



Joint stock company
„Rīgas autoelektroaparātu rūpnīca”
(reg.Nr. 4 0003030454)

Report for nine months of 2007

Not audited

CONTENT

	page
Information about the company	2
Statement of Management Responsibility	3
Balance sheet	4
Profit or loss account	6
Statement of cash flows	7
Statement of exchanges in equity	9
Notes to financial statements:	10
1.Notes to the balance sheet	10
2.Notes to the profit or loss account	14

Information about the company

Name of the company	<i>Rīgas autoelektroaparātu rūpnīca</i>
Legal form	<i>Joint stock company</i>
Registration number in the Register of Enterprises, place and date	<i>000303045, Riga, 22.04.1998</i>
Registration number in Commercial Register, place and date	<i>40003030454, Riga, 30.06.2004</i>
Address	<i>2, Klijanu street, Riga, Latvia, LV-1013</i>
Management Board	<i>Alfrēds Auziņš - Chairman Zigurds Kalniņš Maksims Araslanovs</i>
Reporting period	<i>01.01.2007. - 30.09.2007.</i>
Main shareholders	Basing on the list of shareholders prepared for the shareholders' meeting on April 18, 2007: <i>1. JSC „Baltijas Holdings”-36.7 % Reg.Nr.40003148033, 2, Klijanu street, Riga 2. „Tehprojekts”,Ltd.- 35.5% Reg.Nr. 40103020397, 12,Unijas street, Riga 3. State social security agency- 4.6% 4. Other physical and legal persons 23.2%</i>

The company was founded in 1946 under the Ministry of Automotive industry of the USSR as a manufacturer of electric equipment and other goods for automobiles and agricultural machinery. At now the joint stock company “Rīgas autoelektroaparātu rūpnīca” has the same profile of production and basic activities:

- 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.

The joint stock company “Rīgas autoelektroaparātu rūpnīca” does not have a constant dealer or branch abroad.

Average number of employees in the reporting period is 351.

Statement of Management Responsibility

The Management Board of JSC „Rīgas autoelektroaparātu rūpnīca” (the Company) is responsible for the preparation of the financial statements of the Company.

The financial statements on pages 4 to 16 are prepared in accordance with underlying accounting records and source documents and present fairly the financial position of the Company as on September 30, 2007 and the results of its operations and cash flows for the period ended on September 30, 2007.

The financial statements are prepared in accordance with laws “On accountancy”, “On the annual reports” and Latvian Accounting Standards on a going company basis. Appropriate accounting policies have been applied on a consistent basis. Judgements and estimates made by the Management Board in the preparation of the financial statements have been prudent and reasonable.

The Management Board of JSC “RAR” 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 Management Board is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

On behalf of the Management Board,

Alfrēds Auziņš
Chairman of the Board

November 20, 2007

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

BALANCE SHEET

For nine months of 2007

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 beginning of the year	At the end of the period	At the beginning of the year
			30.09.07	01.01.07	30.09.07	01.01.07	30.09.06	01.01.06	30.09.06	01.01.06
			LVL	LVL	EUR	EUR	LVL	LVL	EUR	EUR
A. LONG-TERM INVESTMENTS										
1. Intangible assets										
1.1. Patents, licenses and similar rights	1.1.	010	2542	12654	3616	18000	17071	29936	24283	42583
1. TOTAL		020	2542	12654	3616	18000	17071	29936	24283	42583
2. Fixed assets										
2.1. Land, buildings and constructions	2.	030	510655	905869	726394	1288576	791235	1031293	1125512	1466989
2.2. Equipment and machinery		040	403535	514107	574019	731304	260088	151092	369969	214925
2.3. Other fixed assets and inventory		050	17332	18585	24654	26437	18585	25266	26437	35940
2.4. Development of fixed assets and construction in progress		060					113367	0	161262	0
2.5. Advance payments for fixed assets	3.	070	4200	1779	5974	2531	26161	213969	37213	304366
2. TOTAL		080	935722	1440340	1331041	2048848	1209436	1421620	1720393	2022220
A. TOTAL		090	938264	1452994	1334657	2066848	1226507	1451556	1744676	2064803
B. CURRENT ASSETS										
1. Inventory										
1.1. Raw materials, direct materials and auxiliary materials	4.1.	100	570453	579875	811455	824858	876948	629036	1247437	894788
1.2. Work in progress	4.2.	110	113701	122321	161737	173999	118666	100125	168799	142425
1.3. Finished goods and goods for sale	4.3.	120	481479	655871	684892	932960	606033	579983	862067	825011
1.4. Advance payments for goods	4.4.	130	24998	15549	35559	22118	26441	29894	37612	42524
1. TOTAL		140	1190631	1373616	1693643	1953935	1628088	1339038	2315915	1904748
2. Receivables										
2.1. Trade receivables	5.1.	150	737159	1124791	1048590	1599987	1165585	1156058	1658016	1644464
2.2. Other receivables	5.2.	160	51108	49728	72700	70736	402998	114269	573254	162545
2.3. Short term loans	5.3.	170	102750		146159					
2.4. Deferred expenses	5.4.	180	2826	4627	4020	6582	1744	4500	2481	6401
2. TOTAL		190	893843	1179146	1271469	1677305	1570327	1274827	2233751	1813410
3. Cash		200	737543	414375	1049137	589438	502248	667555	714435	949580
B. TOTAL		210	2822017	2967137	4014249	4220678	3700663	3281420	5264101	4667738
TOTAL ASSETS		220	3760281	4420131	5348906	6287526	4927170	4732976	7008777	6732541

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

BALANCE SHEET

For nine months of 2007

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
			30.09.07	01.01.07	30.09.07	01.01.07
			LVL	LVL	EUR	EUR
A. Equity capital						
1. Share capital	7.	230	3565509	3565509	5071848	5071848
2. Reserves:	8.	240	34050	34050	48436	48436
a) other reserves		250	34050	34050	48436	48436
TOTAL		260	3599559	3599559	5120284	5120284
3. Retained profit:						
a) brought forward from previous years		270	218200	289510	310384	411821
b) for the current year		280	-388315		-552368	
A. TOTAL		290	3429444	3889069	4878300	5532105
B. CREDITORS						
1. Long-term liabilities						
1.1. Debts to suppliers and contractors		300		0		0
1.2. Deferred tax liabilities	9.	310	72015	72015	102440	102440
1. TOTAL:		320	72015	72015	102440	102440
2. Current liabilities						
2.1. Loans from credit institutions		330		0		
2.2. Advance payments from customers	10.1.	340	1209	53436	1719	76011
2.3. Trade creditors	10.2.	350	127052	204029	180728	290226
2.4. Taxes and social security payments	10.3.	360	38478	34518	54734	49100
2.5. Other creditors	10.4.	370	80048	73078	113866	103951
2.6. Unpaid dividends	10.5.	380	6000		8535	
2.7. Accrued liabilities	10.6.	390	6035	93986	8584	133693
2. TOTAL		400	258822	459047	368166	652981
B. TOTAL		410	330837	531062	470606	755421
TOTAL LIABILITIES		420	3760281	4420131	5348906	6287526

At the end of the period	At the beginning of the year	At the end of the period	At the beginning of the year
30.09.06	01.01.06	30.09.06	01.01.06
LVL	LVL	EUR	EUR
3565509	3265509	5071848	4645105
34050	165625	48436	235598
34050	165625	48436	235598
3599559	3431134	5120284	4880703
210211	78636	299020	111858
445199		633284	
4254969	3509770	6052588	4992561

0	300037	0	426795
91122	91122	129619	129619
91122	391159	129619	556414

280000	200000	398293	284495
51550	25544	73328	36336
136404	370958	194031	527678
36830	36797	52390	52343
76295	72088	108528	102543
	126660		180171
581079	832047	826570	1183566
672201	1223206	956189	1739980
4927170	4732976	7008777	6732541

STATEMENT OF CASH FLOWS for nine months of 2007

A. Cash flow from operating activities

K=0,703

No	ITEMS	2007	2006	2007	2006
		nine months	nine months	nine months	nine months
		LVL	LVL	EUR	EUR
1	Income from sales and services	3755611	4221597	5342263	6005117
2	Payments to suppliers for goods and services	-2578863	-3726876	-3668368	-5301388
3	Payments to employees and in their interests or to the third persons according to their orders	-953196	-867580	-1355898	-1234111
4	Other expenses for economic activities	-41469	-35677	-58989	-50750
5	Income from other economic activities	26658	33846	37920	48145
6	Tax payments	-401308	-166655	-570850	-237063
7	VAT paid	-4209	-17988	-5987	-25587
8	Deferred expenses	-6897	-5807	-9811	-8260
	Cash flow from gross operating activities	-203673	-565140	-289720	-803897
9	Interest expenses		-20544		-29223
10	Income tax payments		-855		-1216
11	Real estate tax payments	-31079	-9557	-44209	-13595
	TOTAL	-234752	-596096	-333929	-847931
A.	Net cash flow from operating activities	-234752	-596096	-333929	-847931

B. Cash flow from investment activities

No	ITEMS	2007	2006	2007	2006
		Nine months	nine months	nine months	nine months
		LVL	LVL	EUR	EUR
1	Purchase of intangible and fixed assets	-26801	-583309	-38124	-829743
2	Sales of intangible and fixed assets	754150	648590	1072760	922603
3	Issued loans	-102000	-4100	-145092	-5832
4	Repaid loans	2690	3740	3826	5320
5	Interest income	920		1309	
	TOTAL	628959	64921	894679	92348
B.	Net cash from investment activities	628959	64921	894679	92348

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

C. Cash flow from financing

No	ITEMS	2007 nine months	2006 nine months	2007 nine months	2006 nine months
		LVL	LVL	EUR	EUR
1	Income from issue of shares		300000		426743
2	Received loans		200000		284495
3	Repaid loans		-120000		-170697
4	Paid dividends	-65310		-92902	
2	Received interest for deposit	15268	1350	21719	1920
	TOTAL	-50042	381350	-71183	542461
C.	Net cash flow from financing	-50042	381350	-71183	542461

SUMMARY OF CASH INCOME AND EXPENDIT

No	ITEMS	2007 nine months	2006 nine months	2007 nine months	2006 nine months
		LVL	LVL	EUR	EUR
A	The result from operating activities	-234752	-596096	-333929	-847931
B	The result from investment activities	628959	64921	894679	92348
C	The result from financing	-50042	381350	-71183	542461
D	The result from currency rate fluctuations	-20997	-15482	-29868	-22023
	Cash increase or decrease	323168	-165307	459699	-235145
	Cash and cash equivalents at the beginning of the reporting period	414375	667555	589438	949580
	Cash and cash equivalents at the end of the reporting period	737543	502248	1049137	714435

**STATEMENT OF EXCHANGES IN EQUITY
FOR NINE MONTHS OF 2007**

(LVL)

	Share capital	Reserves	Profit or losses of the previous periods	Profit or losses of the reporting period	Total
On Dec.31, 2005	3265509	165625	78636		3509770
Losses of 2005 written-off from reserves		-131575	131575		0
Issue of shares reg. on Sept. 20, 2006	300000				300000
Profit (+) or losses (-) of the previous periods			79299		79299
On Dec. 31, 2006	3565509	34050	289510		3889069
Calculated dividends for the year 2006			-71310		-71310
Profit (+) or losses (-) in the nine months of 2007				-388315	-388315
On September 30, 2007	3565509	34050	218200	-388315	3429444

On September 30, 2006	3565509	34050	655410		4254969
------------------------------	----------------	--------------	---------------	--	----------------

K=0,703

EUR

	Share capital	Reserves	Profit or losses of the previous periods	Profit or losses of the reporting period	Total
On Dec.31, 2005	4645105	235598	111858		4992561
Losses of 2005 written-off from reserves		-187162	187162		0
Issue of shares reg. on Sept. 20, 2006	426743				426743
Profit (+) or losses (-) of the previous periods			112801		112801
On Dec. 31, 2006	5071848	48436	411821		5532105
Calculated dividends for the year 2006			-101437		-101437
Profit (+) or losses (-) in the nine months of 2007				-552368	-552368
On September 30, 2007	5071848	48436	310384	-552368	4878300

On September 30, 2006	5071848	48436	932304		6052588
------------------------------	----------------	--------------	---------------	--	----------------

NOTES TO FINANCIAL STATEMENTS

The report for nine months of 2007 is prepared in accordance with the law „On accountancy”, „On the annual reports” 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).

Notes to balance sheet for nine months of 2007

1. Long term investments.

1.1 Intangible assets. Balance sheet – row code 010.

On September 30, 2007 the total value of patents, licenses and similar rights was 2542,00 LVL. (Paid design works carried out by other enterprises according with contracts. Those permit the enterprise to make equipment for manufacturing process and to produce devices for motorcars and tractors. The purchased design documentation is hold in the design office). Long term investments are disposed to expenses in 5 years.

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

Balance value On September 30, 2007:	510655 LVL
including: buildings and constructions-	377581 LVL
land -	133074 LVL

Cadastral value On September 30, 2007. :	2493804 LVL
including: cadastral value of the buildings -	2391640 LVL
cadastral value of the land -	102164 LVL

In compliance with the taken decision JSC “RAR” concentrated production in smaller territory and sold part of the vacant buildings and areas of land.

The project for cadastral value in 2008:	buildings and constructions-	2422808 LVL
	land -	2093315 LVL

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

<i>Business partner</i>	<i>Advance payment</i>	<i>Total in LVL</i>
Enterprise of Latvia	Software	4200.00
	Total	4200.00

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

4. Inventory. Balance sheet –row code 100; 110; 120; 130

4.1. The total value of raw materials and sub-components in the warehouses is 536906 LVL, and they provide the process of production for two months. Other resources (materials and instruments) for departments, in total for 33547 LVL.

4.2. The stock of work in progress (parts) 113701 LVL provide the process of production for one month.

4.3. The stock of finished goods in total value of 481479 LVL ensures deliveries in time according to the signed contracts. Average monthly delivery in 2007 – 372.1 t. LVL

4.4. Advance payments for goods.

<i>Business partner</i>	<i>Advance payment</i>	<i>Total in LVL</i>
Enterprises of Russia	For materials	4658.71
Enterprises of Belarus	For materials	466.44
Enterprise of Great Britain	For materials	98.09
Enterprise of China	For materials	16051.11
Enterprise of Italy	For materials	46.83
Enterprise of France	For materials	14.76
Enterprise of Poland	For materials	65.01
Enterprises of Estonia	For materials	516.21
Enterprises of Latvia	For materials	3080.27
	TOTAL	24997.43

5. Receivables

5.1. Trade receivables. Balance sheet –row code 150

<i>Business partner</i>	<i>Debt</i>	<i>Total in LVL</i>
Enterprises of Russia	For the goods	167827.13
Enterprises of Belarus	For the goods	437188.00
Enterprise of Ukraine	For the goods	82870.14
Enterprise of Poland	For the goods	1119.21
Enterprises of Latvia	For the goods	48154.86
	TOTAL	737159.34

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 160

<i>Business partner</i>	<i>Debt</i>	<i>Total in LVL</i>
Enterprises of Latvia	Agreement of lease	1700.06
Enterprises of Latvia	For electric power and services	907.44
Enterprise of Latvia	For transport services	231.21
Enterprise of Latvia	For the collection of the waste	79.83
Other enterprises of Latvia	Other debts	24.12
Enterprise of Latvia	For materials	290.75
Enterprise of Latvia	For sales of metal	741.11
Employees of the enterprise	Settlements for business trips and other operating expenses	7659.84
State Revenue Service	Overpaid taxes (VAT)	37848.66
Enterprises of Latvia	VAT on unpaid invoices	1625.29
	TOTAL	51108.31

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

5.3. Short term loans. Balance sheet –row code 170

<i>Business partner</i>	<i>Debt</i>	<i>Total in LVL</i>
Enterprise of Latvia	Contract: repayment date –December, 2007	100600.00
Employees of the enterprise	Short term loan to employees	2150.00
TOTAL		102750.00

5.4. Deferred expenses. Balance sheet –row code 180

<i>Business partner</i>	<i>Year of the deal</i>	<i>Total in LVL</i>
Riga Stock exchange	Contract for Q 4, 2007	1250.00
Subscription centre „Diena”	Q 4, 2007	109.10
Applied information service	Q 4, 2007	149.00
Transport insurance	2007	415.11
Other enterprises of Latvia	2007	902.99
TOTAL		2826.20

6. Cash and cash equivalents. 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			686.22
Treasury	LVL			10131.06
	EUR	1487.00	0.702804	1045.07
	USD	4133.00	0.497	2054.10
	Total: 1			13916.45
Current accounts	LVL			73935.89
	USD	249844.10	0.497	124172.52
	EUR	81910.60	0.702804	57567.09
	RUR	851810.62	0.0199	16951.03
Deposit account	LVL			451000.00
	Total: 2			723626.53
	Total: 1+2			737542.98

7. Share capital. Balance sheet –row code 230

Share capital is 3565509 LVL. Nominal value of a share is 1,00 LVL.

The shareholders as on April 18, 2007 are: (share proportion in share capital)

JSC „BALTIJAS HOLDINGS”	36.7 %
„Tehprojekts”, Ltd.	35.5 %
SJSC “VSAA”	4.6 %
Other physical and legal persons	23.2 %
incl. each member of the board owns 180 shares.	

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 September 30, 2007 – 34050 LVL.

9. Long-term liabilities. Balance sheet row code - 310

In 2006 deferred taxation liabilities were calculated as at the end of the year and included in balance sheet.

	30.09.2007 (LVL)	1.01.2007 (LVL)
Deferred taxation liabilities	72015	72015

10. Current liabilities.

10.1. Advance payments from customers. Balance sheet row code - 340

<i>Business partner</i>	<i>Advance payments</i>	<i>Total LVL</i>
Enterprises of Russia	For goods	1000.00
Enterprises of Latvia	For goods	209.31
Total:		1209.31

10.2. Trade creditors. Balance sheet row code – 350

<i>Business partner</i>	<i>Substantiation</i>	<i>Total LVL</i>
PSJSC „Latvenergo”	Contract	10614.29
ME „Rīgas ūdens”	Contract	844.49
Enterprise of Latvia	Transport services	542.48
Other enterprises of Latvia	For services	711.88
Enterprises of Latvia	For electronic plates	113895.87
Other enterprises of Latvia	For materials	40.32
Enterprise of Lithuania	For materials	121.57
Enterprise of China	For materials	69.08
Enterprise of Great Britain	For materials	212.14
Total:		127052.12

10.3. Taxes and social security payments. Balance sheet row code – 360

<i>Tax</i>	<i>Total LVL</i>	<i>Date of payment</i>
Personal income tax	28318.31	October 2007
Social security payments	6594.02	October 2007
Income tax	3403.68	October 2007
Business risk fee	69.72	October 2007
Natural resource tax (NRT)	92.56	October 2007
Total:	38478.29	

10.4. Other creditors. Balance sheet row code - 370

<i>Debt</i>	<i>Total LVL</i>	<i>Date of payment</i>
Salary	79016.65	October 2007
Other creditors	1031.40	October 2007
Total:	80048.05	

10.5. Calculated but unpaid dividends for the year 2006. Balance sheet row code - 380

In accordance with the decision of the meeting of shareholders of JSC”RAR” held on April 18, 2007 the payment date of dividends was July 9, 2007. The total amount of money for dividends was calculated 71310.18 LVL. On September 30, 2007 the balance of unpaid dividends for the year 2006 was 6000 LVL.

10.6. Accrued liabilities. Balance sheet row code - 390

In accordance with the law „On the annual reports” provisions for vacations of 2006 are calculated in total 93986.40 LVL. The balance of the provisions for vacations on September 30, 2007 was 6035, 63 LVL.

11. Notes to profit or loss account

Net turnover is income from basic economic activities of the Company. It consists of total value of sold goods and delivered services without discounts and value added tax. Production costs of sold goods are expenses for used materials, all kind of services and energy, costs for personnel, amortization of tangible assets and writing- off of intangible assets as well as other expenses (expenses for labour safety, certification of the goods, business trips etc.)

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

<i>Net turnover Total:</i>	<i>Including</i>		
	<i>Control and measuring devices for vehicles</i>	<i>Locks</i>	<i>Different orders</i>
3348560	3255009	61865	31686
100	97.2	1.85	0.95

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

<i>Net turnover Total</i>	<i>including</i>				
	<i>Russia</i>	<i>Belarus</i>	<i>Ukraine</i>	<i>EU</i>	<i>Latvia</i>
3348560	1661859	976955	438395	49715	221636
100	49.63	29.18	13.09	1.49	6.61

<i>Row code</i>	<i>Item</i>	<i>Nine months of 2007 LVL</i>	<i>Nine months of 2006 LVL</i>	<i>% to 2006</i>
010	Net turnover	3348560	4219444	79.4
020	Cost of sales	3734259	4021978	
030	Gross profit or loss (from turnover)	-385699	197466	
	Costs for 1 LVL of net turnover (sant.) (row code 020:010)	111.52	95.32	

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

Due to the decrease of the volumes of production and sales as well as due to the rapid rise of material, sub-component, energy and fuel prices, and also the amendments of LR legislation on the minimal wages, the company costs per one LVL increased.

These factors have a negative impact on the results of economic activities because the prices of the goods produced in „RAR” are limited by severe competition in the market. If the level of prices for materials and services remain lower for the internal market of CIS (Commonwealth of Independent States) it may create essential problems for competitiveness of goods manufactured by the company.

The result of economic activities of the JSC “RAR“ in nine months of 2007 are losses 388315 LVL.

Row code	Item	9 months of 2007 LVL	9 months of 2006 LVL
020	Cost of sales in total:	3734259	4021978
	including		
	Account 7.1-costs of materials and sub-components including transport expenses, custom fees and import duties	2011890	2487462
	Account 7171;7172 –electric power	148140	156062
	Account 7170 -contracts (for repairing works and maintenance of different systems)	18412	16692
	Account 7.2,7.3-salaries and social security payments	1366929	1187471
	Account 7.4- amortization: total	169323	115699
	Account 7.5- operating costs total:	19565	58592
	Incl. 7510 - expenses for protection of environment	1556	18935
	7540- insurance expenses (transport)	526	1105
	7551-expenses for certification of the production	5114	18347
	7550; 7560;7570 - expenses for work safety, business trips and other operating expenses	12369	20205
040	Selling expenses, account 7.6. total:	124433	149028
	Incl. 7600- salaries and social security payments	29968	27322
	7610;7620- wrapping and transport costs	51965	40894
	7670- marketing services according to contracts	34571	56462
	7635-write-off of a bad debt	0	15321
	7601;7650;7660 – other expenses	7929	9029
050	Administrative expenses, account 7.7. total :	244507	232630
	including 7700- salaries and social security payments	210448	190476
	7710- communication expenses	15409	16104
	7750- bank services	3580	5110
	7720;7730;7740;7760; 7770; 7790- other administrative expenses and representation expenses	15070	20940

*JSC „Rīgas autoelektroaparātu rūpnīca”
Report for nine months of 2007*

Row code	Item	9 months of 2007 LVL	9 months of 2006 LVL
060	Other operating income	939830	1188982
	including – income of foreign exchange rate revaluations - 8150, 8170	50130	145659
	- income from sales of fixed assets (land, buildings and machinery)	824690	971233
	- income from rent charges	17863	14741
	- other income (selling of scrap, materials and outfit)	47147	57349
070	Other operating expenses:	559095	529078
	Incl.- from sales of foreign currency - 8250; 8270;	92947	194679
	- costs for services due to sales of real estate 8296	9666	31253
	- fixed assets written off because of selling	401357	252614
	- substitution of devices during guarantee period	4393	8219
	- paid fines 8260	1069	1934
	- other expenses : 8296;8297;7448;7449	49663	40379
080	Interest receivable	16788	1350
090	Interest payable („SEB Unibanka” loan and contract for the purchase of equipment)	0	18872
110	Profit or loss for the period before taxes	-357116	458190
120	Income tax (advance payments)	0	3455
130	Real estate tax (buildings and constructions; land)	31199	9536
140	Profit or loss for the period after taxes	-388315	445199

Chairman of the Management Board: _____ A. Auziņš

Members of the Management Board: _____ Z. Kalniņš

_____ M. Araslanovs

November 20, 2007