

“Riga shipyard” JSC /Rīgas Kuģu Būvētava A/S/

“RIGA SHIPYARD” JSC
financial statements for 3 months of the year 2007
(not audited)
(not consolidated)

Riga, 2007

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Information on the company

Name of the company	Joint stock company “Riga shipyard”
Legal status	Joint stock company
Incorporation number, place and date	000304589, 5 December 1991, companies register, Riga 40003045892, 26 August 2004, commercial register, Riga
Registered office	2 Gales street, Riga, LV-1015
Stock capital of the enterprise	Ls 11 672 107
Core business of the enterprise	- building and repair of ships, yachts, catamarans, roll trailers and technological equipment -Port services -Wood processing, manufacturing of furniture designed for various functional purposes etc.
Associate enterprise	“Tosmare Shipyard” JSC
Address	42/44 Generala Baloza Street, Liepaya
Partnership	49,72%
Name, surnames and positions of members of the Board	
Vasilijs Melniks	Chairman of the Board, p. ID 310867-10726
Aivars Stolders	Member of the Board, p. ID 060569-10634
Igors Komarovs	Member of the Board, p. ID 040756-10902
Larisa Artemenko	Member of the Board, p. ID 030349-12926
Name, surnames and positions of members of the Council	
Sergejs Golicins	Chairman of the Council p.ID 250154-10952
Anatolijs Ustinovs	Deputy Chairman of the Council p.ID 010146-10964
Aleksandrs Cernavskis	Member of the Council, p. ID 230770-10102
Andris Kravalis	Member of the Council, p. ID 250977-11002
Juris Kaksitis	Member of the Council, p. ID 270443-10124
Chief accountant	Marina Pudova, phone 7080868
Annual report	1 January – 31 March 2007
Tax authority	SRS Riga regional institution Ziemeļu district division
Name and address of an auditor	Sworn auditors firm KSIA “ORIENTS N” LSAA certificate No 28
Responsible person	Larisa Artemenko Member of the board t.7353411 E-mail :larisa@riga-shipyard.com

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Profit & Loss calculation for 2007 year 3 months and 2006 year 3 months

	Remarks	2007 3 months Ls	2006 3 months Ls	2007 3 months EUR	2006 3 months EUR
1. Net turnover	(1)	5 611 405	4 607 104	7 984 310	6 555 318
2. Sold production operating costs	(2)	6 116 343	5 016 240	8 702 772	7 137 466
3. Gross profit or losses		(504 938)	(409 136)	718 462	582 148
4. Selling costs	(3)	8 591	10 782	12 224	15 341
5. Administration costs	(4)	196 258	188 813	279 250	268 657
6. Other enterprise's business activity's income	(5)	236 521	249 350	336 539	354 794
7. Other enterprise's business activity's costs	(6)	112 037	159 400	159 414	226 806
8. Profit & Loss off business activity's		(585 303)	(518 781)	(832 811)	(738 158)
9. Income from investments in capital of related and associated companies					
10. Other percents and the like income	(7)	1 444	33	2 054	47
11. Write-offs of the value of long-term financial investments and short-term securities					
12. Payment off percents and the like costs	(8)	61 579	44 456	87 619	63 255
13. Profit & Loss prior to extra ordinary items and taxes		(645 438)	(563 204)	(918 376)	(801 366)
14. Extraordinary income					
15. Extraordinary expense					
16. Profit & loss prior to taxes		(645 438)	(563 204)	(918 376)	(801 366)
17. Income taxes of the enterprise	(9)	25 952	32 766	36 927	46 622
18. Other taxes	(10)	6 062	11 179	8 625	15 907
19. Year of account profit & loss (net income)		(677 452)	(607 149)	(963 928)	(863 895)

Chairman of the Board _____ V. Melniks

Member of the Board _____ L.Artemenko

31 May 2007

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Balance as at 31 March 2007 year

ASSETS	Remarks	31.03.2007Ls	31.03.2006 Ls	31.03.2007 EUR	31.03.2006 EUR
Long-term investments					
I Intangible investments					
1. Research and development costs					
2. Concessions, patents, licences, trade-marks and similar right					
3. Other intangible investments		50901	43527	72425	61933
4. Goodwill					
5. Advance payments of intangible investments		164075	91335	233458	129958
Intangible investments in total	(11)	214976	134862	305883	191891
II Fixed assets					
1. Lands, buildings, constructions, perennial plants		3050170	2632975	4340001	3746386
2. Long-term investments into leased fixed assets		9484	17074	13495	24294
3. Equipment and machinery		3582571	3573097	5097539	5084059
4. Other fixed assets and stock		413462	337564	588303	480310
5. Up building of fixed assets and unfinished building objects costs		257964	539058	367050	767010
6. Advanced payments for fixed assets		1508	120889	2146	172010
Fixed assets in total		7315159	7220657	10408534	10274069
III Property deposit		447203	410422	636313	583978
Fixed assets and property deposit in total	(12)	7762362	7631079	11044847	10858047
IV Long-term financial investments					
1. Participation in capital of related companies					
2. Participation in capital of associated companies	(13)	2164782	2164782	3080207	3080207
3. Other equities and investments	(14)	165	165	235	235
4. Other loans and other long-term debtors	(15)	856554	602223	1218767	856886
5. Loans to copartners of the enterprises and to the directorship	(16)	352284	362284	501255	515484
Long-term financial investments in total		3373785	3129454	4800464	4452812
Long-term investments in total		11351123	10895395	16151194	15502750
Current assets					
I Reserves					
1. Raw materials, direct materials and auxiliary materials	(17)	5152501	2881101	7331348	4099437
2. Unfinished production	(18)	87575	81852	124608	116465
3. Unfinished order	(19)	367567	363690	523001	517484
4. Advance payments for goods	(20)	1154249	77362	1642348	110076
Reserves in total		6761892	3404005	9621305	4843462
II Debts of debtors					
1. Debts of buyers and customers	(21)	1911837	1697886	2720299	2415874
2. Debts of related companies					
3. Associated companies debts	(22)		2519		3584
4. Other debtors	(23)	578782	409130	823532	582140
5. Short-term loans to copartners of the enterprise's and to the directorship	(24)	1045370	1137446	1487428	1618440
6. Next period costs	(25)	96537	38600	137360	54923
7. Accrued proceeds	(26)	7615948	6326791	10772517	9002214
Debtors in total		11248474	9612372	15941136	13677175
III Short-term financial investments					
1. Participation in capital of related companies					
Short-term financial investments in total					
IV. Cash assets	(27)	31346	13346	44601	18989
Current assets in total		18041712	13029723	25607042	18539626
Assets in total		29392835	23925118	41758236	34042376

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Member of the Board _____ L.Artemenko

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LIABILITIES	Remarks	31.03.2007 Ls	31.03.2006 Ls	31.03.2007 EUR	31.03.2006 EUR
Equity capital					
1. Stock or share capital (equity capital)		11672107	11672107	16607912	16607912
2. Retained earnings					
a) previous years retained earnings		3141632	2851195	4470140	4056885
b) year of account retained earnings		(677452)	(607149)	(963928)	(863895)
Retained earnings in total		2464180	2244046	3506212	3192990
Equity capital in total	(28)	14136287	13916153	20114124	19800902
II Provision for liabilities and charges					
1. Provision for pensions and similar obligations					
2. Provision for contingent tax					
3. Other provisions					
Provision for liabilities and charges in total					
III Creditors					
I Long-term debts					
1. Liability of leasing		2954	8660	4203	12322
2. Deferred taxation reserves liabilities		386791	319384	550354	454442
Long-term debts in total		389745	328044	554557	466764
II Short-term debts					
1. Loans from credit institutions	(29)	3594273	1868810	5114190	2659077
2. Liability of leasing	(30)	4774	4110	6793	5848
3. Advance payments received from buyers	(31)	8966554	5061124	12758257	7201331
4. Debts to suppliers and contractors	(32)	1500223	1989066	2134625	2830186
5. Debts to related companies					
6. Debts to associated companies	(33)	787	84592	1120	120364
7. Taxes and social insurance payments	(34)	184104	196417	261956	279476
8. Other creditors	(35)	243685	232940	346733	331444
9. Next period income					
10. Unpaid previous years dividends	(36)	20009	15632	28470	22242
11. Accrued liabilities	(37)	352394	228230	501411	324742
Short-term creditors in total		14866803	9680921	21153555	13774710
Creditors in total		15256548	10008965	21708112	14241474
Total		29392835	23925118	41822236	34042376

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Cash flow statement for 2007 year 3 months and 2006 year 3 months

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
A. Cash flow from primary activity				
- Sales income	5640374	4862873	8025529	6919245
- Cash to suppliers, personnel and others primary activity costs	7137194	4655204	10155312	6623759
Gross cash flow from primary activity	(1496820)	207669	(2129783)	295486
- Interest paid	61579	44456	87619	63255
- Corporate income tax	5048	32766	7182	46622
- Primary activity before extraordinary items	(1563447)	130447	(2224584)	185609
- Cash flow from extraordinary items				
Net cash flow from primary activity	(1563447)	130447	(2224584)	185609
B. Cash flow from investment activity				
- Selling out of shares				
- Paid for fixed assets acquisition	121916	185430	173471	263843
- Received for the fixed assets sold	177	5624	252	8002
- Loans granted	2610	6763	3714	9623
- Repayment of loans	5241		7457	
- Interest received	1444		2055	
Net cash flow from investment activity	(117664)	(186569)	(167421)	(265464)
C. Cash flow from financial activities				
- Loan received	1657784	56976	2358814	81070
- Loan repaid		1508		2146
- Dividend paid	173	45	246	64
Net cash flow from financial activities	1657611	55423	2358568	78860
Result of currency exchange rates changing	26403		37568	
Net cash flow and equivalent increase or decrease (A+B+C)	2903	-699	4131	-995
Cash and equivalent thereof at beginning of the period of accounts	28443	14045	40471	19984
Cash and equivalent thereof at the end of the period of account	31346	13346	44601	18989

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Changes in own capital report for 2007 year 3 months and 2006 year 3 months						
Types of changes	Stock or		Retained		Total	
	Share		earnings			
	capital					
	LVL	EUR	LVL	EUR	LVL	EUR
Balance as at 31.12.2005.	11672107	16607912	2851195	4056885	14523302	20664797
Stock or share capital						
increase/decrease						
Increase/decrease of reserves						
Dividends						
Period of account net profit & loss			(607149)	(863895)	(607149)	(863895)
Balance as at 31.03.2006.	11672107	16607912	2244046	3192990	13916153	19800902
Balance as at 31.12.2006.	11672107	16607912	3141632	4470140	14813739	21078052
Stock or share capital						
increase/decrease						
Increase/decrease of reserves						
Dividends						
Period of account net profit & loss			(677452)	(963928)	(677452)	(963928)
Balance as at 31.03.2007.	11672107	16607912	2464180	3506212	14136287	20114124

EPS to 31.03.2007. LVL (677452):11672107= (0,06) LVL or (0,09);
 EPS to 31.03.2006. (0,052) LVL or (0,07) EUR

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Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 31.03.2007.

Notes to the financial statements

Accounting policy

(1) General principles

The annual report has been prepared in compliance with “International accounting standard.

Profit & Loss calculation has been prepared as per turnover costs scheme.

Cash flow statement has been prepared as per third method.

Comparing to previous year of account methods of accountancy and evaluation applied in the Company have been changed.

The annual report has been prepared basing on the conception of continuation of business.

Financial reports, which are applied to the given annual report, are made in the Latvian national currency - in an LVL and counted in EURO.

(2) Agency continuation

Present financial report has been prepared with reference to uninterrupted operation of company that an active realization and repayment liability is preceding in an ordinary way.

(3) Net turnover

Net turnover is a total sum of services rendered and sold within the year and services free from tax and granted trade discounts.

(4) Revaluation of foreign currency in lats

All the company accounting is carried out into lats.

All monetary assets in foreign currency were revaluated in lats in the end of the year of account pursuant to the currency exchange rate officially established by the Bank of Latvia

Cash, debtors and creditors in currency at the end of the year was converted in Ls in accordance to the Bank of Latvia currency rate at the last day of year of the account. Net income or losses at the result of exchange rate fluctuations was reflected in profit-loss statement.

Currency rate for financial statements at March:

	31.03.2007.	31.03.2006.
	Ls	Ls
1 USD	0,528	0,582
1 EUR	0,702804	0,702804
1 NOK	0,0867	0,0880
1 GBP	1,036	1,013
1 RUB	0,0203	0,0210

(5) Fixed assets and low-grade stock

Fixed assets have been evaluated as per initial costs value, deducting accumulated depreciation. Depreciation has been calculated as per linear method, considering the rate established by the JSC order No.4 dated 8 January 2002. Calculation of depreciation of the fixed assets was commenced starting with the first date of the month next to commissioning and was finished on the first date of the month next to their exclusion from the fixed assets' number.

Company capitalizes permanent assets with value more Ls 50 and time of valid usage is more than 1 year. Increased value of revaluing permanent assets is reflected as moving towards long-term investments revaluation reserve. It is attributed to the dissolution of permanent assets in the calculation of profits, incomes losses. To calculate enterprise's income tax the depreciation of the fixed assets was estimated pursuant to rates and requirements under article 13 of LR law "On enterprises' income tax".

Low-grade stock booked at the purchase prices and costs was 100% written off after commissioning.

(6) Property deposit

There is some property that is hold in order to gain cost for the rent.

(7) Affiliated undertaking deposits.

Affiliated undertaking deposits are shown taking into account SGS Nr.27, 28, 36 as well as SFPS Nr.3 requirements. Though since year 2004 goodwill amortization and 36 SGS requirements were suspended.

(8) Other long-term investments.

Other long-term investments have been reflected in purchase costs.

(9) Reserves

Raw materials, materials and goods subject to sale were booked at the purchase price, including costs related to purchase, and were accounted as per FIFO methods. Sum of Illiquid assets', stored in the enterprise's warehouses, in comparison to total commodity stock was not essential.

Balance of reserves has been shown at the lowest costs.

Unfinished production has been reflected at the prime cost, excluding administration costs.

(10) Long-term contract

Initial and final dates of execution of the contract about creation of an active are in the different accounting periods.

Incomes of long-term contracts admit according to a degree of their readiness. The degree of readiness is determined surveying results of work personally and physically ascertaining the termination of a part of works of the named contracts.

(11) Debtors

Debtors' debts in the balance sheet have been shown at the net value. Debtors' actual sum complies with contracts and other accounting basic documents.

(12) Accumulated income

The incomes from Riga Shipyard's customers are acknowledged respective to its executive degree.

(13) Cash and cash equivalents

In the report of cash flow consist of the money in cash-box and remnants of active bank cont.

(14) Reserves for unused vocations

Vocation cost reserves was calculated considering vocation days and average earnings for all workers.

(15) Taxes

There has been made reconciliation of taxes liabilities by data of SRS Ziemelu division.

(16) Bookkeeping arrangement

The bookkeeping accountancy has been arranged with the help of computers using the software
(Microsoft Business Solutions – NAVISION 4.0).

(17) Use of estimation

In financial reports enterprise management must make estimations, assumptions which influence presented assets and liabilities at the date of annual report processing. Real results can differ from estimations.

(18) Financial risks

In ordinary work enterprise was subjected to credit risk and currency risk.

(19) Credit risk

Financial plants potentially dangerous for enterprise are rest of money and its equivalents, account receivable, deposit.

(20) Percentage risk

Enterprise is subjected from credit interest rate changing risk.

(21) Currency risk

Enterprise is subjected from currency changing risk in marketing and purchases operations, borrowings in different currency. Financial risk is possible in relation of Ls to USD.

(22) Dividend

Dividend was reflex as fixed in announced period.

(23) Retraining

In comparative readings for year 2006 in necessary cases individual post classification is changed in order to meet post classification for year 2007.

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Profit & Loss calculation supplement

(1) Net turnover

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
On aspects of business				
- Shipbuilding	3 738 409	2 133 168	5 319 276	3 035 224
- Ship repair	1 798 939	2 305 128	2 559 660	3 279 902
- Mechanical engineering	73 554	149 303	104 658	212 439
- Other works	503	19 505	716	27 753
Total	5 611 405	4 607 104	7 984 310	6 555 318

(2) Sold products operating costs

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Material costs (raw materials and materials, value of goods, services from outside)	4 787 909	3 857 490	6 812 581	5 488 714
Remuneration of labor	837 939	752 436	1 192 280	1 070 620
Social insurance costs	196 916	173 812	280 186	247 312
Depreciation of fixed assets	195 723	140 455	278 489	199 849
Other costs	97 856	92 047	139 236	130 971
Total	6 116 343	5 016 240	8 702 772	7 137 466

(3) Selling costs

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Advertisement	8 591	10 782	12 224	15 341
Total	8 591	10 782	12 224	15 341

(4) Administration costs

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Liaison costs	5 748	3 240	8 179	4 610
Office maintenance costs	2 279	1 740	3 243	2 476
Salary of administration	10 385	49 540	14 777	70 489
Remuneration of the board	63 000	39 000	89 641	55 492
Remuneration of the council	52 500	36 000	74 701	51 223
Social insurance costs	29 856	29 823	42 481	42 434
Depreciation of fixed assets	11 097	15 420	15 790	21 941
Transport costs, travel allowances	14 590	8 247	20 760	11 734
Legal services	1 572	1 749	2 237	2 489
Insurance	2 223	0	3 163	0
Representation costs	3 008	4 054	4 278	5 769
Total	196 258	188 813	279 250	268 657

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(5) Other enterprise’s business activity’s income

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Income generated by transport services rendering	3 294	1 008	4 687	1 434
Income generated by leased FA payments and public services	158 128	116 510	224 996	165 779
Tugboat services income	21 469	14 227	30 548	20 243
Selling out of raw materials and materials	23 202	81 835	33 013	116 441
Income generated by fluctuation of currency rate				
Educational services	399	270	568	384
Income generated by chemical analyses	456	1 355	649	1 928
Income generated by realization of fixed assets	177	5 624	252	8 002
Education expenses recovery	2 723	0	3 874	0
Currency selling income	1 446	23 118	2 057	32 895
Other income	25 227	5 403	35 895	7 688
Total	236 521	249 350	336 539	354 794

(6) Other enterprise’s business activity’s costs

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Material purchase costs	14 219	72 961	20 232	103 814
Losses due to currency rate fluctuation				
Losses incurred by currency selling out	1 978	16 163	2 814	22 998
Compressed air purchase costs				
Social infrastructure objects costs (medical services)	2 151	2 205	3 061	3 137
Costs on tugboat services	11 709	6 377	16 660	9 074
The donations	94	1 500	134	2 134
Material benefits	80	80	114	114
Burial costs	880	1 291	1 252	1 837
Costs incurred by fixed assets’ exclusion	454	592	646	842
Representation costs	2 061	2 741	2 933	3 900
Costs on maintenance of leased FA	78 303	54 372	111 415	77 364
Other costs	108	1 118	153	1 592
Total	112 037	159 400	159 414	226 806

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(7) Other percents and the like income

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Depositing percentage	40	0	57	0
Bank interests	49	6	70	9
Received penalty payments	1 355	27	1 927	38
Total	1 444	33	2 054	47

(8) Payment off percents and the like costs

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Paid off penalty	197	130	280	185
Paid off interests	38 962	20 877	55 438	29 705
Guarantee maintenance	22 420	23 449	31 901	33 365
Total	61 579	44 456	87 619	63 255

(9) Income taxes of the enterprise

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Income tax advance payments	25 952	32 766	36 927	46 622
Total	25 952	32 766	36 927	46 622

(10) Other taxes

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Buildings and constructions real estate tax	5 926	5 206	8 432	7 407
Real estate tax	136	5 973	193	8 500
Total	6 062	11 179	8 625	15 907

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(11) Other intangible investments LVL

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments total
Initial value						
01.01.2007	0	0	68 377		154 587	222 964
Bought			1 679		9 488	11 167
Written off						
Relocated						
Revaluated						
31.03.2007	0	0	70 056		164 075	234 131
Depreciation						
01.01.2007	0	0	15 687		0	15 687
Estimated			3 468			3 468
Written off						
31.03.2007	0	0	19 155		0	19 155
Balance value						
01.01.2007	0	0	52 690		154 587	207 277
Balance value						
31.03.2007	0	0	50 901		164 075	214 976

(11) Other intangible investments EUR

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments total
Initial value						
01.01.2007	0	0	97292		219957	317249
Bought			2389		13500	15889
Written off						
Relocated						
Revaluated						
31.03.2007	0	0	99681		233458	333139
Depreciation						
01.01.2007	0	0	22321		0	22321
Estimated			4935			4935
Written off						
31.03.2007	0	0	27256		0	27256
Balance value						
01.01.2007	0	0	74971		219957	294928
Balance value						
31.03.2007	0	0	72425		233458	305883

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Supplements to the balance sheet

(12) Report on long-term investments movement LVL

	Land, buildings, constructions Ls	Investments assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction Ls	Advance Payment for FA Ls	Total Ls
Initial value								
01.01.2007	4655983	565055	9484	10000997	872116	107894		16211529
Bought	8799	11611		21317	3379	206343	1508	252957
Written off				1795	3408	56273		61476
Relocated								
31.03.2007	4664782	576666	9484	10020519	872087	257964	1508	16403010
Depreciation								
01.01.2007	1577602	123366		6271510	440740	0	0	8413218
Estimated	37010	6097		167886	21186			232179
Written off				1448	3301			4749
31.03.2007	1614612	129463	0	6437948	458625	0	0	8640648
Balance value								
01.01.2007	3078381	441689	9484	3729487	431376	107894	0	7798311
Balance value								
31.03.2007	3050170	447203	9484	3582571	413462	257964	1508	7762362

(12) Report on long-term investments movement (EUR)

	Land, buildings, constructions	Investments assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
Initial value								
01.01.2007	6624867	804001	13495	14230137	1240909	153519	0	23066928
Bought	12520	16521	0	30331	4808	293600	2146	359926
Written off				2554	4849	80069	0	87472
Relocated								
31.03.2007	6637387	820522	13495	14257914	1240868	367050	2146	23339382
Depreciation								
01.01.2007	2244725	175534	0	8923555	627117	0	0	11970931
Estimated	52660	8675		238880	30145	0	0	330361
Written off				2060	4697	0	0	6757
31.03.2007	2297386	184209		9160375	652565	0	0	12294535
Balance value								
01.01.2007	4380142	628467	13495	5306582	613792	153519	0	11095997
Balance value								
31.03.2007	4340001	636313	13495	5097539	588303	367050	2146	11044847

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(13) Partnership in capital of associated companies

	31.03.2007	Share capital (%)	31.03.2006	Share capital (%)	31.03.2007	31.03.2006
	Ls		Ls		EUR	EUR
Branch enterprise “Tosmare shipyard” JSC	2 164 782	49,72%	2 164 782	49,72%	3 080 207	3 080 207
investment value	2 164 782		2 164 782		3 080 207	3 080 207
Investments						

(14) Other equities and investments

Name enterprise	Parts or shares	Parts or shares value		31.03.2007			31.03.2006		
		2007	2006	Quantity	Ls	EUR	Quantity	Ls	EUR
“Baltic International Bank” JSC	33	5	5	33	165	235	33	165	235
Total	33	5	5	33	165	235	33	165	235

(15) Other loans and other long-term debtors

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Student loan payout	56 318	58 797	80 133	83 661
Shares loan payout	528 426	543 426	751 882	773 225
Long-term loan	271 810	0	386 752	0
Total	856 554	602 223	1 218 767	856 886

Amount to be pay back after 5 years – 518 446 Ls or 737 682 EUR

(16) Loans to copartners of the enterprises and to the directorship

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Long-term loans	352 284	362 284	501 255	515 484
Total	352 284	362 284	501 255	515 484

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(17) Raw materials, direct materials and auxiliary materials

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
1. Metal ware	68 379	82 152	97 295	116 892
2. Timbering	13 339	14 661	18 980	20 861
3. Metal, non-ferrous metals, pipes	2 723 862	2 075 486	3 875 706	2 953 151
4. Wire cables	5 777	5 043	8 220	7 176
5. Fuel	4 950	32 214	7 043	45 836
6. Coveralls	5 967	4 609	8 490	6 558
7. Equipment	902 460	35 701	1 284 085	50 798
8. Cables	64 487	37 774	91 757	53 748
9. Varnish and paint	65 915	75 258	93 789	107 082
10. Tools	24 935	24 298	35 479	34 573
11. Technical rubber ware	14 274	31 203	20 310	44 398
12. Other	1 258 156	462 702	1 790 194	658 364
Total	5 152 501	2 881 101	7 331 348	4 099 437

(18) Unfinished production

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Unfinished production is shown in the balance sheet at production cost, excluding administration costs.				
Shipbuilding orders	87 575	81 852	124 608	116 465
Total	87 575	81 852	124 608	116 456

(19) Unfinished orders

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
1) Ship repair orders	316 121	313 925	449 800	446 675
2) Mechanical engineering orders	49 948	48 188	71 070	68 565
3) Various	1 498	1 577	2 131	2 244
Total	367 567	363 690	523 001	517 484

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(20) Advance payments for goods

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
For materials	1 154 249	77 362	1 642 348	110 076
Total	1 154 249	77 362	1 642 348	110 076

(21) Debts of buyers and customers

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Buyers and customers accounting value	2 112 921	2 363 001	3 006 416	3 362 247
Generated reserves	(201 084)	(665 115)	(286 117)	(946 373)
Balance net value	1 911 837	1 697 886	2 720 299	2 415 874

(22) Associated companies debts

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
“Tosmare shipyard” JSC	0	2 519	0	3 584
Total	0	2 519	0	3 584

(23) Other debtors

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Accounting value	712 781	560 522	1 014 195	797 551
Generated reserves	(133 999)	(151 392)	(190 663)	(215 411)
Balance net value	578 782	409 130	823 532	582 140

Other debtors debts are as following:

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Accounted VAT	2 816	11 423	4 007	16 253
Overpaid taxes				
- Value added tax	356 898	19 387	507 820	27 585
- Enterprise income tax	115 304		164 063	0
Payments personal debts	5 453	4 813	7 759	6 848
Payment of salary				
Short-term loans for “Tosmare Shipyard” JSC’S shares	15 000	15 000	21 343	21 343
Short-term loans	0	260 328	0	370 413
Advance payment of service	63 380	0	90 182	0
Other debtors	19 931	98 179	28 358	139 698
Total	578 782	409 130	823 532	582 140

Supplement to the balance sheet

(24) Short-term loans to the enterprise’s copartners and directorship

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Total	1 045 370	1 137 446	1 487 428	1 618 440

Loan JSC “Remars Riga”
leaders debt for shares
31.03.2007

	Directorship, copartners Ls	Directorship, copartners EUR
	1 035 370	1 473 199
	10 000	14 229
	1 045 370	1 487 428

* According to credit contract fixed 5% interest rate from principal amount

(25) Next period costs

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Enterprise’s property insurance premium sum	18 411	9 614	26 196	13 679
Subscription to the press	671	132	955	188
Inviting of specialists	9 153	7 976	13 024	11 349
Insurance of health	23 181	5 692	32 984	8 099
Check of floating means	5 756	5 850	8 190	8 324
Expenses for repair of the rented basic means	9 761	7 880	13 889	11 212
Advertisement	460	418	655	595
Payment lease of land	8 139	0	11 581	0
Exhibition	16 145	0	22 972	0
Other costs	4 860	1 038	6 914	1 477
Total	96 537	38 600	137 360	54 923

(26) Accrued proceeds

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Shipbuilding	7 615 948	6 326 791	10 772 517	9 002 214
Total	7 615 948	6 326 791	10 772 517	9 002 214

(27) Cash assets

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Money at a cash department	3 968	2 341	5 646	3 331
Money on current accounts	27 378	11 005	38 955	15 658
Total	31 346	13 346	44 601	18 989

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(28) Stock or share capital (equity capital)

“Riga shipyard” JSC was founded in 1995 with the equity capital of Ls 10 000 000, which was comprised of 10 000 000 shares, face value of one share made up Ls 1.

The joint stock company is public and its shares are quoted on Securities Exchange.

Amendments to the Acts:

1. Growth of the equity capital up to Ls 11 000 000 on 31 December 1998.
2. Growth of the equity capital up to Ls 11 672 107 on 30 December 1999.

	2007 year 3 months Ls	%	2006 year 3 months Ls	%	2007 year 3 months EUR	2006 year 3 months EUR
“Remars-Riga” JSC	5 819 194	49,86	5 819 194	49,86	8 279 967	8 279 967
Other limited companies	2 428 228	20,80	3 352 981	28,73	3 455 057	4 770 862
Private personae	3 424 685	29,34	2 499 932	21,41	4 872 888	3 557 083
Total	11 672 107	100	11 672 107	100	16 607 912	16 607 912

(29) Loans from credit institutions (short-term)

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Total	3 594 273	1 868 810	5 114 190	2 659 077

Overdraft and guarantee contract No 2003/4/OD/GA with the overdraft limit 18 000 000 EUR, also overdraft 6 000 000 EUR, session contracts and contract of pledge were signed, for the amplification of obligations.

(30) Liability of leasing

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Hanza leasing including:				
Long (- term)	2 954	8 660	4 203	12 322
Short (-term)	4 774	4 110	6 793	5 848
Total	7 728	12 770	10 996	18 170

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(31) Advance payments received from buyers

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
For shipbuilding	8 908 336	4 911 040	12 675 420	6 987 781
For ship repair	47 433	120 482	67 491	171 430
Others	10 785	29 602	15 346	42 120
Total	8 966 554	5 061 124	12 758 257	7 201 331

(32) Debts to suppliers and contractors

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Debts for services	53 215	139 820	75 718	198 946
Debts for materials	599 242	467 678	852 645	665 446
Debts subcontractors	847 766	1 381 568	1 206 262	1 965 794
Total	1 500 223	1 989 066	2 134 625	2 830 186

(33) Debts to associated companies

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
“Tosmare shipyard” JSC	787	84 592	1 120	120 364
Total	787	84 592	1 120	120 364

(34) Taxes and social insurance payments

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Social insurance payments	113 395	119 570	161 347	170 133
Residents income tax	68 629	75 237	97 650	107 053
Enterprise income tax	0	823	0	1 171
Risk tax	214	252	304	358
Natural resources tax	1 866	535	2 655	761
Total	184 104	196 417	261 956	279 476

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(35) Other creditors

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
Salary	197 289	193 017	280 717	274 638
Payments for deductions from salary	1 502	1 815	2 137	2 583
Payments by return to personae	2 719	1 958	3 869	2 786
Payments for credit cards	4 251	2 282	6 049	3 247
Payments for debts to other enterprises	37 924	33 868	53 961	48 190
Total	243 685	232 940	346 733	331 444

(36) Unpaid previous years dividends

	Ls	Eur
31.12.2006	20 182	28 716
Calculated	0	0
Paid off	173	246
31.03.2007	20 009	28 470

(37) Accrued liabilities

	2007 year 3 months Ls	2006 year 3 months Ls	2007 year 3 months EUR	2006 year 3 months EUR
For services	130 920	4 720	186 282	6 716
Accruals for vocations	221 474	223 510	315 129	318 026
Total	352 394	228 230	501 411	324 742

Chairman of the Board

V. MELŅNIKS

Member of the Board

I.KOMAROVŠ

Member of the Board

A.STOLDERS

Member of the Board

L.ARTEMENKO

31 May 2007