

“Riga shipyard” JSC / ”Rīgas Kuģu Būvētava” AS /

“RIGA SHIPYARD” JSC
financial statements for 3 months of the year 2008
(not audited)
(not consolidated)

Riga, 2008

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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%
Associate company	SIA “Remars Granula”
Address	2 Gales street, Riga
Partnership	49,80%
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
Irina Rudzate	Member of the Board, p. ID 091066-11012 (appointed on 20.03.2008)
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 2008
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

Notification on liability of the board

The board of the enterprise is liable for preparation of a financial report, grounding on initial accountancy per each accounting period, which correctly reflects financial situation of the enterprise as at the end of the year of account, as well as results and cash flow for this period.

The board endorses that, preparing this report for the period ended on March 31th 2008, there were used corresponding accounting methods, their application was consequent, there were made reasonable and prudent resolutions. The board endorses that corresponding International Accounting standards are observed and financial reports are prepared in compliance with principle of continuation of business.

The board is liable for administering of respective accounting reports, for perseverance of means of the enterprise, as well as for elimination of deceit and other dishonest acts.

Chairman of the Board _____ ***V. MEĻNIKS***

30 May 2008

“Riga shipyard” JSC
financial statements for 3 months of the year 2008

Profit & Loss calculation for 2008 year 3 months and 2007 year 3 months

	Remarks	2008 3 months Ls	2007 3 months Ls	2008 3 months EUR	2007 3 months EUR
1. Net turnover	(1)	5 792 530	5 611 405	8 242 028	7 984 310
2. Sold production operating costs	(2)	6 272 319	6 116 343	8 924 706	8 702 772
3. Gross profit or losses		(479 789)	(504 938)	(682 678)	(718 462)
4. Selling costs	(3)	7 538	8 591	10 726	12 224
5. Administration costs	(4)	207 340	196 258	295 018	279 250
6. Other enterprise's business activity's income	(5)	212 033	236 521	301 696	336 539
7. Other enterprise's business activity's costs	(6)	224 488	112 037	319 418	159 414
8. Profit & Loss off business activity's		(707 122)	(585 303)	(1 006 144)	(832 811)
9. Income from investments in capital of related and associated companies					
10. Other percents and the like income	(7)	166 633	1 444	237 097	2 054
11. Write-offs of the value of long-term financial investments and short-term securities					
12. Payment off percents and the like costs	(8)	119 226	61 579	169 643	87 619
13. Profit & Loss prior to extraordinary items and taxes		(659 715)	(645 438)	(938 690)	(918 376)
14. Extraordinary income					
15. Extraordinary expense					
16. Profit & loss prior to taxes		(659 715)	(645 438)	(938 690)	(918 376)
17. Income taxes of the enterprise		1 164	25 952	1 656	36 927
18. Other taxes	(9)		6 062		8 625
19. Year of account profit & loss (net income)		(660 879)	(677 452)	(940346)	(963 928)

Chairman of the Board _____ **V. MELNIKS**

Member of the Board _____ **L. ARTEMENKO**
30 May 2008

Balance as at 31 March 2008 year

“Riga shipyard” JSC
financial statements for 3 months of the year 2008

ASSETS	Rem arks	2008 3 months Ls	2007 3 months Ls	2008 3 months EUR	2007 3 months 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		37214	50901	52951	72425
4. Goodwill					
5. Advance payments of intangible investments		186634	164075	265556	233458
Intangible investments in total	10	223848	214976	318507	305883
II Fixed assets					
1. Lands, buildings, constructions, perennial plants		3520127	3050170	5008690	4340001
2. Long-term investments into leased fixed assets		3304	9484	4701	13495
3. Equipment and machinery		14039830	3582571	19976878	5097539
4. Other fixed assets and stock		450608	413462	641157	588303
5. Up building of fixed assets and unfinished building objects costs		153010	257964	217714	367050
6. Advanced payments for fixed assets			1508		2146
Fixed assets in total		18166879	7315159	25849140	10408534
III Property deposit		440796	447203	627196	636313
Fixed assets and property deposit in total	11	18607675	7762362	26476336	11044847
IV Long-term financial investments					
1. Participation in capital of related companies					
2. Participation in capital of associated companies	12	3008147	2164782	4280207	3080207
3. Loans to the associated companies	13	283540		403441	
4. Other equities and investments	14	165	165	235	235
5. Other loans and other long-term debtors	15	570690	856554	812019	1218767
6. Loans to copartners of the enterprises and to the directorship	16	342284	352284	487026	501255
Long-term financial investments in total		4204826	3373785	5982928	4800464
Long-term investments in total		23036349	11351123	32777771	16151194
Current assets					
I Reserves					
1. Raw materials, direct materials and auxiliary materials	17	4021373	5152501	5721898	7331348
2. Unfinished production	18	342585	87575	487456	124608
3. Unfinished order	19	1416214	367567	2015091	523001
4. Advance payments for goods	20	604572	1154249	860228	1642348
Reserves in total		6384744	6761892	9084673	9621305
II Debts of debtors					
1. Debts of buyers and customers	21	2590931	1911837	3686563	2720299
2. Debts of related companies					
3. Associated companies debts	22	302683		430679	
4. Other debtors	23	580385	578782	825813	823532
5. Short-term loans to the enterprises copartners and directorship	24	222676	1045370	316839	1487428
6. Next period costs	25	137478	96537	195614	137360
7. Accrued proceeds	26	12804307	7615948	18218888	10836518
Debtors in total		16638460	11248474	23674396	16005137
III Short-term financial investments					
1. Participation in capital of related companies					
Short-term financial investments in total					
Cash assets	27	9256075	31346	13170208	44601
Current assets in total		32279279	18041712	45929277	25671043
Assets in total		55315628	29392835	78707048	41822237

Chairman of the Board _____ **V. MELNIKS**
Member of the Board _____ **L. ARTEMENKO**

“Riga shipyard” JSC
financial statements for 3 months of the year 2008

LIABILITIES	Remarks	2008 3 months Ls	2007 3 months Ls	2008 3 months EUR	2007 3 months EUR
I Equity capital					
1. Stock or share capital (equity capital)		11672107	11672107	16607912	16607912
2. Long-term investment revaluation reserve		10666906		15177640	
3. Retained earnings					
a) previous years retained earnings		3077375	3141632	4378711	4470140
b) year of account retained earnings		(660879)	(677452)	(940346)	(963928)
<i>Retained earnings in total</i>		<i>2416496</i>	<i>2464180</i>	<i>3438365</i>	<i>3506212</i>
<i>Equity capital in total</i>	28	24755509	14136287	35223917	20114124
II Provision for liabilities and charges					
1. Provision for pensions and similar obligations					
2. Provision for contingent tax					
3. Other provisions	29	122239		173930	
<i>Provision for liabilities and charges in total</i>		122239		173930	
III Creditors					
I Long-term debts					
1. Liability of leasing			2954		4203
2. Deferred taxation reserves liabilities		417985	386791	594739	550354
<i>Long-term debts in total</i>		417985	389745	594739	554557
II Short-term debts					
1. Loans from credit institutions	30	7061842	3594273	10048096	5114190
2. Liability of leasing	31	1486	4774	2114	6793
3. Advance payments received from buyers	32	19727132	8966554	28069180	12758257
4. Debts to suppliers and contractors	33	2192345	1500223	3119426	2134625
5. Debts to related companies					
6. Debts to associated companies			787		1120
7. Taxes and social insurance payments	34	223971	184104	318682	261956
8. Other creditors	35	300543	243685	427634	346733
9. Next period income					
10. Unpaid previous years dividends	36	25058	20009	35654	28470
11. Accrued liabilities	37	487518	352394	693676	501412
<i>Short-term creditors in total</i>		30019895	14866803	42714462	21153556
<i>Creditors in total</i>		30437880	15256548	43309201	21708113
<i>Total</i>		55315628	29392835	78707048	41822237

Chairman of the Board _____ **V. MELNIKS**

Member of the Board _____ **L. ARTEMENKO**

30 May 2008

“Riga shipyard” JSC
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Cash flow statement for 2008 year 3 months and 2007 year 3 months

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
A. Cash flow from primary activity				
- Sales income	8213862	5640374	11687273	8025529
- Cash to suppliers, personnel and others primary activity costs	7847413	7136505	11165863	10154332
-				
Gross cash flow from primary activity	366449	(1496131)	521410	(2128803)
- Interest paid	119226	61579	169643	87619
- Corporate income tax		5048		7183
- Primary activity before extraordinary items	247223	(1562758)	351767	(2223605)
- Cash flow from extraordinary items				
Net cash flow from primary activity	247223	(1562758)	351767	(2223605)
B. Cash flow from investment activity				
- Selling out of shares				
- Paid for fixed assets acquisition	153993	121916	219112	173471
- Received for the fixed assets sold	45784	177	65145	252
- Loans granted	2706	2610	3850	3714
- Repayment of loans		5241		7457
- Interest received	166632	1444	237096	2055
Net cash flow from investment activity	55717	(117664)	79279	(167421)
C. Cash flow from financial activities				
- Loan received		1657784		0
- Loan repaid	279393		397540	2358814
- Dividend paid	3420	862	4866	1226
Net cash flow from financial activities	(282813)	1656922	(402406)	2357588
Result of currency exchange rates changing	875	26403	1243	37568
Net cash flow and equivalent increase or decrease (A+B+C)	21002	2903	29883	4130
Cash and equivalent thereof at beginning of the period of accounts	9235073	28443	13140325	40471
Cash and equivalent thereof at the end of the period of account	9256075	31346	13170208	44601

Chairman of the Board _____ *V. MELNIKS*

Member of the Board _____ *L. ARTEMENKO*

30 May 2008

Changes in own capital report for 2008 year 3 months and 2007 year 3 months

Types of changes	Stock or Share capital		Long-term asset reevaluation reserve		Retained earnings		Total	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
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
Balance as at 31.12.2007.	11672107	16607912	10666906	15177640	3077375	4378711	25416388	36164263
Stock or share capital								
increase/decrease								
Increase/decrease of reserves								
Dividends								
Period of account net profit & loss					(660879)	(940346)	(660879)	(940346)
Balance as at 31.03.2008.	11672107	16607912	10666906	15177640	2416496	3438365	24755509	35223917

EPS to 31.03.2008. LVL (660879):11672107 = (0,06) LVL or (0,08) EUR;
EPS to 31.03.2007. (0,06) LVL or (0,09) EUR

Chairman of the Board _____ **V. MELNIKS**

Member of the Board _____ **L.ARTEMENKO**

30 May 2008

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 31.03.2008.

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:

	<u>31.03.2008.</u> Ls	<u>31.03.2007.</u> Ls
1 USD	0,445	0,528
1 EUR	0,702804	0,702804
1 NOK	0,0876	0,0867
1 GBP	0,893	1,036
1 RUB	0,0189	0,0203

(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 100 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 Ziemeļu 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 2007 in necessary cases individual post classification not changed in order to meet post classification for year 2008.

Profit & Loss calculation supplement

(1) Net turnover

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
On aspects of business				
- Shipbuilding	3 161 385	3 738 409	4 498 245	5 319 276
- Ship repair	2 517 434	1 798 939	3 581 986	2 559 660
- Mechanical engineering	111 397	73 554	158 504	104 658
- Other works	2 314	503	3 293	716
Total	5 792 530	5 611 405	8 242 028	7 984 310

(2) Sold products operating costs

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Material costs (raw materials and materials, value of goods, services from outside)	4 590 834	4 787 909	6 532 168	6 812 581
Remuneration of labor	1 097 884	837 939	1 562 148	1 192 280
Social insurance costs	255 824	196 916	364 005	280 186
Depreciation of fixed assets	219 190	195 723	311 879	278 489
Other costs	108 587	97 856	154 506	139 236
Total	6 272 319	6 116 343	8 924 706	8 702 772

(3) Selling costs

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Advertisement	7 538	8 591	10 726	12 224
Total	7 538	8 591	10 726	12 224

(4) Administration costs

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Liaison costs	2 006	5 748	2 854	8 179
Office maintenance costs	1 161	2 279	1 652	3 243
Salary of administration	12 190	10 385	17 345	14 777
Remuneration of the board	70 507	63 000	100 322	89 641
Remuneration of the council	52 500	52 500	74 701	74 701
Social insurance costs	31 786	29 856	45 227	42 481
Depreciation of fixed assets	9 590	11 097	13 645	15 790
Transport costs, travel allowances	21 571	14 590	30 693	20 760
Legal services	351	1 572	499	2 237
Insurance	3 209	2 223	4 566	3 163
Representation costs	2 469	3 008	3 514	4 278
Total	207 340	196 258	295 018	279 250

Profit & Loss calculation supplement

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

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Income generated by transport services rendering	599	3 294	852	4 687
Income generated by leased FA payments and public services	139 898	158 128	199057	224 996
Tugboat services income	15 329	21 469	21811	30 548
Selling out of raw materials and materials	36 196	23 202	51502	33 013
Income generated by fluctuation of currency rate	2 526	399	3594	568
Income generated by chemical analyses	682	456	971	649
Income generated by realization of fixed assets	9 659	177	13744	252
Previous year income	0	18 194	0	25888
Education expenses recovery	0	2 723	0	3 874
Currency selling income	325	1 446	462	2 057
Other income	6 819	7 033	9703	10 007
Total	212 033	236 521	301696	336 539

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

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Material purchase costs	29 883	14 219	42 520	20 232
Losses incurred by currency selling out	19 317	1 978	27 486	2 814
Social infrastructure objects costs (medical services)	2 088	2 151	2 971	3 061
Costs on tugboat services	2 330	11 709	3 315	16 660
The donations	1 000	94	1 423	134
Material benefits	110	80	157	114
Burial costs	550	880	783	1 252
Costs incurred by fixed assets’ exclusion	1 377	454	1 959	646
Representation costs	1 671	2 061	2 378	2 933
Costs on maintenance of leased FA	166 159	78 303	236 422	111 415
Other costs	3	108	4	153
Total	224 488	112 037	319 418	159 414

Profit & Loss calculation supplement

(7) Other percents and the like income

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Depositing percentage	165 860	40	235 997	57
Bank interests	773	49	1 100	70
Received penalty payments	0	1 355	0	1 927
Total	166 633	1 444	237 097	2 054

(8) Payment off percents and the like costs

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Paid off penalty	0	197	0	280
Paid off interests	93 378	38 962	132 865	55 438
Guarantee maintenance	25 848	22 420	36 778	31 901
Total	119 226	61 579	169 643	87 619

(9) Other taxes

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Buildings and constructions real estate tax	0	5 926	0	8 432
Real estate tax	0	136	0	193
Total	0	6 062	0	8 625

Profit & Loss calculation supplement

(10) 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						
01.01.2008			70 409		180 008	250 417
Bought					6 626	6 626
Written off						
Relocated						
Revaluated						
31.03.2008	0	0	70 409	0	186 634	257 043
Depreciation						
01.01.2008			29 675			29 675
Estimated			3 520			3 520
Written off						0
31.03.2008	0	0	33 195	0	0	33 195
Balance value						
01.01.2008	0	0	40 734	0	180 008	220 742
Balance value						
31.03.2008	0	0	37 214	0	186 634	223 848

(10) 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						
01.01.2008.			100 183		256 128	356 311
Bought			0		9 428	9 428
Written off						
Relocated						
Revaluated					0	0
31.03.2008.	0	0	100 183	0	265 556	365 739
Depreciation						
01.01.2008.			42 224			42 224
Estimated			5 009			5 009
Written off						0
31.03.2008.	0	0	47 232		0	47 232
Balance value						
01.01.2008.	0	0	57 959	0	256 128	314 088
Balance value						
31.03.2008.	0	0	52 951	0	265 556	318 507

Supplements to the balance sheet

(11) Report on long-term investments movement LVL

	Land, buildings, constructions	Land, buildings, constructions	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
Initial value								
01.01.2008.	4 964 650	596 363	3 304	18 253 733	941 676	384 081	27 480	25 171 287
Bought	319 868			172 447	9 966	271 210	8 519	782 010
Written off				171 767		502 281	35 999	710 047
Relocated								0
31.03.2008.	5 284 518	596 363	3 304	18 254 413	951 642	153 010	0	25 243 250
Depreciation								
01.01.2008.	1 725 209	147 962		4 176 040	477 589			6 526 800
Estimated	39 182	7 605		179 791	23 445			250 023
Written off				141 248				141 248
31.03.2008.	1 764 391	155 567	0	4 214 583	501 034	0	0	6 635 575
Balance value								
01.01.2008.	3 239 441	448 401	3 304	14 077 693	464 087	384 081	27 480	18 644 487
Balance value								
30.03.2008.	3 520 127	440 796	3 304	14 039 830	450 608	153 010	0	18 607 675

(11) 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								
01.01.2008.	7 064 061	848 548	4 701	25 972 722	1 339 884	546 498	39 101	35 815 515
Bought	455 131	0	0	245 370	14 180	385 897	12 121	1 112 699
Written off	0	0	0	244 402	0	714 681	51 222	1 010 305
Relocated	0	0	0	0	0	0	0	0
31.03.2008.	7 519 192	848 548	4 701	25 973 690	1 354 064	217 714	0	35 917 909
Depreciation								
01.01.2008.	2 454 751	210 531	0	5 941 970	679 548	0	0	9 286 800
Estimated	55 751	10 821	0	255 820	33 359	0	0	355 751
Written off	0	0	0	200 978	0	0	0	200 978
31.03.2008.	2 510 502	221 352	0	5 996 811	712 907	0	0	9 441 573
Balance value								
01.01.2008.	4 609 309	638 017	4 701	20 030 753	660 336	546 498	39 101	26 528 715
Balance value								
31.03.2008.	5 008 690	627 196	4 701	19 976 878	641 157	217 714	0	26 476 336

Profit & Loss calculation supplement

(12) Participation in capital of associated companies

	31.03.2008	Share capital (%)	31.03.2007	Share capital (%)	31.03.2008	31.03.2007
	Ls		Ls		EUR	EUR
Branch enterprise “Tosmare shipyard” JSC investment value	2 164 782	49,72	2 164 782	49,72	3 080 207	3 080 207
SIA “Remars-Granula”	843 365	49,80			1 200 000	
Investments	3 008 147		2 164 782		4 280 207	3 080 207

(13) Loans to the associated companies

	SIA “Remars Granula” Ls	SIA “Remars Granula” EUR
31.12.2007	283 540	403 441
Issued credit	0	0
31.03.2008	283 540	403 441

(14) Other equities and investments

Name enterprise	Parts or shares	Parts or shares value		31.03.2008			31.03.2007		
		2008	2007	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

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Student loan payout	57 242	56 318	81 448	80 133
Shares loan payout	513 448	528 426	730 571	751 882
Long-term loan	0	271 810	0	386 752
Total	570 690	856 554	812 019	1 218 767

Amount to be pay back after 5 years – 503 185 Ls or 715 968 EUR

Supplement to the balance sheet

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

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Long-term loans	342 284	352 284	487 026	501 255
Total	342 284	352 284	487 026	501 255

(17) Raw materials, direct materials and auxiliary materials

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
1. Metal ware	78 540	68 379	111 752	97 295
2. Timbering	9 318	13 339	13 258	18 980
3. Metal, non-ferrous metals, pipes	1 890 619	2 723 862	2 690 108	3 875 706
4. Wire cables	22 723	5 777	32 332	8 220
5. Fuel	15 170	4 950	21 585	7 043
6. Coveralls	7 438	5 967	10 583	8 490
7. Equipment	55 040	902 460	78 315	1 284 085
8. Cables	34 989	64 487	49 785	91 757
9. Varnish and paint	80 831	65 915	115 012	93 789
10. Tools	5 906	24 935	8 403	35 479
11. Technical rubber ware	14 613	14 274	20 793	20 310
12. Other	1 806 186	1 258 156	2 569 972	1 790 194
Total	4 021 373	5 152 501	5 721 898	7 331 348

(18) Unfinished production

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Shipbuilding orders	342 585	87 575	487 456	124 608
Total	342 585	87 575	487 456	124 608

(19) Unfinished orders

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
1) Ship repair orders	1 402 973	316 121	1 996 250	449 800
2) Mechanical engineering orders	11 134	49 948	15 842	71 070
3) Various	2 107	1 498	2 999	2 131
Total	1 416 214	367 567	2 015 091	523 001

Supplement to the balance sheet

(20) Advance payments for goods

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
For materials	604 572	1 154 249	860 228	1 642 348
Total	604 572	1 154 249	860 228	1 642 348

(21) Debts of buyers and customers

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Buyers and customers accounting value	2 815 661	2 112 921	4 006 325	3 006 416
Generated reserves	(224 730)	(201 084)	(319 762)	(286 117)
Balance net value	2 590 931	1 911 837	3 686 563	2 720 299

(22) Associated companies debts

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
“Tosmare shipyard” JSC	19 143	0	27 238	0
SIA “Remars-Granula”	283 540	0	403 441	0
Total	302 683	0	430 679	0

(23) Other debtors

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Accounting value	714 385	712 782	1 016 477	1 014 196
Generated reserves	(134 000)	(134 000)	(190 664)	(190 664)
Balance net value	580 385	578 782	825 813	823 532

Other debtors debts are as following:

Accounted VAT	2 816	2 816	4 007	4 007
Overpaid taxes				
- Value added tax	253 791	356 898	361 112	507 820
- Enterprise income tax	33 348	115 304	47 450	164 063
Payments personal debts	19 251	5 453	27 392	7 759
Short-term loans for “Tosmare Shipyard”				
JSC’S shares	14 955	15 000	21 279	21 343
Advance payment of service	212 930	63 380	302 972	90 182
Other debtors	43 294	19 931	61 601	28 358
Total	580 385	578 782	825 813	823 532

Supplement to the balance sheet

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

	2008 year 3 months Ls	2007 year 3 months Ls	2008 ear 3 months EUR	2007 year 3 months EUR
Total	222 676	1 045 370	316 839	1 487 428

	Directorship, copartners Ls	Directorship, copartners EUR
Loan JSC “Remars Riga” leaders debt for shares 31.03.2008	212 676	302 611
	10 000	14 228
	222 676	316 839

(25) Next period costs

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Enterprise’s property insurance premium sum	13 214	18 411	18 802	26 196
Subscription to the press	279	671	397	955
Inviting of specialists	17 336	9 153	24 667	13 024
Insurance of health	11 012	23 181	15 669	32 984
Check of floating means	15 021	5 756	21 373	8 190
Expenses for repair of the rented basic means	68 443	9 761	97 386	13 889
Advertisement	4 957	460	7 053	655
Payment lease of land	5 978	8 139	8 506	11 581
Exhibition	0	16 145	0	22 972
Other costs	1 238	4 860	1 761	6 914
Total	137 478	96 537	195 614	137 360

(26) Accrued proceeds

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Shipbuilding	12 804 307	7 615 948	18 218 888	10 836 518
Total	12 804 307	7 615 948	18 218 888	10 836 518

(27) Cash assets

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Money at a cash department	7 991	3 968	11 370	5 646
Money on current accounts	9 248 084	27 378	13 158 838	38 955
Total	9 256 075	31 346	13 170 208	44 601

Supplement to the balance sheet

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

	2008 year		2007 year		2008 year		2007 year	
	3 months	%	3 months	%	3 months	3 months	3 months	3 months
	Ls		Ls		EUR		EUR	
“Remars-Riga” JSC	5 819 194	49,86	5 819 194	49,86	8 279 967		8 279 967	
Other limited companies	3 335 061	28,57	2 428 228	20,80	4 745 364		3 455 057	
Private personae	2 517 852	21,57	3 424 685	29,34	3 582 581		4 872 888	
Total	11 672 107	100	11 672 107	100	16 607 912		16 607 912	

(29) Other provisions

	2008 year		2007 year	
	3 months		3 months	
	Ls		Ls	
	122 239		0	
Kopā	122 239		0	

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

	2008 year		2007 year	
	3 months		3 months	
	Ls		Ls	
	7 061 842		3 594 273	
Total	7 061 842		3 594 273	

(31) Liability of leasing

	2008 year		2007 year	
	3 months		3 months	
	Ls		Ls	
Hanza leasing including:				
Long (- term)	0		2 954	
Short (-term)	1 486		4 774	
Total	1 486		7 728	

Supplement to the balance sheet

(32) Advance payments received from buyers

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
For shipbuilding	19 038 553	8 908 336	27 089 420	12 675 420
For ship repair	686 262	47 433	976 463	67 491
Others	2 317	10 785	3 297	15 346
Total	19 727 132	8 966 554	28 069 180	12 758 257

(33) Debts to suppliers and contractors

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Debts for services	65 467	53 215	93 151	75 718
Debts for materials	644 040	599 242	916 386	852 645
Debts subcontractors	1 482 838	847 766	2 109 889	1 206 262
Total	2 192 345	1 500 223	3 119 426	2 134 625

(34) Taxes and social insurance payments

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Social insurance payments	137 304	113 395	195 366	161 347
Residents income tax	83 809	68 629	119 249	97 650
Risk tax	200	214	285	304
Natural resources tax	2 658	1 866	3 782	2 655
Total	223 971	184 104	318 682	261 956

(35) Other creditors

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
Salary	262 530	197 289	373 547	280 717
Payments for deductions from salary	1 375	1 502	1 956	2 137
Payments by return to personae	2 319	2 719	3 300	3 869
Payments for credit cards	4 226	4 251	6 013	6 049
Payments for debts to other enterprises	30 093	37 924	42 818	53 961
Total	300 543	243 685	427 634	346 733

Supplement to the balance sheet

(36) Unpaid previous years dividends

	Ls	Eur
31.12.2007	25 528	36 323
Calculated	0	0
Paid off	470	669
31.03.2008	25 058	35 654

(37) Accrued liabilities

	2008 year 3 months Ls	2007 year 3 months Ls	2008 year 3 months EUR	2007 year 3 months EUR
For services	243 174	130 920	346 005	186 282
Accruals for vocations	244 344	221 474	347 671	315 130
Total	487 518	352 394	693 676	501 412

Chairman of the Board

V. MELNIKS

Member of the Board

I.KOMAROVS

Member of the Board

A.STOLDERS

Member of the Board

L.ARTEMENKO

Member of the Board

I.RUDZATE

30 May 2008