



JOINT STOCK COMPANY

„RĪGAS AUTOELEKTROAPARĀTU RŪPNĪCA”

Reg. No 40003030454

Report for the first six months of 2006

(Not audited)

CONTENT

	page
Information about the company	1
Management report	2
Balance sheet	3
Profit or loss account	5
Statement of cash flows	6
Statement of exchanges in equity	8
Notes to the financial statements	9
1. Notes to the balance sheet	
2. Notes to the profit or loss account	

Information about the company

1. Name of the company

Joint Stock Company “Rīgas autoelektroaparātu rūpnīca”

2. Registration number and date

No 40003030454 from June 30, 2004

3. Address and contacts

2, Klijanu street, Riga, Latvia, LV-1013

Phone +371 7378670

Fax +371 7372581

4. Equity capital on June 30, 2005

3265509 LVL; nominal value of a share 1.00 LVL

5. The largest share holders

”Baltijas Holdings”, JSC

“Tehprojekts”, Ltd.

“VSAA”, SJSC

Other physical and legal persons

Supervisory Board

Ēriks Kaža (Chairman)

Gunārs Lubis (Vice Chairman)

Viktors Rojs

Kristina Kaža

Tatjana Levenkova

Management Board

Alfrēds Auziņš (Chairman)

Zigurds Kalniņš

Maksims Araslanovs

6. Auditor

Ēvalds Figurnovs,

“Sarguns” reg. No LV41503013991

13, Malnavas street, Riga

7. Bank and account numbers

Hansabanka, JSC, 26, Kalku street, Riga

LVL - LV10HABA0001407031604, SWIFT- code HABA LV 22

USD - LV73HABA0019407031604, SWIFT-code HABA LV22

SEB UNIBANKA, JSC

LVL - LV23UNLA0001000267204, SWIFT-code UNLA LV 2X

8. Average number of employees in the reporting period - **423**

Management report

The joint stock company's "Rigas autoelektroaparatu rupnica" profile of production and basic activities are:

- production of control and measuring devices for motorcars and tractors, automotive accessories and different locks;
- designing of new devices as well as designing and manufacturing of tooling and instruments

The following technological processes are used in the manufacturing: metal machining and punching, pressure casting of zinc alloys, moulding of plastics, electroplating and paint coating and assembling of finished products.

Since 2003 the company has introduced quality management system corresponding to ISO 9001:2000. In 2006 the personnel continues to perfect the quality management system.

The products of the enterprise are specific and are intended mainly for complete set of automobiles and agricultural machinery in Russia, Ukraine and Belarus.

Net turnover in the first six months of 2006 was 3069660 LVL.

The turnover in the second half of the year is predicted to be 2100000 LVL. The automobile producers are modernizing cars, so the volume of orders for the previous type of complementary parts is reducing while the production of the new models still have not achieved the predicted amount.

In the result of economic activities in the first six months of 2006 the JSC „RAR” gained profit: **profit before taxes was – 545603 LVL**

after tax payments – 535779 LVL.

Profit was gained from other economic activities, i.e., from selling of estate property.

In 2006 continued the rapid increase of material, sub-component, energy and fuel prices. But the prices of the company's produced goods will remain fixed because they are limited by severe competition in the market. Therefore there are small losses from basic economic activities of the company - 0.3 % of net turnover.

Customers' debts on June 30, 2006 amount in 1166523 LVL and are real. They correspond to the deliveries of two months. According to the signed contracts customers shall pay for the delivered production in 30 up to 60 days.

Current liabilities to trade creditors on June 30, 2006 were 323728 LVL.

JSC "RAR" used SEB Unibanka bank credit to carry out economic activities. Credit balance at the end of the reporting period was LVL 80 000. The credit means are used for repairing works of buildings, heating main and gas-main, as well as for obtaining new machinery for modernization of electroplating shop and purification plant to improve the quality of produced goods and to meet the demands of environmental protection.

The property of the society is insured in the Insurance JSC "Nordens".

The company is arranging its territory – selling the equipment that is no more necessary for production, gathering and selling the used packing materials and scrap.

Expenses for the protection of environment and utilization of different substances in the first six months of 2006 were 9.0 thousand LVL.

According to amendments to laws of the Republic of Latvia the real estate tax will increase in the next years. The JSC "RAR" sold part of the vacant buildings and areas of land. Another preliminary contract of real estate's sale is signed. Income will be used as investments in the development of the enterprise and for repayment of credit.

The company expects that in 2006 profit from basic activities will be minimal. Profit can be gained from other economic activities, i.e., from selling of estate property.

Chairman of the
Management Board

A.Auziņš

JSC "Rigas autoelektroaparatu rupnica"

BALANCE SHEET

For the first six months of 2006

K=0.703

K=0.703

ASSETS	Notes	Row code	At the end of the period	At the beginning of the year	At the end of the period	At the beginning of the year	At the end of the period	At the end of the period
			30.06.06.	1.01.06.	30.06.06.	1.01.06.	30.06.05.	30.06.05.
			LVL	LVL	EUR	EUR	LVL	EUR
A. LONG-TERM INVESTMENTS								
1. Intangible assets								
1.1. Patents, licenses and similar rights	1	010	21422	29936	30472	42583	38621	54937
1. TOTAL		020	21422	29936	30472	42583	38621	54937
2. Fixed assets								
2.1. Land, buildings and constructions	2	030	894441	1031293	1272320	1466989	1033459	1470070
2.2. Equipment and machinery		040	205436	151092	292228	214925	173718	247109
2.3. Other fixed assets and inventory		050	20509	25266	29174	35940	29414	41841
2.4. Construction in progress		060	0	0	0	0	90040	128080
2.5. Advance payments for fixed assets	3	070	129142	213969	183701	304366	20046	28515
2. TOTAL		080	1249528	1421620	1777423	2022220	1346677	1915615
3. Long-term financial investments								
3.1. Participation in capital of affiliated companies		090	0	0	0	0	1040	1479
A. TOTAL		100	1270950	1451556	1807895	2064803	1386338	1972031
B. CURRENT ASSETS								
1. Inventory								
1.1. Raw materials, direct materials and auxiliary materials	4.1.	110	890015	629036	1266024	894788	602601	857185
1.2. Work in progress	4.2.	120	121157	100125	172343	142425	99159	141051
1.3. Finished goods and goods for sale	4.3.	130	684571	579983	973785	825011	537749	764934
1.4. Advance payments for goods	4.4.	140	43541	29894	61936	42524	1398	1989
1. TOTAL		150	1739284	1339038	2474088	1904748	1240907	1765159
2. Receivables								
2.1. Trade receivables	5.1.	160	1166523	1156058	1659350	1644464	876646	1247007
2.2. Other receivables	5.2.	170	443216	114269	630464	162545	122634	174444
2.3. Deferred expenses	5.3.	180	1061	4500	1509	6401	2563	3646
2. TOTAL		190	1610800	1274827	2291323	1813410	1001843	1425097
3. Cash		200	426648	667555	606896	949580	634006	901858
B. TOTAL	6	210	3776732	3281420	5372307	4667738	2876756	4092114
TOTAL ASSETS		220	5047682	4732976	7180202	6732541	4263094	6064145

JSC "Rigas autoelektroaparatu rupnica"

BALANCE SHEET

For the first six months of 2006

K=0.703

K=0.703

LIABILITIES	Notes	Row code	At the end of the period	At the beginning of the year	At the end of the period	At the beginning of the year	At the end of the period	At the end of the period
			30.06.06.	1.01.06.	30.06.06.	1.01.06.	30.06.05.	30.06.05.
			LVL	LVL	EUR	EUR	LVL	EUR
A. Equity capital								
1. Share capital	7.	230	3265509	3265509	4645105	4645105	3265509	4645105
2. Reserves:	8.	240	34050	165625	48436	235598	165625	235598
a) other reserves		250	34050	165625	48436	235598	165625	235598
TOTAL		260	3299559	3431134	4693541	4880703	3431134	4880703
3. Retained profit:								
a) brought forward from previous years		270	210211	78636	299020	111858	210211	299020
b) for the current year		280	535779		762132		16804	23903
A. TOTAL		290	4045549	3509770	5754693	4992561	3658149	5203626
B. Provisions								
1.1.Provisions for deferred tax		300	91122	91122	129619	129619	39984	56876
B. TOTAL		310	91122	91122	129619	129619	39984	56876
C.CREDITORS								
1. Long-term liabilities								
1.1.Debts to suppliers and contractors	9.	320	300037	300037	426795	426795	300037	426795
1. TOTAL		330	300037	300037	426795	426795	300037	426795
2. Current liabilities								
2.1.Loans from credit institutions	10.1.	340	80000	200000	113798	284495		
2.2. Advance payments from customers	10.2.	350	55331	25544	78707	36336	40500	57610
2.3. Trade creditors	10.3.	360	323728	370958	460495	527678	100003	142252
2.4. Taxes and social security payments	10.4.	370	44931	36797	63913	52343	22459	31947
2.5. Other creditors	10.5.	380	76355	72088	108613	102543	74551	106047
2.6. Accrued liabilities	10.6.	390	30629	126660	43569	180171	27411	38992
2. TOTAL		400	610974	832047	869095	1183566	264924	376848
B.TOTAL		410	911011	1132084	1295890	1610361	564961	803643
TOTAL LIABILITIES		420	5047682	4732976	7180202	6732541	4263094	6064145

JSC "Rigas autoelektroaparatu rupnica" Reg. No. 40003030454

PROFIT OR LOSS ACCOUNT

For the first six months of 2006

K=0,703

No	Items	Row code	LVL	LVL	EUR	EUR
			The first six months of 2006	The first six months of 2005	The first six months of 2006	The first six months of 2005
	1	2	3	4	5	6
1	Net turnover	010	3069660	2419702	4366515	3441966
2	Cost of sales	020	2814639	2212453	4003754	3147159
3	Gross profit or loss	030	255021	207249	362761	294807
4	Selling expenses	040	106040	114024	150839	162196
5	Administrative expenses	050	157960	135987	224694	193438
6	Other operating income	060	946555	152944	1346451	217559
7	Other operating expenses	070	379740	77156	540171	109753
8	Interest receivable and similar income	080	929	2365	1322	3364
9	Interest payable and similar expenses	090	13162	8790	18723	12504
10	Profit or loss before extraordinary items and taxes	100	545603	26601	776107	37839
11	Profit or loss before taxes	110	545603	26601	776107	37839
12	Income tax (prepayment)	120	3455	2566	4915	3650
13	Other taxes (Real estate tax)	130	6369	7231	9060	10286
14	Profit or loss for the period	140	535779	16804	762132	23903

Earnings (+) or losses (-) per share

0,164

0,005

0,233

0,007

JSC “Rigas autoelektroaparatu rupnica” Reg. No. 40003030454

STATEMENT OF CASH FLOWS for the first six months of 2006

K=0.703

A. Cash flow from operating activities

No	ITEMS	2006 six months LVL	2005 six months LVL	2006 six months EUR	2005 six months EUR
1	Income from sales and services	3078431	2900570	4378991	4125988
2	Payments to suppliers for goods and services	-2649886	2066630	-3769396	-2939730
3	Payments to employees and in their interests or to the third persons according to their orders	-596322	-491431	-848253	-699048
4	Other expenses for economic activities	-24652	-19763	-35067	-28112
5	Income from other economic activities	27711	12018	39418	17095
6	Tax payments	-64093	-116949	-91171	-166357
7	Received taxes (VAT)	-16902	691	-24042	983
8	Deferred expenses	-2904	-4540	-4131	-6458
	Cash flow from gross operating activities	-248617	213966	-353651	304361
9	Interest expenses	-13363	-9014	-19009	-12822
10	Income tax payments	-855	-12136	-1216	-17263
11	Real estate tax payments	-6379	-7234	-9074	-10290
	TOTAL	-269214	185582	-382950	263986
A.	Net cash flow from operating activities	-269214	185582	-382950	263986

B. Cash flow from investment activities

No	ITEMS	2006 six months LVL	2005 six months LVL	2006 six months EUR	2005 six months EUR
1	Purchase of intangible and fixed assets	-270730	-26411	-385107	-37569
2	Sales of intangible and fixed assets	432200	38285	614794	54459
3	Issued loans	-4100	-1350	-5832	-1920
4	Repaid loans	3470	1190	4936	1693
	TOTAL	160840	11714	228791	16663
B.	Net cash from investment activities	160840	11714	228791	16663

C. Cash flow from financing

No	ITEMS	2006 six months LVL	2005 six months LVL	2006 six months EUR	2005 six months EUR
1	Income from issue of shares		141		201
2	Repaid loans	-120000		-170697	
3	Received interest for deposit	929	2365	1321	3364
	TOTAL	-119071	2506	-169376	3565
C.	Net cash flow from financing	-119071	2506	-169376	3565

SUMMARY OF CASH INCOME AND EXPENDIT

No	ITEMS	2006 six months LVL	2005 six months LVL	2006 six months EUR	2005 six months EUR
A	The result from operating activities	-269214	185582	-382950	263986
B	The result from investment activities	160840	11714	228791	16663
C	The result from financing	-119071	2506	-169376	3565
D	The result from currency rate fluctuations	-13462	22897	-19149	32570
	Cash increase or decrease	-240907	222699	-342684	316784
	Cash and cash equivalents at the beginning of the year	667555	411307	949580	585074
	Cash and cash equivalents at the end of the year	426648	634006	606896	901858

JSC "Rigas autoelektroaparatu rupnica" Reg. No. 40003030454
STATEMENT OF EXCHANGES IN EQUITY
for the first six months of 2006

(LVL)

	Share capital	Reserves	Profit or losses	Total
On Dec.31, 2004	3265368	165625	210211	3641204
Issue of shares reg. on June 10, 2005	141			141
Profit (+) or losses (-) of the reporting period			-131575	-131575
On Dec. 31, 2005	3265509	165625	78636	3509770
Losses of 2005 written-off from reserves		-131575	131575	0
Profit of the first six months of 2006			535779	535779
On June 30, 2006	3265509	34050	745990	4045549

On June 30, 2005	3265509	165625	227015	3658149
-------------------------	----------------	---------------	---------------	----------------

K=0,703 (EUR)

	Share capital	Reserves	Profit or losses	Total
On Dec.31, 2004	4644904	235598	299020	5179522
Issue of shares Reg. on June 10, 2005	201			201
Profit (+) or losses (-) of the reporting period			-187162	-187162
On Dec. 31, 2005	4645105	235598	111858	4992561
Losses of 2005 written-off from reserves		-187162	187162	0
Profit of the first six months of 2006			762132	762132
On June 30, 2006	4645105	48436	1061152	5754693

On June 30, 2005	4645105	235598	322923	5203626
-------------------------	----------------	---------------	---------------	----------------

JSC „RAR”

Notes to the financial statements for the first six months of 2006

The annual report is prepared in accordance with the law „On accountancy”, „On the annual reports of enterprises” and Latvian accounting standards.

Profit or loss account is prepared in accordance with methods of turnover expenses.

Statement of cash flows is prepared using the direct method.

The financial statements include comparable information of the same period of the previous year.

The financial statements are presented in the national currency of Latvia, the lat (LVL) and in euro (EUR).

1. Intangible assets. Balance sheet –row code 010

At the end of the reporting period the total value of patents, licenses and similar rights was 21422 LVL. The intangible assets are being written-off in the period of five years.

2. Buildings, constructions and land are registered in Land Register and is the property of „RAR”. Balance sheet –row code 030

Balance value at the end of the period: **894441 LVL**

including: buildings and constructions - 734681 LVL; land - 159760 LVL

Cadastral value of the land as on June 30, 2006 - 127447 LVL.

Cadastral value of buildings – 1306352 LVL.

According to the taken decision the JSC”RAR” is concentrating its manufacturing in smaller areas and part of the unused buildings and land was sold.

3. Advance payments for fixed assets. Balance sheet – row code 070

Capital repairs of electroplating shop and obtaining of new equipment.

<i>Business partner</i>	<i>Advance payments</i>	<i>Total in LVL</i>
Enterprise of USA	For machinery	3123.75
Enterprise of Lithuania	For machinery	12650.47
Enterprises of Latvia	Capital repairs of premises, ventilation and water pipes in electroplating shop	113367.21
	Total:	129141.43

4. Inventory.

Balance sheet –row code 110 totals 890015 LVL

4.1. The total value of raw materials and sub-components in the warehouses is 506848 LVL, of uninstalled equipment – 319887 LVL and other stock (materials and inventory) for service shops – 63280 LVL.

It is scheduled that the equipment will be installed on July, 2006.

Balance sheet –row code 120;

4.2. The stock of work in progress (parts) 121157 LVL provide the process of production for two weeks.

Balance sheet –row code 130;

4.3. The increase of the stock of finished goods formed up due to the changes in orders depending on seasonal fluctuations and changes of the date of deliveries.

The total value of the stock of finished goods is 684571 LVL.

Balance sheet –row code 140;

4.4. Advance payments for goods.

<i>Business partner</i>	<i>Advance payment</i>	<i>Total in LVL</i>
Enterprises of Russia	For materials	16538.41
Enterprises of Belarus	For materials	1747.94
Enterprise of Great Britain	For materials	47.74
Enterprises of India	For repair parts	4798.95
Enterprise of Poland	For materials	1338.31
Enterprise of China	For materials	11149.25
Enterprise of France	For materials	9.91
Enterprise of Lithuania	For materials	4942.12
Enterprise of Latvia	For labour safety	198.76
Enterprises of Latvia	For materials	2769.92
	Kopā:	43541.31

5. Receivables**5.1. Trade receivables. Balance sheet –row code 160**

<i>Business partner</i>	<i>Debt</i>	<i>Total in LVL</i>
Enterprises of Russia	For the goods	372526.73
Enterprise of Ukraine	For the goods	88008.34
Enterprises of Belarus	For the goods	626587.34
Enterprises of Latvia	For the goods	79400.58
	Kopā:	1166522.99

The customers' debts are real. According to the signed contracts customers shall pay for the delivered production in 30 up to 60 days.

5.2. Other receivables. Balance sheet –row code 170

<i>Business partner</i>	<i>Debt</i>	<i>Total in LVL</i>
Enterprise of Russia	Certification of the production	2801.62
Enterprise of Latvia	Contract of sale of real estate and intermediary services	360900,00
Enterprise of Latvia	Services according to contracts	1154.65
Enterprises of Latvia	Agreement of lease	1355.43
Enterprise of Latvia	For electric power	259.64
Employees of the enterprise	Settlements for business trips and other operating expenses	568.18
Employees of the enterprise	Short-term loans to the employees	6730.00
Employees of the enterprise	Settlements for salaries	22112.18
State Revenue Service	Overpaid taxes (VAT)	45026.79
State Revenue Service	Other overpaid taxes	3.40
Enterprises of Latvia	VAT in unpaid invoices	1814.28
Enterprises of Latvia	Different services	489.83
	Total:	443216.00

5.3. Deferred expenses. Balance sheet –row code 180

<i>Business partner</i>	<i>Year of the deal</i>	<i>Total in LVL</i>
Newspaper „Diena”	The 3 rd quarter of 2006	127.14
„Atlas Tours”, Ltd	The 3 rd quarter of 2006	646.90
Transport insurance	The 3 rd quarter of 2006	187.28
Other enterprises of Latvia	The 3 rd quarter of 2006	99.39
	Kopā:	1060.71

6. Cash and cash equivalents on June 30, 2006. Balance sheet – row code 200

<i>Cash location</i>	<i>Currency</i>	<i>Balance In currency</i>	<i>Exchange rate of the Bank of Latvia</i>	<i>Balance LVL</i>
Shop-warehouse	LVL			3237.83
and treasury	EUR	2137.00	0.7028040	1501.69
	USD	2870.00	0.56	1607.20
	Total: 1			6346.92
Current accounts	LVL			243183.28
	USD	33291.89	0.56	18643.46
	EUR	134852.83	0.7028040	94775.11
	RUR	3077275.79	0.0207	63699.61
	Total: 2			420301.46
	Total: 1+2			426648.38

7. Share capital. Balance sheet row code 230

Share capital of the company is 3265509 LVL.

The nominal value of each share is 1.00 LVL.

The shareholders as on March 31, 2006:

JSC "BALTIJAS HOLDINGS "	31.1 %;
"Tehprojekts", Ltd	30.7 %;
SJSC "VSAA"	5.0 %;
Other physical and legal persons	33.2 %.

8. Reserves. Balance sheet row code 240

The shareholders' meeting in 2003 took a decision to diminish the share capital and to create reserves. The losses of the previous years are written off of the reserves. Balance of the reserves on December 31, 2005 – 165625 LVL. The losses of 2005, i.e. 131575 LVL, are written off from these reserves. Balance on June 30, 2006 is 34050 LVL.

9. Long-term liabilities. Balance sheet row code - 320

Debt for obtained machinery is 265037.02 LVL. According to the agreement it shall be paid in 2007. 35000LVL are transferred to JSC„RAR” as investments according to the rules of privatization.

10. Current liabilities**10.1. Balance sheet row code - 340**

SEB Unibanka credit balance on June 30, 2006 was LVL 80 000.

Date of repayment of credit is October 16, 2006.

10.2. Advance payments from customers. Balance sheet row code - 350

<i>Business partner</i>	<i>Advance payments</i>	<i>Total LVL</i>
Enterprises of Latvia	For goods and services	2526.43
Enterprise of Ukraine	For goods	2804.08
Enterprises of Latvia	Preliminary contract of real estate's sale	50000.00
Total:		55330.51

10.3. Trade creditors. Balance sheet row code - 360

<i>Business partner</i>	<i>Substantiation</i>	<i>Total LVL</i>
Enterprise of Latvia	For delivery of electronic plates	292359.65
Enterprise of Great Britain	For materials	216.79
Enterprise of Russia	Claims	879.90
PSJSC „Latvenergo”	Contract	11796.20
ME „Rīgas ūdens”	Contract	973.41
Enterprise of Latvia	For repair works	317.81
Enterprise of Latvia	Transport services	900.00
Enterprise of Latvia	For services due to contract of sale of real estate	15626.74
Other enterprises of Latvia	For materials and services	657.78
Total:		323728.28

10.4. Taxes and social security payments. Balance sheet row code - 370

<i>Tax</i>	<i>Total LVL</i>	<i>Date of payment</i>
Personal income tax	29228.46	July, 2006
Social security payments	14909.56	July, 2006
Natural resource tax	775.56	July, 2006
Business risk fee	17.95	July, 2006
Total:	44931.53	

10.5. Other creditors. Balance sheet row code - 380

<i>Debt</i>	<i>Total LVL</i>	<i>Date of payment</i>
Salary	70752.91	July, 2006
Interest payable (contract of equipment's purchase)	1471.50	July, 2006
Enterprise of Latvia	2758.11	July, 2006
Other transactions with credit cards	1373.03	July, 2006
Settlements for deductions from salaries	76355.55	

10.6. Accrued liabilities. Balance sheet row code - 390

1. At the end of 2005 due amount for advertising, marketing and transport services which were received in 2005 were calculated to be 41610.05 LVL and were included in balance sheet as accrued liabilities as the enterprise had not received the invoices. The invoices which were received and paid during the first quarter of 2006 but referred to the deals of 2005 were written off of the accrued liabilities.

2. In accordance with the law „On the annual reports of enterprises” provisions for vacations were calculated in total 85049.97 LVL. There were vacations processed during the first six months of 2006 but referring to the year 2005. These expenses were written off of the provisions. **Balance on June 30, 2006** was 30628.78 LVL.

11. Profit or loss account

Breakdown of net turnover by kind of production: (LVL and %)

Net turnover Total:	Including		
	Control and measuring devices for vehicles	Locks	Various orders
3069660	3021850	31028	16782
100	98.4	1.0	0.6

Breakdown of net turnover by geographical markets: (LVL and %)

Net turnover Total	including				
	Russia	Belarus	Ukraine	EU	Latvia
3069660	1016622	1244392	586771	29548	192327
100	33.12	40.54	19.12	0.96	6.26

Net turnover in the first half of 2006 has increased by 26.9 % if compared with the same period of 2005.

The result of economic activities of the JSC "RAR" in the first six months of 2006 is profit 535779 LVL. The analyses of profit or loss account reveal that profit is gained from other economic activities due to sales of real estate (row code 060-070).

Basic activities (production and sales of control and measuring devices for vehicles and different locks) incurred losses 8979 LVL i.e. 0.3% of net turnover (row code 030-040-050; gross profit – selling expenses – administrative expenses).

Row code	Item	The first six months of 2006 LVL	The first six months of 2005 LVL	%
010	Net turnover	3069660	2419702	126.9
020	Cost of sales	2814639	2212453	
030	Gross profit or loss	255021	207249	
	Costs for 1 LVL of net turnover (020:010)	91.69	91.43	

Row code	Items	The first six months of 2006 LVL	The first six months of 2005 LVL
020	Cost of sales in total, including	2814639	2212453
	Account 7.1-costs of materials and sub-components including transport expenses, custom fees and import duties	1811667	1336797
	Account 7171;7172 –electric power	121350	99211
	Account 7170 -contracts (for repairing works and maintenance of different systems)	6955	16402
	Account 7.2,7.3-salaries and social security payments	769573	640261
	Account 7.4- amortization: total	73388	88006
	Account 7.5- operating expenses: total	31706	31776
	Including 7510-expenses for protection of environment	9010	
	including 7540- insurance expenses (goods, buildings, equipment and machinery)	925	1777
	7551- expenses for certification of the production	8049	16724
	7550; 7560;7570 business trips, work safety and other operating expenses	13722	13275

040	Selling expenses, total of account 7.6. ,	106040	114024
	including 7600- salaries and social security payments	18529	15873
	7610;7620- wrapping and transport costs	27254	20116
	7670- marketing services according to contracts (explanation in item 10.6-1)	36922	72115
	7635- written-off a bad debt	15321	
	7601;7650;7660 – other expenses	8014	5920
050	Administrative expenses total of account 7.7.	157960	135987
	including 7700- salaries and social security payments	128195	113288
	7710- communication expenses	10255	10137
	7750- bank services	3517	2470
	7730 – legal services	4239	
	7720;7730;7740;7760; 7770; 7790- other administrative and representation expenses	11754	10092

060	Other operating income:	946555	152944
	including – income of foreign exchange rate revaluations - 8150, 8170	120958	111046
	- income from sales of fixed assets (land, buildings and equipment)	768194	19849
	- income from rent charges	9943	6998
	- other income (sales of scrap, materials goods and outfit)	47460	15051

070	Other operating expenses:	379740	77156
	including - from sales of foreign currency - 8250; 8270	158763	54726
	- other expenses (for services due to the sale of real estate) - 8296	31253	
	- write-off of fixed assets because of selling	151788	
	- replacement of devices during guarantee period	2762	22430
	- other expenses: 8296;8297;7448;7449	35174	
080	Interest receivable (deposit)	929	2365
090	Interest payable (“SEB Unibanka” credit and purchase contract of equipment)	13162	8790
110	Profit or loss before taxes	545603	26601
120	Income tax (advance payment)	3455	2566
130	Real estate tax (buildings and constructions; land)	6369	7231
140	Profit or loss for the period.	535779	16804

Chief accountant Tamara Visocka – phone +371 7370268

Chairman of the
Management Board

A.Auzinsh