 2015, the consumers were sold natural gas and provided services for EUR 235.6 million, which is by 11.6 % less than in the respective period of 2014.

The decrease of income year-on-year stems from the lower natural gas sales volume and fact that during 6 months of 2015, due to changes in oil product quotations and currency rates, the residential and industrial customers were applied differential natural gas sale end-user tariffs corresponding to a natural gas sale price 5.4 % below that of the 6 months of 2014. The income saw decrease both in the industrial and household sector.

The Company completed 6 months of 2015 with a profit of EUR 10.3 million, which is 3.7% lower than in the respective period 2014 when the Company profited EUR 10.7 million.

Within the framework of the capital investment programme, EUR 11.9 million of investment funds was spent over 6 months of 2015, mostly on the renovation of gas transmission and distribution pipelines and the reconstruction of wells.

Report of the Board of Directors (continued)

1. Operation of the Company in the reporting period (continued)

The key indices of the Company:

	2015 6M	2014 6M	2013 6M
	EUR'000	EUR'000	EUR'000
Net turnover	235 418	266 378	335 317
Profit before income tax, interest payments, depreciation and amortization (EBITDA)	31 887	32 275	32 947
Profit before income tax, interest payments, depreciation and amortization to net turnover (EBITDA %)	13.54	12.12	9.83
Profit of operational activity	14 995	15 445	16 437
Profitability of operational activity (%)	6.37	5.80	4.90
Profit of reporting period	10 284	10 690	10 841
Commercial profitability (%)	4.37	4.01	3.23
Total liquidity	3.03	2.35	2.21
Total assets	780 816	819 852	827 118
Equity	620 559	619 559	618 210
Return on assets (ROA), %	1.28	1.30	1.32
Return on equity (ROE), %	1.66	1.73	1.75
Number of shares	39 900	39 900	39 900
	EUR	EUR	EUR
Profit per share	0.258	0.268	0.272
P/E	38.72	37.32	35.09
BV	15.55	15.53	15.49
P/BV	0.64	0.64	0.62
Share price at the end of the period	9.98	10.00	9.53

2. Research and development

In order to ensure an uninterrupted natural gas supply to users and the safe operation of the gas supply system in the long term, the Company has developed the “Plan of Measures for the Improvement of Safety of the Gas Supply System of the Joint Stock Company “Latvijas Gāze” 2010-2015”. It has been prepared based on the conclusions made by the Russian companies “Gazobezopasnostj” and “Lentransgaz”, institutes “VNIIGAZ” and “Giprospepgaz”, as well as the German companies “Pipeline Engineering GmbH”, “Untergrundspeicher und Geotechnologie – Systeme GmbH”, “E.ON Engineering GmbH”, “E.ON Ruhrgas International AG” and other partners regarding the technical condition of the equipment and modernization options. The plan of measures envisions investments in the improvement of safety with the total amount of EUR 72 million.

In 2011 the OAO „Gazprom VNIIGAZ” developed a program for the modernization of technological equipment and the improvement of operational safety at the Inčukalns UGS until 2025. The concept covers two development scenarios – with and without increasing natural gas storage capacity. The projected costs are EUR 360 million and EUR 190 million respectively. On the basis of this document, the Company drew up a project “Modernization and Expansion of Inčukalns UGS” and another project jointly with the JSC “Lietuvos Dujos” “Increasing the Capacity of Interconnection between Latvia and Lithuania”. Both projects were featured in the

Report of the Board of Directors (continued)

2. Research and development (continued)

first list of projects of common European interest. In 2014, the JSC "Latvijas Gāze" submitted the project of modernization and expansion of the Inčukalns UGS to the European Commission for funding, but the European Commission has not yet granted any funds. The second list of projects of common European interest is now being compiled, and the Company has repeatedly submitted both projects for inclusion, as stipulated by the Infrastructure Regulation.

3. International cooperation

The year 2014 saw further work on the implementation of projects of common European interest. The European Commission continued the evaluation of projects of Polish-Lithuanian and Finnish-Estonian gas transmission pipeline interconnections and a regional liquefied natural gas terminal in Finland or Estonia.

The first round of submission of projects for co-funding began in May 2014. Within the required timeframe the Company submitted documents on the first stage of the project of modernization of the Inčukalns UGS. Under the European Commission decision dated November 21, 2014, the project has not been recommended for co-funding, as in the first round the selection was limited to gas projects ensuring the diversification of gas supply sources and the necessary interconnections.

The European Commission has promoted the construction of the Polish-Lithuanian interconnection (GIPL) and a further study on the Finnish-Estonian interconnection for co-funding, whereas the construction of a liquefied natural gas terminal in Finland has not been selected.

The second list of projects of common European interest is currently under preparation, and the Company has repeatedly submitted both projects for inclusion in the list, as stipulated in the Infrastructure Regulation. The JSC „Latvijas Gāze” has prepared and submitted to the European Commission (EC), the Agency for Cooperation of Energy Regulators (ACER), the Public Utilities Commission and the national regulatory authorities of Lithuania, Estonia, Finland and Poland information on both these projects as required under the Regulation (EU) No.347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure. The information has been prepared in compliance with the cost and benefit methodology developed by the European Network of Transmission System Operators for Gas (ENTSO-G) and approved by the EC on February 4, 2015. Representatives of the JSC „Latvijas Gāze” took an active part in the events organised by the EC with a view to identify the projects to be included in the second list of projects of common European interest and to be eligible for preferential procedures of implementation and, potentially, co-funding from the EU infrastructure fund.

Representatives of the JSC „Latvijas Gāze” take an active part in the events of the Baltic and Finnish Regional gas market coordination working group. The working group has been set up following an agreement of the Eastern-Baltic ministers for economy and energy and tasked with the elimination of barriers to the establishment of a common regional gas market. The working group is composed of representatives of the Lithuanian, Latvian, Estonian and Finnish ministries responsible for energy, energy regulators and transmission system operators. So far the working group has agreed upon joint short-term and mid-term measures that will foster the creation of a common Eastern-Baltic gas market.

The Eastern-Baltic transmission system operators have also set up a working group (EBTSO), which is to include the JSC „Latvijas Gāze”. In 2013 this working group performed an analysis of interoperability of regional investment projects with an assessment of gas flows under the scenarios of business-as-usual and gas supply disruption. The next task of this working group

Report of the Board of Directors (continued)

3. International cooperation (continued)

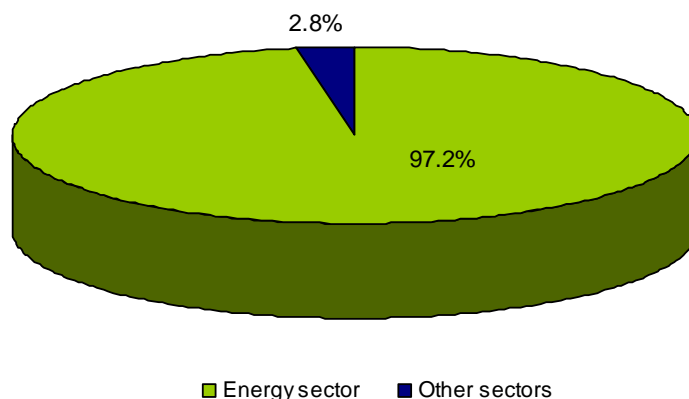
is to identify the best regional gas market model in cooperation with the tendered adviser Frontier Economics. This study will be funded under the Baltic Sea Region Energy Cooperation (BASREC) and is due for completion by the end of 2015. The EBTSO shall report to the Regional gas market coordination working group on the results of the selection of optimum regional gas market model.

4. Shares and shareholders

The composition of shareholders of the Company¹ as of December 31, 2014 and previous 2 periods:

Share	31.12.2014.	31.12.2013.	31.12.2012.
“E.ON Ruhrgas International” GmbH	47.2%	47.2%	47.2%
“Gazprom” PJSC	34.0%	34.0%	34.0%
“Itera Latvija” LLC	16.0%	16.0%	16.0%
Others	2.8%	2.8%	2.8%
TOTAL	100.0 %	100.0 %	100.0 %

The composition of shareholders of the Company as to the industries they represent as of December 31, 2014:



The number of shares held by the members of the Board and the Council of the Company as of December 31, 2014:

Board members		Number of shares
Chairman of the Board	Adrians Dāvis	417
Vice-Chairman of the Board	Mario Nullmeier	0
Vice-Chairman of the Board	Alexander Miheyev	0
Board member	Anda Ulpe	729
Board member	Gints Freibergs	416

¹ Shareholders owning at least 5 % of capital

Report of the Board of Directors (continued)

4. Shares and shareholders

Council members		Number of shares
Chairman of the Council	Kirill Seleznev	0
Vice-Chairman of the Council	Juris Savickis	0
Vice-Chairman of the Council	Achim Saul	0
Council member	Matthias Kohlenbach	0
Council member	Jörg Tumat	0
Council member	Uwe H. Fip	0
Council member	Rainer Link	0
Council member	Vlada Rusakova	0
Council member	Nikolay Dubik	0
Council member	Elena Karpel	0
Council member	Elena Michaylova	0

As from February 15, 1999, the shares of the Company are quoted at the NASDAQ OMX Riga exchange, and their trading code as from August 1, 2004 is GZE1R. The total number of securities has not changed since 1999.

ISIN	LV0000100899
Exchange code	GZE1R
List	Second list
Nominal value	1.40 EUR
Total number of securities	39 900 000
Number of securities in public trading	25 328 520
Guaranteers of liquidity	None

	2015 6M	2014 6M	2013 6M	2012 6M	2011 6M
<u>Share price (EUR):</u>					
First	9.140	9.390	8.694	8.388	6.830
Highest	10.400	10.200	9.533	8.964	9.960
Lowest	9.130	8.920	8.580	7.854	6.545
Average	9.666	9.515	8.936	8.495	7.228
Last	9.980	10.000	9.533	8.779	9.419
Change	9.19%	6.50%	9.65%	4.66%	37.91%
Number of transactions	709	655	762	783	628
Number of shares traded	76 085	62 235	75 918	82 632	131 688
Turnover (million EUR)	0.735	0.592	0.679	0.701	0.950
Capitalization (million EUR)	398.202	399.000	380.376	350.287	375.835

Source: NASDAQ OMX Riga

The capitalization value of the Company in 6 months of 2015 reached EUR 398.2 million - by EUR 0.8 million less than in 6 months of the previous reporting period. By share market capitalization the Company took the 1st place among companies quoted at Nasdaq Riga and the 5th place among companies quoted at Nasdaq Baltic (2014 6M: accordingly 1st and 5th).

The dynamics of the Company share price and indexes.

The shares of the Company are included in the following index baskets	OMXBGI, OMXBPI, OMXRGI
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OMX Baltic

An index of all shares, Baltic-wide. Its basket consists of the shares of the Official and Second list of the Baltic exchanges. The index reflects the current situation and changes in the Baltic market overall.

OMX Riga

An index of all shares, local. Its basket consists of the shares of the Official and Second list of the NASDAQ OMX Riga exchange. The index reflects the current situation and changes in the NASDAQ OMX Riga exchange.

The Company share price and changes of OMX Riga GI and OMX Baltic GI (01.01.2012. - 30.06.2015.)



Indexes/Shares	01.01.2012.	30.06.2015.	Change
OMX Riga	371.16	439.44	+18.40%
OMX Baltic GI	325.54	505.04	+55.14%
GZE1R (EUR)	8.041	9.980	+24.12%

Chairman of the Board

A. Dāvis

Board meeting minutes No. 34 (2015)
 Riga, July 28th, 2015

Statement of Director’s responsibility

The Board of Directors of the Joint Stock Company “Latvijas Gāze” (hereinafter – the Company) is responsible of the preparation of the interim financial statements of the Company. Interim financial statements of the Company are not audited.

The financial statements on pages 12 to 17 are prepared in accordance with the underlying accounting records and source documents and present fairly the financial position of the Company as of 30 June 2015 and the result of its operations and cash flows for the period ended 30 June 2015.

The financial statements are prepared in accordance with International Financial Reporting Standards on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The Board of Directors in the preparation of the financial statements has made prudent and reasonable judgements and estimates.

The Board of Directors of JSC “Latvijas Gāze” is responsible for the maintenance of proper accounting records, the safeguarding of the Company’s assets and the prevention and detection of fraud and other irregularities in the Company. The Board of Directors is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

On behalf of the Board of Directors,

Adrians Dāvis
Chairman of the Board

Riga, 28th July 2015

Balance sheet

	Note	30.06.2015. EUR'000	30.06.2014. EUR'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment		556 993	560 522
Intangible assets		1 913	2 317
Trade receivables		8	9
Total non-current assets		558 914	562 848
<u>Current assets</u>			
Inventories	1	8 129	89 381
Trade receivables		24 382	22 919
Current income tax receivable		4 077	5 488
Other current assets		111 300	54 375
Cash and cash equivalents		74 014	84 841
Total current assets		221 902	257 004
TOTAL ASSETS		780 816	819 852
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share capital		55 860	56 773
Share premium		20 376	20 376
Revaluation reserve		376 264	377 934
Post-employment benefits and other employee benefits revaluation reserve		(80)	-
Other reserves		115 676	113 887
Retained earnings		52 463	50 589
Total equity		620 559	619 559
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Deferred income tax liabilities		54 645	56 448
Accruals for post employment benefits and other employee benefits		4 486	6 255
Deferred income		27 982	28 377
Total non-current liabilities		87 113	91 080
<u>Current liabilities</u>			
Trade payables		18 741	57 510
Corporate income tax payable		4 740	4 872
Deferred income		1 195	1 168
Other current liabilities		48 468	45 663
Total current liabilities		73 144	109 213
Total liabilities		160 257	200 293
TOTAL EQUITY AND LIABILITIES		780 816	819 852

Income statement

	Note	30.06.2015. EUR'000	30.06.2014. EUR'000
Revenue	2	235 418	266 378
Cost of sales	3	(212 348)	(242 450)
Gross profit		23 070	23 928
Administrative expenses	4	(3 059)	(3 435)
Other income	5	1 805	2 135
Other expenses	6	(6 821)	(7 183)
Operating profit		14 995	15 445
Finance income	7	29	117
Profit before income tax		15 024	15 562
Income tax expense		(4 740)	(4 872)
Profit for the period		10 284	10 690

Statement of comprehensive income

Other comprehensive income

Tax sections, net

Revaluation of property, plant and
 equipment - gross

94 150

**Other comprehensive income for the
 period, net of tax**

94 150

Profit for the period

10 284 10 690

**Total comprehensive income for the
 period**

10 378 10 840

Statement of cash flows

	30.06.2015.	30.06.2014.
	EUR'000	EUR'000
Cash flow from operating activities		
Cash generated from operations	112 683	79 903
Interest received	61	184
Income tax paid	(3 601)	(3 801)
Net cash generated from operating activities	109 143	76 286
Cash flow from investing activities		
Purchase of property, plant and equipment	(11 686)	(10 832)
Purchase of intangible assets	(243)	(207)
Proceeds from sale of property, plant and equipment	76	40
Received term deposits	17 300	34 900
Deposited on term	(91 700)	(48 900)
Net cash used in investing activities	(86 253)	(24 999)
Net cash (used in) / generated from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	22 890	51 287
Cash and cash equivalents at the beginning of the year	51 124	33 554
Cash and cash equivalents at the end of the year	74 014	84 841

Statement of changes in equity

	Share capital	Share premium	Revaluation reserve	Employee benefits revaluation reserve	Other reserves	Retained earnings	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
31 December, 2013	56 773	20 376	378 103	-	113 887	39 582	608 721
Income in year 2014, total	-	-	(168)	-	-	11 008	10 840
Rounding	-	-	(1)	-	-	-	(1)
30 June, 2014	56 773	20 376	377 934	-	113 887	50 589	619 559
31 December, 2014	55 860	20 376	376 348	(80)	115 676	42 002	610 182
Income in year 2015, total	-	-	(83)	-	-	10 461	10 378
Rounding	-	-	(1)	-	-	-	(1)
30 June, 2015	55 860	20 376	376 264	(80)	115 676	52 463	620 559

Notes to the financial statements

	30.06.2015.	30.06.2014.
	EUR'000	EUR'000
1 INVENTORIES		
Materials and spare parts (at net realisable value)	5 659	7 086
Gas and fuel (at cost)	2 470	82 295
	8 129	89 381
2 REVENUE		
Income from natural gas sales to industrial customers	190 736	218 921
Income from natural gas sales to residential customers	32 689	34 482
Income from transmission and storage of natural gas	11 592	12 593
Other services	401	382
	235 418	266 378
3 COST OF SALES		
Purchase of natural gas	180 939	209 308
Salaries	7 156	8 007
Social insurance contributions	1 674	1 849
Life, health and pension insurance	540	535
Materials and spare parts	2 713	3 379
Depreciation and amortisation	16 489	16 356
Other expenses	2 837	3 016
	212 348	242 450
4 ADMINISTRATIVE EXPENSES		
Salaries	1 958	2 055
Social insurance contributions	387	434
Life, health and pension insurance	92	99
Maintenance and utilities	448	446
Real estate tax	637	547
Depreciation and amortisation	353	421
Bank charges	51	53
Provisions for impairment of bad and doubtful debts, net	(1 622)	(1 282)
Other expenses	755	662
	3 059	3 435

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5 OTHER INCOME

Penalties from customers	858	1 062
Income from contribution to financing of construction works	461	446
Income from change in provisions for slow moving and obsolete inventories	8	17
Other income	469	568
Net foreign exchange gains	4	1
Interest income	5	41
	1 805	2 135
	1 805	2 135

6 OTHER EXPENSES

Materials	26	21
Salaries	97	94
Social insurance contributions	16	14
Depreciation and amortisation	50	53
Sponsorship	84	2
Loss from sale of fixed assets	54	311
Other expenses	6 494	6 688
	6 821	7 183
	6 821	7 183

EXPENSES BY NATURE

Purchase of natural gas	180 939	209 308
Depreciation and amortisation	16 892	16 830
Employee benefit expenses	11 920	13 087
Material and spare parts	2 739	3 400
Net provisions for impaired receivables	(1 622)	(1 282)
Other expenses	11 360	11 725
	222 228	253 068
	222 228	253 068

7 FINANCE INCOME, NET

Finance income		
- Interest income	29	117
	29	117