

Riga, 5 August 2011

AS "Moda Kapitāls"

Unaudited condensed Interim Financial statement for the period 01.01.2011. - 30.06.2011.,
prepared in accordance with the International Financial Reporting Standards as adopted in
European Union

TABLE OF CONTENTS

	Page
Interim management report	3
Statement of Board responsibility	4
Consolidated income statement	5
Balance sheet	6
Cash flow statement	8
Statement of comprehensive income	9
Notes to the financial statements	10

INTERIM MANAGEMENT REPORT

Type of operations

Basic activity of the Company is issue of short-term loans against a pledge of movable or immovable property.

Performance and financial situation of the Company

In the first six-month period of 2011 more effort was paid to the attraction of new clients, as well as to modernization of the premises of AS "Moda Kapitāls" branches and their equipping in accordance with the requirements of legislation. At the same time, client accounting program was upgraded and additional training and educating of employees, as well as improvements in labour organizing were performed. Financial situation in the Company is considered to be good thanks to the investments of stockholders, attracted investments, as well as to the clients' discipline in payments, ensuring a stable daily cash flow.

Future development plans

As the Cabinet of Ministers of the Republic of Latvia has adopted regulations regulating Non-bank lending sector, including, by introducing a licence fee, we consider that AS "Moda Kapitāls" will increase its market share both by overtaking the already existing small non-bank lenders and by gaining new clients when small enterprises liquidate. It is planned to increase share capital up to LVL 300.000 during 2011.

Events after the end of financial period

All branches of the Company are equipped and rebuilt in accordance with the new requirements of legislation. A branch of the Company in Valka is opened. Several Contracts of cession are concluded with non-bank lenders that have terminated their business activity due to the changes in legislation.

Branch offices of the company

Aizkraukle, Alūksne, Balvi, Bauska, Cēsis, Daugavpils, Dobele, Gulbene, Jelgava, Jēkabpils, Krāslava, Kuldīga, Liepāja, Limbaži, Ludza, Madona, Ogre, Preiļi, Rēzekne, Saldus, Talsi, Tukums, Valmiera, Valka, Ventspils, an office in Rīga.

Proposal for distribution of profit

The decision regarding the use of Company's profit will be made at the meeting of stockholders, which will approve the annual report 2011. The board will suggest leaving the major part of the profit in the Company by considering it as retained profit.

Guntars Zvīnis
(Member of the Board)

Signature

5 August 2011

Statement of Board responsibility

The Board of the Joint Stock Company Moda Kapitāls (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 6 to 16 are prepared in accordance with the underlying accounting and source documents and present fairly the financial position of the Company as of 30 June 2011 and the result of its operations and cash flows for the period from 1 January 2011 to 30 June 2011.

The financial statements are prepared in accordance with International Accounting Standard No.34 "Interim Financial Reporting" as adopted by European Union 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 judgments and estimates.

The Board of AS Moda Kapitāls 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 is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

Guntars Zvīnis
(Member of the Board)

Signature

5 August 2011

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2011.- 30.06.2011.	01.01.2010.- 30.06.2010.	01.01.2011.- 30.06.2011.	01.01.2010.- 30.06.2010.
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	LVL	LVL	EUR	EUR
Continuing operations				
Net sales	868 151	811 899	1 235 268	1 155 228
Cost of goods sold	-702 738	-593 936	-999 906	-845 095
Gross profit	165 413	217 963	235 361	310 133
Selling expenses	-19 236	-23 953	-27 370	-34 082
Administrative expenses	-120 202	-121 424	-171 032	-172 771
Other operating income	1 940	1 953	2 760	2 779
Other operating expenses	-6 473	-3 003	-9 210	-4 273
Operating profit	21 442	71 536	30 509	101 787
Financial income		37		53
Financial expenses	-312	-440	-444	-626
Financial income/(expenses), net	-312	-403	-444	-573
Profit before income tax	21 130	71 133	30 065	101 213
Corporate income tax for the financial period	-5 786	-10 670	-8 233	-15 182
Deferred corporate income tax		5 461		7 770
Income of the reporting period from continuing operations	15 344	65 924	21 833	93 801
Other comprehensive income of the reporting period	65 584	0	93 318	
Total comprehensive income for the period	80 928	65 924	115 150	93 801
Attributable to:				
Shareholders of the Company	80 928	65 924	115 150	93 801

Notes on page 10. to 16. are an integral part of the Annual Report.

Guntars Zvīnis
(Member of the Board)

Signature

5 August 2011

BALANCE SHEET

ASSETS	Note	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
		LVL (unaudited)	LVL (adjusted)	EUR (unaudited)	EUR (adjusted)
Non-current assets					
Intangible assets					
Concessions, patents, licences, trade marks and similar rights		34 231	30 124	48 706	42 863
Advance payments for intangible assets			1 443		2 053
Total intangible assets		34 231	31 567	48 706	44 916
Property, plant and equipment					
Land and buildings		244 540	187 545	347 949	266 852
Leasehold improvements		3 622	1 919	5 154	2 730
Other fixtures and fittings, tools and machinery		115 830	83 175	164 811	118 347
Construction in progress		406		578	
Advance payments for property, plant and equipment		9 785	7 609	13 923	10 827
Total property, plant and equipment	2	374 183	280 248	532 414	398 757
Investment property		94 787	49 496	134 870	70 426
Non-current financial assets					
Other securities and investments		100	100	142	142
Total non-current financial assets		100	100	142	142
Total non-current assets		503 301	361 411	716 133	514 242
Current assets					
Inventories					
Goods for sale		40 221	20 569	57 229	29 267
Advance payments for goods		3 342	538	4 755	766
Total inventories		43 563	21 107	61 985	30 033
Receivables					
Trade receivables	3	1 556 322	1 456 261	2 214 447	2 072 073
Other receivables		13 248	11 015	18 850	15 673
Prepaid expenses		4 306	4 487	6 127	6 384
Accrued income		56 698	56 597	80 674	80 530
Total receivables		1 630 574	1 528 360	2 320 098	2 174 660
Cash		56 851	43 208	80 892	61 479
Total current assets		1 730 988	1 592 675	2 462 974	2 266 172
TOTAL ASSETS		2 234 289	1 954 086	3 179 107	2 780 414

BALANCE SHEET

EQUITY AND LIABILITIES	Note	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
		LVL (unaudited)	LVL (adjusted)	EUR (unaudited)	EUR (adjusted)
Equity					
Share capital		215 750	215 750	306 985	306 985
Revaluation reserve of property, plant and equipment	4	95 427	29 843	135 780	42 463
Retained earnings:					
a) retained profit from previous financial		17 233	-19 498	24 520	-27 743
b) retained profit for the financial period		15 344	36 731	21 833	52 264
Total equity		343 754	262 826	489 118	373 968
Liabilities					
Non-current liabilities					
Bonds issued	5	1 365 264	1 189 692	1 942 596	1 692 779
Loans from credit institutions	6	59 378	68 643	84 487	97 670
Other borrowings	7	122 430	101 954	174 202	145 067
Deferred corporate income tax liabilities		31 245	19 671	44 458	27 989
Total non-current liabilities		1 578 317	1 379 960	2 245 743	1 963 506
Current liabilities					
Loans from credit institutions	6	18 095	21 735	25 747	30 926
Other borrowings	7	205 358	196 021	292 198	278 913
Advances from customers		1 060		1 508	
Trade payables		41 053	31 874	58 413	45 353
Taxes and statutory state social insurance payments		16 136	24 000	22 959	34 149
Other liabilities		16 266	17 607	23 144	25 053
Accrued liabilities		14 250	20 063	20 276	28 547
Total current liabilities		312 218	311 300	444 246	442 940
Total liabilities		1 890 535	1 691 260	2 689 989	2 406 446
TOTAL EQUITY AND LIABILITIES		2 234 289	1 954 086	3 179 107	2 780 414

Notes on page 10. to 16. are an integral part of the Annual Report.

Guntars Zvīnis
(Member of the Board)

Signature

5 August 2011

CASH FLOW STATEMENT

	01.01.2011.- 30.06.2011.	01.01.2010.- 30.06.2010.	01.01.2011.- 30.06.2011.	01.01.2010.- 30.06.2010.
	LVL	LVL	EUR	EUR
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash flow from operating activities				
Issued loans	-1 366 530	-1 293 141	-1 944 397	-1 839 974
Cash receipts from customers	1 019 859	1 247 014	1 451 129	1 774 341
Income from sale of goods and rendering of services	699 229	463 163	994 913	659 022
Paid cash to suppliers and employees	-350 376	-354 826	-498 540	-504 872
Increase (+) or decrease (-) in other operational activities	-3 464	-2 219	-4 929	-3 157
Gross cash flow from operating activities	-1 282	59 991	-1 824	85 360
Interest and similar expenses	-10 767	-11 577	-15 320	-16 473
Real estate tax payments	-965	-440	-1 373	-626
Corporate income tax payments	-8 775	-11 416	-12 486	-16 244
Net cash flow from operating activities	-21 789	36 558	-31 003	52 017
Cash flow from investing activities				
Leasehold improvements	-2 289	-391	-3 257	-556
Acquisition of property, plant, equipment and intangible assets	-85 922	-22 009	-122 256	-31 316
Proceeds from sale of property, plant, equipment and intangible assets	253	140	360	199
Net cash flow from investing activities	-87 958	-22 260	-125 153	-31 673
Cash flow from financing activities				
Proceeds from debenture issue	175 701		250 000	
Proceeds from borrowings	165 515	681 499	235 507	969 686
Repaid borrowings	-213 687	-630 233	-304 049	-896 741
Finance lease payments	-4 139	-3 573	-5 889	-5 084
Net cash from financing activities	123 390	47 693	175 568	67 861
Net decrease / increase in cash and cash equivalents	13 643	61 991	19 412	88 205
Cash and cash equivalents at the beginning of the period	43 208	40 322	61 479	57 373
Cash and cash equivalents at the end of the period	56 851	102 313	80 892	145 578

Notes on page 10. to 16. are an integral part of the Annual Report.

Guntars Zvīnis
(Member of the Board)

Signature

5 August 2011

STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Company				
	Share capital	Revaluation reserve of property, plant and equipment	Retained earnings	Total Equity
	LVL	LVL	LVL	LVL
As at 01.01.2010	215 750	37 620	-17 973	235 397
Adjustments of the previous financial year:				0
Decrease of revaluation reserve		-7 777		-7 777
As at 01.01.2010. (adjusted)	215 750	29 843	-17 973	227 620
Profit for the period from 01.01.2010. to 30.06.2010.			65 924	65 924
As at 30.06.2010.	215 750	29 843	47 951	293 544
As at 01.01.2011.	215 750	29 843	18 758	264 351
Adjustments of the previous financial year:				
Retained profit from previous financial year			-1 525	-1 525
As at 01.01.2011. (adjusted)	215 750	29 843	17 233	262 826
Profit for the period from 01.01.2011. to 30.06.2011.			15 344	15 344
Other comprehensive income of the reporting period:		65 584		65 584
<i>Gains on revaluation of non-current assets</i>		77 158		77 158
<i>Release of revaluation reserve due to disposals of non-current assets</i>		-11 574		-11 574
Total comprehensive income for the period	215 750	95 427	32 577	343 754
As at 30.06.2011.	215 750	95 427	32 577	343 754
	EUR	EUR	EUR	EUR
As at 01.01.2010	306 985	53 528	-25 573	334 940
Adjustments of the previous financial year:				0
Decrease of revaluation reserve		-11 066		-11 066
As at 01.01.2010. (adjusted)	306 985	42 463	-25 573	323 874
Profit for the period from 01.01.2010. to 30.06.2010.			93 801	93 801
As at 30.06.2010.	306 985	42 463	68 228	417 675
As at 01.01.2011.	306 985	42 463	26 690	376 138
Adjustments of the previous financial year:				
Retained profit from previous financial year			-2 170	-2 170
As at 01.01.2011. (adjusted)	306 985	42 463	24 520	373 968
Profit for the period from 01.01.2011. to 30.06.2011.			21 833	21 833
Other comprehensive income of the reporting period:		93 318		93 318
<i>Gains on revaluation of non-current assets</i>		109 786		109 786
<i>Release of revaluation reserve due to disposals of non-current assets</i>		-16 468		-16 468
Total comprehensive income for the period	306 985	135 780	46 353	489 118
As at 30.06.2011.	306 985	119 312	46 353	489 118

Notes on page 10. to 16. are an integral part of the Annual Report.

Guntars Zvīnis
(Member of the Board)

Signature

5 August 2011

NOTES TO THE FINANCIAL STATEMENTS**1. General Information**

AS "Moda Kapitāls" (hereinafter - Company) basic operations are the issue of short-term loans against pledge of movable and immovable property. AS „Moda Kapitāls" (until 2010.06.21 AS "Lombards Moda") is a joint stock company founded and operating in Latvia. Its registered office is Ganību dambis 40A-34, Riga, LV-1005. The Company management has prepared this interim financial statement for issue on 22 August 2011 and it will be signed by the Chairman of Board on behalf of the Company.

Prior period errors

During preparing the condensed interim financial statement for the period from 1 January 2011 to 30 June 2011 it was found that 1) in 2004 the long-term revaluation reserve was incorrectly calculated and disclosed, 2) during the period 01.01.2010-30.06.2010 no value of sold pledges, only net profit, was included in Net sales and Costs of goods sold.

In accordance with the International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company accounted the adjustments in year 2011, but in the annual report it was disclosed retrospectively.

After making adjustments to prior period errors, changes have occurred in the following financial report items:

Item adjusted	Annual report for the year 2010 before adjustment	Adjustment	Annual report for the year 2010 after adjustment
<u>Adjustment to Balance Sheet as at 31.12.2010.</u>			
Property, plant and equipment	198 525	-10 980	187 545
Revaluation reserve of property, plant and equipment	37 620	-7 777	29 843
Retained profit from previous financial periods	18 758	-1 525	17 233
Deferred corporate income tax liabilities	21 044	-1 373	19 671
<u>Adjustment to the consolidated income statement for the 2010</u>			
Cost of goods sold	-1 255 782	-305	-1 256 087
<u>Adjustment to the consolidated income statement for the period from 01.01.2010.-30.06.2010.</u>			
Net sales	463 275	348 624	811 899
Cost of goods sold	-245 312	-348 624	-593 936

Due to adjustments the Company profit for the year 2010 was decreased by LVL 305; the equity capital as of 31 December 2010 was decreased by LVL 9 302 and makes LVL 262 826 . Due to adjustments the Company profit for the period from 01.01.2010.-30.06.2010. was unchanged.

2. Key principles for preparing the financial statement

These condensed interim financial statements cover the period of time from 1 January 2011 to 30 June 2011. The condensed interim financial statements are prepared in accordance with the International Accounting Standard (IAS) No. 34 "Interim Financial Reporting". These condensed interim financial statements should be read in conjunction with the financial statements of the annual report of AS "Moda Kapitāls" for the year ended on 31 December 2010, that were prepared in accordance with the International Financial Reporting Standards as adopted in the European Union

3. Summary of significant accounting principles

In comparison with the methods of accounting used to prepare the financial statements of the annual report 2010 of AS "Moda Kapitāls" for the year ended on 31 December 2010 that that were prepared in accordance with the International Financial Reporting Standards as adopted in the European Union, the methods of accounting used to prepare interim condensed financial statements are not changed.

Corporate Income Tax and Deferred Corporate Income Tax is calculated based on effective tax rate applied to total prospective profit before income tax for reporting period.

Unaudited condensed Interim Financial statement for the period .,

4. Aims and policies of financial risk management

4.1 Financial risk factors

The Company is subjected to various financial risks in connection with its activity – market risk (incl. currency risk and interest rate risk of cash flows, credit risk, and liquidity risk). The Company's general risk management program addresses mainly nonpredictability of financial markets, and its aim is to reduce the possible negative influence on the financial results of the Company.

Risk management is performed by the financial managers of the Company observing the policy and separate decisions made by the board.

4.2 Market risk

Currency risk

The Company is subjected to fluctuation risk of currency exchange rate mainly in connection with the debts and loans of its buyers and customers that have been concluded in LVL and EUR currencies. Starting with 2005, the Bank of Latvia has set the official exchange rate of lat against euro (1 EUR = 0,702804 LVL) and ensures that the market exchange rate does not differ from the official exchange rate by more than 1%. While the Bank of Latvia will maintain the abovementioned currency exchange rate corridor, the Company is not subjected to notable currency risk.

Open value positions of the Company are:

	30.06.2011	31.12.2010
Financial assets, EUR	1 197 348	869 811
Financial liabilities EUR	2 566 003	2 283 675
Open position EUR, net	-1 368 655	-1 413 864
Open position EUR converted into LVL, net	-961 896	-993 669

Interest rate risk

The Company is not subjected to notable interest rate risk because all significant debts and liabilities of debtors are with a fixed interest rate. Liabilities with no fixed interest rate are in the loan contract (Note 6 on loans from credit institutions) and in the concluded finance leasing contracts (Note 7 on borrowings).

4.3.Credit risk

Within the Company the credit risk is managed using centralized procedures and control. Credit risk occurs in connection with outstanding debts of buyers and customers. To reduce these risks the Company applies a conservative credit policy – the sum of issued loans is much smaller than the value of pledged movable and immovable property. Such policy allows the Company to reduce its credit risk to minimum.

The Company is not subjected to income concentration risk because the Company gains income from many clients where the total payment of interest income or commission fees is formed by small sums.

4.4 Liquidity risk

In compliance with careful liquidity risk management, sufficient amount of money is maintained and accordant financing is ensured by using credit lines allotted by banks. The Company has flexible financing possibilities, ensuring availability of credit lines. The management monitors preparation of operational prognosis of liquidity reserves of the Company based on the expected cash flows. All debts of the Company's debtors are short-term with repayment term of up to 1 year, which reduces the liquidity risk of the Company.

4.5 Establishment of the fair value

The balance value of debts of buyers and customers and the debt to the suppliers and contractors approximately corresponds to their fair value. If it is necessary for reflection in the financial statement, the fair value of financial liabilities is calculated by discounting the future cash flows envisaged in the contract applying current market interest rate that at the accordant moment is available to the Company regarding similar financial instruments. The fair value of derived financial instruments correspond to the sum that is necessary to conclude a similar compensatory contract for a similar remaining period of time based on process quoted in the market.

4.6 Management of capital

The key task of the Company's management of capital is to ensure that it retains a high credit rating and proper indicator of credit sufficiency to support business and increase value of the stock company. The Company manages its capital structure and corrects it according to the changes in economic situation. During the financial years reflected in the statement no changes in the tasks, policy or processes of capital management have been made. In compliance with the legislation, the board should ask the shareholders to evaluate and make a decision on continuation of activity of the Company if own capital of the Company reduced by 50% of the fixed capital.

The Company monitors the capital using the following ratios:

	30.06.2011	31.12.2010
	LVL	LVL
Equity	343 754	262 826
Total assets	2 234 289	1 954 086
Ratio of own capital	15%	13%

Net liabilities*	1 713 674	1 534 837
Equity	343 754	262 826
Proportion of net liabilities against own capital	4.99	5.84

* - Net liabilities are calculated like all loans by deducting money resources and deposits.

	30.06.2011	31.12.2010
	EUR	EUR
Equity	489 118	373 968
Total assets	3 179 107	2 780 414
Ratio of own capital	15%	13%

Net liabilities*	2 438 338	2 183 876
Equity	489 118	373 968
Proportion of net liabilities against own capital	4.99	5.84

* - Net liabilities are calculated like all loans by deducting money resources and deposits.

(2) Property, plant and equipment

	Land and buildings	Leasehold improvements	Other fixtures and fittings, tools and machinery	Construction in progress	Advance payments for property, plant and equipment	Total property, plant & equipment
	<u>LVL</u>	<u>LVL</u>	<u>LVL</u>	<u>LVL</u>	<u>LVL</u>	<u>LVL</u>
Acquisition value as at 01.01.2011	310 739	2 063	146 651	0	7 609	467 062
Additions	22 778	1 876	43 487	406	7 053	75 600
Disposals			-2 759		-4 877	-7 636
Reclassified to investment property	-30 800					-30 800
Release of depreciation of revaluated non-current assets	-135 056					-135 056
Gains on revaluation of non-current assets	77 158					77 158
Impairment loss of revaluation of non-current assets	-279					-279
Acquisition value as at 30.06.2011	244 540	3 939	187 379	406	9 785	446 049
Accumulated value as at 01.01.2011	123 194	144	63 476	0		186 814
Calculated depreciation	11 862	173	10 718			22 753
Depreciation of disposals			-2 645			-2 645
Release of depreciation of revaluated non-current assets	-135 056					-135 056
Accumulated value as at 30.06.2011	0	317	71 549	0	0	71 866
Net carrying value as at 01.01.2011	187 545	1 919	83 175	0	7 609	280 248
Net carrying value as at 30.06.2011	244 540	3 622	115 830	406	9 785	374 183

Residual value of balance of fixed assets leased in financial leasing as by 30 June 2011 is 13.208 LVL. Outstanding part of the basic sum of the financial leasing of these fixed assets as by 30 June 2011 is 14 934 LVL (Note 7 – other loans).

	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Acquisition value as at 01.01.2011	442 142	2 935	208 666	0	10 827	664 569
Additions	32 410	2 669	61 876	578	10 036	107 569
Disposals			-3 926		-6 939	-10 865
Reclassified to investment property	-43 824					-43 824
Release of depreciation of revaluated non-current assets	-192 167					-192 167
Gains on revaluation of non-current assets	109 786					109 786
Impairment loss of revaluation of non-current assets	-397					-397
Unaudited condensed In 30.06.2011	347 949	5 605	266 616	578	13 923	634 671
Accumulated value as at 01.01.2011	175 289	205	90 318	0		265 812
Calculated depreciation	16 878	246	15 250			32 375
Depreciation of disposals			-3 763			-3 763
Release of depreciation of revaluated non-current assets	-192 167					-192 167
Accumulated value as at 30.06.2011	0	451	101 805	0	0	102 256
Net carrying value as at 01.01.2011	266 852	2 730	118 347	0	10 827	398 757
Net carrying value as at 30.06.2011	347 949	5 154	164 811	578	13 923	532 414

(3) Trade receivables

	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
	LVL	LVL	EUR	EUR
Short-term loans issued against pledge	1 235 529	1 141 429	1 757 999	1 624 107
Customer debts brought to court	309 083	301 100	439 785	428 427
Short-term loans issued with no pledge	19 313	21 335	27 480	30 357
Provisions for doubtful receivables	-7 603	-7 603	-10 818	-10 818
Total	1 556 322	1 456 261	2 214 447	2 072 073

Short-term loan interest rate:

For loans against possessory pledge of up to 300 lats	132-240% yearly
For loans against possessory pledge of above 300 lats	132-180% yearly
Road transport in disposition of the clients	144-240% yearly
Road transport in storage of the Company (parking lot)	60%-144% yearly
Land and buildings	30%-120% yearly

(4) Revaluation reserve of property, plant and equipment

As at 31 December 2004 the Company made first revaluation of real estate which is include in the balance sheet position Property, Plant and Equipment. As a result of revaluation, a revaluation reserve of non-current assets in the amount of 37 620 LVL was booked, where 15% of the reserve was attributed to deferred corporate income tax liabilities. As disclosed in the note No. 1 of the Annual Report, initially calculated revaluation reserve was corrected in 2011 decreasing it by 7 777 LVL to 28 843 LVL.

In June 2011 certified real estate valuator M. Vilnītis (Latvian Association of Property Valuator certificate No. 90) who was appointed by the Board of Company, appraised the market value of real estate classified under Property, Plant and Equipment. As a result of revaluation a revaluation reserve of non-current assets was increased by 77 158 LVL, where 15% or 11 574 LVL of the reserve was attributed to the liabilities of deferred corporate income tax liabilities.

(5) Bonds issued

On 1 January 2011 the Company had issued 1 700 corporate bonds with nominal value of EUR 1 000 or totally EUR 1 700 000 (LVL 1 194 767). Coupon interest is set at 12% and maturity date is 25 October 2015. Coupon interest is payable quarterly. Bonds are included in Baltic bond list of NASDAQ OMX Riga AS stock exchange. On first 6 month 2011 the Company issued in addition 250 corporate bonds with nominal value of EUR 1 000 or totally EUR 250 000 (LVL 175 701). In the Annual report, bonds are stated at its fair value taking into account listing expenses.

(6) Loans from credit institutions

Non-current loans	Interest		30.06.2011.	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
	rate	Maturity	Currency	LVL	LVL	EUR	EUR
Loan	6.5%+6 m Euribor	31.03.2015	84 487 EUR	59 378	68 643	84 487	97 670
Total non-current loans	X	X	X	59 378	68 643	84 487	97 670

Current loans	Interest		30.06.2011.	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
	rate	Maturity	Currency	LVL	LVL	EUR	EUR
Loan	6.5%+6 m Euribor	30.06.2012	25 747 EUR	18 095	21 735	25 747	30 926
Total current loans	X	X	X	18 095	21 735	25 747	30 926

(7) Other borrowings

	Interest rate	Maturity	30.06.2011.	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
			Currency	LVL	LVL	EUR	EUR
Non-current borrowings							
Financial lease	5,2%+6 m EURIBOR	10.05.2014	3 344 EUR	2 350	2 917	3 344	4 151
Financial lease	2%+6 m EURIBOR	10.07.2012	212 EUR	149	1 025	212	1 458
Financial lease	2%+6 m EURIBOR	10.07.2012	216 EUR	152	1 050	216	1 494
Financial lease	2%+6 m EURIBOR	10.07.2012	213 EUR	150	1 035	213	1 473
Financial lease	2%+6 m EURIBOR	10.07.2012	216 EUR	152	1 049	216	1 493
Borrowings	6%	21.03.2015	135 001 EUR	94 879	94 878	135 001	134 999
Borrowings	8%	31.12.2012	35 000 EUR	24 598		35 000	
Total non-current borrowings:	X	X	X	122 430	101 954	174 202	145 067

	Interest rate	Maturity	30.06.2011.	30.06.2011.	31.12.2010.	30.06.2011.	31.12.2010.
			Currency	LVL	LVL	EUR	EUR
Current borrowings							
Financial lease	5,2%+6 m EURIBOR	30.06.2012	1 587 EUR	1 115	1 079	1 587	1 535
Financial lease	2%+6 m EURIBOR	30.06.2012	2 456 EUR	1 726	1 672	2 456	2 379
Financial lease	2%+6 m EURIBOR	30.06.2012	2 516 EUR	1 768	1 713	2 516	2 437
Financial lease	2%+6 m EURIBOR	30.06.2012	2 479 EUR	1 742	1 687	2 479	2 400
Financial lease	2%+6 m EURIBOR	30.06.2012	2 510 EUR	1 764	1 707	2 510	2 429
Borrowings	6%	30.06.2012	265 000 EUR	186 243	186 243	265 000	265 000
Borrowings	-	30.06.2012	7 826 EUR	5 500	1 920	7 826	2 732
Borrowings	-	30.06.2012	7 826 EUR	5 500		7 826	
Total current borrowings	X	X	X	205 358	196 021	292 198	278 913

(8) Transactions with related parties

A party is related to the company if it is a shareholder, member of the Supervisory Board or Board of Directors of the Company, as well as their close relative and company in which they have significant impact or control.

Related party	Interest expenses for period from 01.01.2011. to 30.06.2011	Loans as at 30.06.2011	Interest expenses 2010	Loans as at 31.12.2010
	LVL	LVL	LVL	LVL
SIA Orheja	2 861	24 598	11 673	
SIA Skrastiņš un Dzenis			6 310	
SIA Trezors			10 314	
SIA Premium finance group	16 645		36 941	
Ilvars Sirmāis		5 500		1 920
Guntars Zvīnis		5 500		
	19 506	35 598	65 238	1 920

Related party	Interest expenses for period from 01.01.2011. to 30.06.2011	Loans as at 30.06.2011	Interest expenses 2010	Loans as at 31.12.2010
	EUR	EUR	EUR	EUR
SIA Orheja	4 071	35 000	16 609	
SIA Skrastiņš un Dzenis			8 978	
SIA Trezors			14 675	
SIA Premium finance group	23 684		52 562	
Ilvars Sirmāis		7 826		2 732
Guntars Zvīnis		7 826		
	27 755	50 651	92 825	2 732