

PJSC "Latvijas Jūras medicīnas centrs" (LATVIAN MARITIME MEDICINE CENTRE)

Consolidated Balance Sheet

as at 30 June 2005 and 31 December 2004

| ASSETS | | 30.06.2005 | 31.12.2004 | 30.06.2005 | 31.12.2004 | |
|--|--|------------|------------------|------------------|------------------|------------------|
| | Items | Notes | LVL | LVL | EUR | EUR |
| 1. LONG - TERM INVESTMENT | | | | | | |
| I. Intangible fixed assets | | | | | | |
| | Concessions, patents, licences, trade-marks and similar rights | | 5 103 | 4 114 | 7 261 | 5 854 |
| | Prepayment for intangible fixed assets | | | | | |
| | I. Total Intangible fixed assets | 2 | 5 103 | 4 114 | 7 261 | 5 854 |
| II. Tangible fixed assets | | | | | | |
| | Land and building | | 349 783 | 365 091 | 497 699 | 519 481 |
| | Plant and machinery | | 290 578 | 308 913 | 413 458 | 439 546 |
| | Other fixed assets and inventory | | 79 501 | 87 222 | 113 120 | 124 106 |
| | Fixed assets development costs | | 211 343 | 187 508 | 300 716 | 266 801 |
| | Investments in leased assets | | 18 526 | 14 882 | 26 360 | 21 175 |
| | Prepayment for fixed assets | | 1 180 | 1 565 | 1 679 | 2 227 |
| | II. Total tangible fixed assets | 2 | 950 911 | 965 181 | 1 353 032 | 1 373 337 |
| III. Long - term financial investment | | | | | | |
| | Participation in associated companies capital | 3 | 123 557 | 123 557 | 175 807 | 175 807 |
| | Other investment and securities | 4 | - | - | - | - |
| | III. Total Long - term financial investment | | 123 557 | 123 557 | 175 807 | 175 807 |
| | 1. TOTAL LONG - TERM INVESTMENT | | 1 079 571 | 1 092 852 | 1 536 100 | 1 554 997 |
| 2. CURRENT ASSETS | | | | | | |
| I. Inventories | | | | | | |
| | Raw materials and consumables | 5 | 47 589 | 56 706 | 67 713 | 80 686 |
| | Advance payment for goods | 6 | 611 | 366 | 869 | 521 |
| | I. Total inventories | | 48 200 | 57 072 | 68 583 | 81 207 |
| II. Debtors | | | | | | |
| | Customers and client debts | 7 | 175 993 | 83 116 | 250 417 | 118 264 |
| | Other debtors | 8 | 20 180 | 3 285 | 28 714 | 4 674 |
| | Accrued income | | - | 5 270 | - | 7 499 |
| | Deferred expense | 9 | 346 | 7 678 | 492 | 10 925 |
| | II. Total debtors | | 196 519 | 99 349 | 279 623 | 141 362 |
| | IV. Cash and bank | 10 | 385 400 | 422 402 | 548 378 | 601 027 |
| | TOTAL CURRENT ASSETS | | 630 119 | 578 823 | 896 584 | 823 596 |
| | TOTAL ASSETS | | 1 709 690 | 1 671 675 | 2 432 684 | 2 378 593 |
| | Current Ratio | | 1.65 | 1.64 | | |
| | Debt Ratio | | 0.26 | 0.24 | | |

The financial statements were signed on 26 August 2005 by:

Marta Aizsilniece

Chairman of the Board

Agris Švarcbergs

Chairman of the Council

PJSC "Latvijas Jūras medicīnas centrs" (LATVIAN MARITIME MEDICINE CENTRE)

Consolidated Balance Sheet

as at 30 June 2005 and 31 December 2004

| LIABILITIES AND SHAREHOLDER'S EQUITY | | 30.06.2005 | 31.12.2004 | 30.06.2005 | 31.12.2004 |
|---|-------|------------------|------------------|------------------|------------------|
| Items | Notes | LVL | LVL | EUR | EUR |
| 1. CAPITAL AND RESERVES | | | | | |
| Share capital (equity capital) | | 800 000 | 800 000 | 1 138 304 | 1 138 304 |
| Reserves | | | | | |
| a) statutory reserves | | 37 760 | 37 760 | 53 728 | 53 728 |
| b) other reserves | | 15 659 | 15 659 | 22 281 | 22 281 |
| Retained profit | | | | | |
| a) brought forward from previous years | | 205 801 | 180 962 | 292 830 | 257 487 |
| b) for the current reporting year | | 58 501 | 40 839 | 83 240 | 58 109 |
| 1. TOTAL CAPITAL AND RESERVES | | 1 117 721 | 1 075 220 | 1 590 383 | 1 529 909 |
| Minority benefit | | 23 459 | 51 704 | 33 379 | 73 569 |
| Consolidation's difference | | (4 374) | | (6 224) | - |
| Provisions for pensions and similar liabilities | | 95 700 | 90 823 | 136 170 | 129 230 |
| Provisions for taxes | | 41 148 | 46 700 | 58 549 | 66 448 |
| 2. TOTAL PROVISIONS | | 136 848 | 137 523 | 194 718 | 195 679 |
| I. Long - term creditors | | | | | |
| Other creditors | 11 | 53 208 | 53 208 | 75 709 | 75 709 |
| I. Total long - term creditors | | 53 208 | 53 208 | 75 709 | 75 709 |
| II. Short - term creditors | | | | | |
| Loans | 12 | 26 610 | 65 706 | 37 863 | 93 492 |
| Advances received from customers | 13 | 581 | 119 262 | 827 | 169 696 |
| Accounts payable | 14 | 194 286 | 64 313 | 276 446 | 91 510 |
| Taxes and social security payments | 15 | 77 001 | 14 420 | 109 563 | 20 518 |
| Other creditors | 16 | 78 709 | 84 828 | 111 993 | 120 700 |
| Deffered income | 17 | 5 641 | 5 491 | 8 026 | 7 813 |
| II. Total short - term creditors | | 382 828 | 354 020 | 544 718 | 503 728 |
| 3. TOTAL CREDITORS | | 436 036 | 407 228 | 620 427 | 579 437 |
| TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | | 1 709 690 | 1 671 675 | 2 432 684 | 2 378 593 |
| | | - | - | | |

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PJSC "Latvijas Jūras medicīnas centrs" (LATVIAN MARITIME MEDICINE CENTRE)**Consolidated Profit and Loss account**

Jan - Jun 2005 and 2004

| Items | Notes | Jan - Jun 2005 | 2004 | Jan - Jun 2005 | 2004 |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| | | LVL | LVL | EUR | EUR |
| Net sales | 18 | 1 805 572 | 3 390 612 | 2 569 112 | 4 824 434 |
| Cost of sales | 19 | <u>(1 643 703)</u> | <u>(3 120 703)</u> | <u>(2 338 792)</u> | <u>(4 440 386)</u> |
| Gross profit | | 161 869 | 269 909 | 230 320 | 384 048 |
| Administration expenses | 20 | (128 648) | (211 701) | (183 051) | (301 225) |
| Other operating income | 21 | 22 814 | 61 204 | 32 462 | 87 086 |
| Interest and other income | 22 | 7 014 | 5 178 | 9 980 | 7 368 |
| Change of value of long - term investments | 23 | - | 22 341 | - | 31 789 |
| Interest paid and similar expence | 24 | <u>(3 629)</u> | <u>(9 559)</u> | <u>(5 164)</u> | <u>(13 601)</u> |
| Profit before taxes | | 59 420 | 137 372 | 84 548 | 195 464 |
| Corporate income tax | 15 | | (37 058) | - | (52 729) |
| Deferred taxation | | | (46 700) | - | (66 448) |
| Other taxes | 25 | (619) | (117) | (881) | (166) |
| Minority benefit | | <u>(300)</u> | <u>3 001</u> | <u>(427)</u> | <u>4 270</u> |
| Profit/Loss for the financial year | | 58 501 | 103 198 | 83 240 | 146 838 |
| Number of shares | | 800 000 | 800 000 | 800 000 | 800 000 |
| Profit on share LVL (EUR) | | 0.07 | 0.13 | 0.10 | 0.18 |

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PJSC "Latvijas Jūras medicīnas centrs" (LATVIAN MARITIME MEDICINE CENTRE)
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
as at 30 June 2005 and 31 December 2004

| | Share capital LVL | Statutory reserves LVL | Other reserves LVL | Retained profit from previous years LVL | Total LVL |
|------------------------------------|----------------------|---------------------------|-----------------------|--|------------------|
| As of 31 December 2003 | 800 000 | 34 910 | 0 | 199 812 | 1 034 722 |
| Error in 2004 annual report | - | 2 850 | - | (2 850) | - |
| Transfer of profit to reserves | - | - | 15 659 | (15 659) | - |
| Dividend | - | - | - | (16 000) | (16 000) |
| Profit/Loss for the financial year | - | - | - | 56 498 | 56 498 |
| As of 31 December 2004 | 800 000 | 37 760 | 15 659 | 221 801 | 1 075 220 |
| Dividend | - | - | - | (16 000) | (16 000) |
| Profit/Loss for the financial year | - | - | - | 58 501 | 58 501 |
| Transfer of profit to reserves | - | - | - | - | - |
| As of 30 June 2005 | 800 000 | 37 760 | 15 659 | 264 302 | 1 117 721 |

| | Share capital EUR | Statutory reserves EUR | Other reserves EUR | Retained profit from previous years EUR | Total EUR |
|------------------------------------|----------------------|---------------------------|-----------------------|--|------------------|
| As of 31 December 2003 | 1 138 304 | 49 673 | 0 | 284 308 | 1 472 285 |
| Error in 2004 annual report | - | 4 055 | - | (4 055) | - |
| Transfer of profit to reserves | - | - | 22 281 | (22 281) | - |
| Dividend | - | - | - | (22 766) | (22 766) |
| Profit/Loss for the financial year | - | - | - | 80 390 | 80 390 |
| As of 31 December 2004 | 1 138 304 | 53 728 | 22 281 | 315 596 | 1 529 909 |
| Dividend | - | - | - | (22 766) | (22 766) |
| Profit/Loss for the financial year | - | - | - | 83 240 | 83 240 |
| Transfer of profit to reserves | - | - | - | - | - |
| As of 30 June 2005 | 1 138 304 | 53 728 | 22 281 | 376 070 | 1 590 383 |

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PJSC "Latvijas Jūras medicīnas centrs" (LATVIAN MARITIME MEDICINE CENTRE)

CONSOLIDATED STATEMENTS OF CASH FLOWS

as at 30 June 2005 and 31 December 2004

| | Notes | 30.06.2005 LVL | 2004 LVL | 30.06.2005 EUR | 2004 EUR |
|--|-------|-------------------|------------------|-------------------|------------------|
| OPERATING ACTIVITIES | | | | | |
| Profit before taxes | | 59 120 | 137 372 | 84 121 | 195 464 |
| Adjustments: | | | | | |
| Depreciation of licences | 2 | 1 261 | 5 099 | 1 794 | 7 255 |
| Depreciation of fixed assets | 2 | 115 461 | 266 105 | 164 287 | 378 635 |
| Losses from fixed asset's write off | 2 | 405 | 48 924 | 576 | 69 613 |
| Provisions for pensions and similar liabilities | | (675) | 39 368 | (960) | 56 016 |
| Profit/losses from change of value of long - term investments | | | (21 941) | - | (31 219) |
| Losses from investment's write off | | | 500 | - | 711 |
| Interest paid and similar expence | 24 | 3 629 | 9 559 | 5 164 | 13 601 |
| Accrued income | | 5 270 | (5 270) | 7 499 | (7 499) |
| Changes in operating assets and liabilities: | | | | | |
| Inventory | | 8 872 | (6 795) | 12 624 | (9 668) |
| Customers and client debts | | (92 877) | 61 414 | (132 153) | 87 385 |
| Other debtors | | (16 895) | (531) | (24 040) | (756) |
| Deferred expenses | | 7 332 | (3 895) | 10 433 | (5 542) |
| Advances received from customers | | (118 681) | 104 221 | (168 869) | 148 294 |
| Other accounts payable and accrued liabilities | | (6 119) | 24 192 | (8 707) | 34 422 |
| Due to suppliers | | 129 973 | (73 119) | 184 936 | (104 040) |
| Deferred income | | 150 | (3 719) | 213 | (5 292) |
| Taxes and social security payments | | 72 034 | (41 342) | 102 496 | (58 825) |
| Taxes paid | | (10 072) | (43 183) | (14 331) | (61 444) |
| Net cash used in operating activities | | 158 188 | 496 959 | 225 083 | 707 113 |
| INVESTING ACTIVITIES | | | | | |
| Purchase of licences | | (2 250) | (1 106) | (3 201) | (1 574) |
| Purchase of fixed assets and advance payments for fixed assets | | (101 596) | (232 758) | (144 559) | (331 187) |
| Purchase of JM shares (net) | | (28 245) | | (40 189) | - |
| Dividend paid | | (16 000) | (16 000) | (22 766) | (22 766) |
| Net cash used in investing activities | | (148 091) | (249 864) | (210 716) | (355 526) |
| FINANCING ACTIVITIES | | | | | |
| Loans paid: | | | | | |
| Latvijas Kuģniecībai | | (12 500) | (25 000) | (17 786) | (35 572) |
| VOAVA | | (26 596) | (46 621) | (37 843) | (66 336) |
| Hanza Lizings | | | (1 784) | - | (2 538) |
| Interest paid | | (3 629) | (9 559) | (5 164) | (13 601) |
| Net cash provided by financing activities | | (42 725) | (82 964) | (60 793) | (118 048) |
| Net increase (decrease) in cash | | (32 628) | 164 131 | (46 426) | 233 539 |
| Cash at the beginning of the year | | 422 402 | 258 271 | 601 027 | 367 489 |
| CASH AT THE END OF THE YEAR | | 389 774 | 422 402 | 554 602 | 601 027 |

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