

“RIGA SHIPYARD” JSC /AS “RĪGAS KUĢU BŪVĒTAVA /

***“RIGA SHIPYARD” JSC
financial statements for 9 months of the year 2009
(not audited)
(not consolidated)***

Riga, 2009

Content

	<i>Pages</i>
Information on the company	3
Directorship report	4
Profit& loss calculation	5
Balance sheet	6
Cash flow statement	8
Equity changes report	9
Notes to the financial statements	10

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 enterprise	“Remars Granula” SIA	
Address	2 Gales street, Riga, LV-1015	
Partnership	49,80%	
Name, surnames and positions of members of the Board		
Vasilijs Melniks	Chairman of the Board,	p. ID 310867-10726
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
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 (resigned on 04.06.2009)
Juris Kaksitis	Member of the Council,	p. ID 270443-10124
Gaidis Andrejs Zeibots	Member of the Council,	p. ID 260645-10807 (appointed on 05.06.2009)
Chief accountant	Marina Pudova	Phone 67080868
Annual report	1 January – 30 September 2009	
Tax authority	SRS Large tax payers department	
Name and address of an auditor	Natalija Zaiceva, p ID 140366-10722 Sworn auditors firm KSIA “OHY ORIENTS N” LSAA certificate No 28	
Responsible person	Larisa Artemenko Member of the board t. 67353411, 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 September 30th 2009, 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. MELNIKS

November 30th, 2009
“Riga Shipyard” JSC

Profit & Loss calculation for 2009 year 9 months and 2008 year 9 months

	Remarks	2009 9 months Ls	2008 9 months Ls	2009 9 months EUR	2008 9 months EUR
Net turnover	(1)	15 916 440	30 094 684	22 647 054	42 820 878
Sold production operating costs	(2)	16 821 384	29 909 871	23 934 673	42 557 912
Gross profit or losses		(904 944)	184 813	(1 287 619)	262 966
Selling costs	(3)	28 420	38 122	40 438	54 243
Administration costs	(4)	565 526	617 784	804 671	879 027
Other enterprise's business activity's income	(5)	853 146	819 746	1 213 917	1 166 393
Other enterprise's business activity's costs	(6)	572 111	643 145	814 041	915 113
Profit & Losses of business activity's		(1 217 855)	(294 492)	(1 732 852)	(419 024)
Income from other capital participation, securities and loans forming part of the fixed assets		89		127	
Other percents and the like income	(7)	743 454	326 082	1 057 840	463 973
Payment off percents and the like costs	(8)	126 540	318 798	180 050	453 609
Profit & Losses prior to extra ordinary items and taxes		(600 852)	(287 208)	(854 935)	(408 660)
Profit & loss prior to taxes		(600 852)	(287 208)	(854 935)	(408 660)
Income taxes of the enterprise	(9)	19 268	28 684	27 416	40 814
Other taxes	(10)	71 740	74 993	102 077	106 705
Year of account profit & loss (net income)		(691 860)	(390 885)	(984 428)	(556 179)

Chairman of the Board

V. MELNIKS

Member of the Board

L.ARTEMENKO

November 30th, 2009

“Riga shipyard” JSC
financial statements for 9 months of the year 2009

ASSETS	Remarks	2009 9 months Ls	2008 9 months Ls	2009 9 months EUR	2008 9 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		19 584	30 173	27 866	42 932
4. Goodwill					
5. Advance payments of intangible investments		167 895	167 431	238 893	238 233
Intangible investments in total	11	187 479	197 604	266 759	281 165
II Fixed assets					
1. Lands, buildings, constructions, perennial plants		3 817 762	3 558 324	5 432 186	5 063 040
2. Long-term investments into leased fixed assets		28 615	55 752	40 715	79 328
3. Equipment and machinery		13 678 329	13 989 837	19 462 509	19 905 744
4. Other fixed assets and stock		352 431	431 320	501 464	613 713
5. Up building of fixed assets and unfinished building objects costs		359 397	399 442	511 376	568 354
6. Advanced payments for fixed assets			37 934		53 976
Fixed assets in total		18 236 534	18 472 609	25 948 250	26 284 155
III Property deposit					
		437 480	427 526	622 478	608 315
Fixed assets and property deposit in total	12	18674014	18 900 135	26 570 728	26 892 470
IV Long-term financial investments					
1. Participation in capital of related companies					
2. Participation in capital of associated companies	13	3 008 147	3 008 147	4 280 208	4 280 208
3. Loans to the associated companies			283 540		403 441
4. Other equities and investments	14	165	165	235	235
5. Other loans and other long-term debtors	15	555 394	562 264	790 254	800 030
6. Loans to copartners of the enterprises and to the directorship	16	332 284	342 284	472 798	487 026
7. Long-term deposits	17	12 861 314	4 322 245	18 300 001	6 150 000
Long-term financial investments in total		16 757 304	8 518 645	23 843 496	12 120 940
Long-term investments in total		35 618 797	27 616 384	50 680 983	39 294 575
Current assets					
I Reserves					
1. Raw materials, direct materials and auxiliary materials	18	3 049 958	4 096 566	4 339 699	5 828 888
2. Unfinished production	19	1 017 841	904 947	1 448 257	1 287 624
3. Unfinished order	20	509 209	475 573	724 539	676 679
4. Advance payments for goods	21	6 469 646	3 876 124	9 205 477	5 515 228
Reserves in total		11 046 654	9 353 210	15 717 972	13 308 419
II Debts of debtors					
1. Debts of buyers and customers	22	2 948 320	4 480 473	4 195 081	6 375 139
2. Associated companies debts	23	388 966	153 684	553 449	218 673
3. Other debtors	24	359 920	535 771	512 120	762 333
4. Short-term loans to copartners of the enterprise's and to the directorship costs	25	224 366	222 676	319 244	316 839
5. Next period costs	26	72 524	119 297	103 192	169 744
6. Accrued proceeds	27	2 185 874	6 075 922	3 110 218	8 645 257
Debtors in total		6 179 970	11 587 823	8 793 304	16 487 985
III Short-term financial investments					
1. Participation in capital of related companies					
Short-term financial investments in total					
Cash assets	28	228 214	844 516	324 719	1 201 639
Current assets in total		17 454 838	21 785 549	24 835 995	30 998 043
Assets in total		53 073 635	49 401 933	75 516 978	70 292 618

Chairman of the Board
Member of the Board

V. MELNIKS
L.ARTEMENKO

“Riga shipyard” JSC
financial statements for 9 months of the year 2009

LIABILITIES	Remarks	2009 9 months Ls	2008 9 months Ls	2009 9 months EUR	2008 9 months EUR
I Equity capital					
Stok or share capital (equity capital)	29	11 672 107	11 672 107	16 607 912	16 607 912
2. Long-term investment revaluation reserve		8 694 369	10 666 906	12 370 973	15 177 640
3. Retained earnings					
a) previous years retained earnings		3 286 347	3 077 375	4 676 051	4 378 710
b) year of account retained earnings		(691 860)	(390 885)	(984 428)	(556 179)
<i>Retained earnings in total</i>		2 594 487	2 686 490	3 691 623	3 822 531
Equity capital in total		22 960 963	25 025 503	32 670 508	35 608 083
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		6 842		9 735	
2. Deferred taxation reserves liabilities		2 024 555	417 985	2 880 682	594 739
Long-term debts in total		2 031 397	417 985	2 890 417	594 739
II Short-term debts					
1. Loans from credit institutions	30	4 312 972	5 026 042	6 136 806	7 151 413
2. Liability of leasing	31	433		616	
3. Advance payments received from buyers	32	21 649 436	13 485 693	30 804 372	19 188 412
4. Debts to suppliers and contractors	33	1 120 896	3 792 205	1 594 891	5 395 822
5. Debts to associated companies	34	1 961	293	2 790	417
6. Taxes and social insurance payments	35	163 787	229 231	233 048	326 166
7. Other creditors	36	243 580	312 104	346 583	444 084
8. Next period income	37	6 833	8 000	9 722	11 383
9. Unpaid previous years dividends	38	24 915	25 017	35 451	35 596
	39	556 462	1 079 860	791 774	1 536 503
Short-term creditors in total		28 081 275	23 958 445	39 956 053	34 089 796
Creditors in total		30 112 672	24 376 430	42 846 470	34 684 535
Total		53 073 635	49 401 933	75 516 978	70 292 618

Chairman of the Board

V. MELNIKS

Member of the Board

L. ARTEMENKO

November 30th, 2009

Cash flow statement for 2009 year 9 months and 2008 year 9 months

	2009 9 months Ls	2008 9 months Ls	2009 9 months EUR	2008 9 months EUR
A Cash flow from primary activity				
Sales income	19 302 362	32 618 203	27 464 787	46 411 522
Cash to suppliers, personnel and others primary activity costs	21 037 071	34 031 777	29 933 055	48 422 856
Gross cash flow from primary activity	(1 734 709)	(1 413 574)	(2 468 268)	(2 011 334)
Interest paid	126 540	318 798	180 050	453 609
Corporate income tax	3747		5 332	
Primary activity before extraordinary items	(1 864 996)	(1 732 372)	(2 653 650)	(2 464 943)
Cash flow from extraordinary items	(1 864 996)	(1 732 372)	(2 653 650)	(2 464 943)
Net cash flow from primary activity	(1 864 996)	(1 732 372)	(2 653 650)	(2 464 943)
B Cash flow from investment activity				
Selling out of shares				
Paid for fixed assets acquisition	208 958	398 194	297 320	566 579
Received for the fixed assets sold	3 217	50 504	4 577	71 861
Loans granted	3 651	2 706	5 195	3 850
Accrued proceeds	8 539 069	4 322 245	12 150 001	6150000
Repayment of loans		8 216		11 690
Interest received	743 454	326 082	1 057 840	463 973
Dividend received	89		127	
Net cash flow from financial activity	(8 004 918)	(4 338 343)	(11 389 972)	(6172905)
C Cash flow from financial activities				
Loan received				
Loan repaid	1 532 414	2 315 032	2 180 429	3 293 994
Dividend paid	2	3 461	3	4 924
Net cash flow from financial activities	(1 532 416)	(2 318 493)	(2 180 432)	(3 298 918)
Result of currency exchange rates changing	(4 716)	(1 179)	(6 710)	(1 678)
Net cash flow and equivalent increase or decrease (A+B+C)	(11 407 046)	(8 390 387)	(16 230 764)	(11 938 444)
Cash and equivalent thereof at beginning of the period of accounts	11 635 260	9 234 903	16 555 483	13 140 083
Cash and equivalent thereof at the end of the period of account	228 214	844 516	324 719	1 201 639

Chairman of the Board

V. MELNIKS

Member of the Board

L.ARTEMENKO

November 30th, 2009

Changes in own capital report for 2009 year 9 months and 2008 year 9 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 31.12.2007	11672107	16607912	10666906	15177640	3077375	4378710	25416388	36164262
Reevaluation reserve								
Dividends								
Period of account net profit & loss					(390885)	(556179)	(390885)	(556179)
Balance as at 30.09.2008	11672107	16607912	10666906	15177640	2686490	3822531	25025503	35608083
Balance as at 31.12.2008	11672107	16607912	8868979	12619419	3286347	4676051	23827433	33903382
Reevaluation reserve			(174610)	(248446)			(174610)	(248446)
Dividends								
Period of account net profit & loss					(691860)	(984428)	(691860)	(984428)
Balance as at 30.09.2009	11672107	16607912	8694369	12370973	2594487	3691623	22960963	32670508

EPS uz 30.09.2008. $LVL(390885) : 11672107 = (0,03)$ LVL vai $(0,05)$ EUR ;
EPS uz 30.09.2009. $-(0,06)$ LVL vai $(0,09)$ EUR

Chairman of the Board

V. MELNIKS

Member of the Board

L.ARTEMENKO

November 30th, 2009

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 30.09.2009.

Notes to the financial statements

Accounting policy

(1) General principles

The annual report has been prepared in compliance with “International Accounting Standard”(IAS) and “International Reporting Standard”(IFRS).

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) Income recognition and net sales

Net sales contains the total value of goods and services sold during the period under review excluding discounts and value added tax.

Income is recognized according to the following principles:

Sales of goods - after significant ownership risk and rewards have been passed to the buyer;

Rendering of services - under the percentage of completion method;

Income from fines and penalties - at the moment of receiving the payments;

Interest income - on an accrual basis;

Dividends - at the moment of acquiring legal rights to receive them.

(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 September:

	<u>30.09.2009.</u> <u>Ls</u>	<u>30.09.2008.</u> <u>Ls</u>
1 USD	0.480	0.486
1 EUR	0.702804	0.702804
1 NOK	0.0825	0.0850
1 GBP	0.765	0.887
1 RUB	0.0159	0.0194

(5) Fixed assets and low-grade stock

Intangible and fixed assets are initially defined at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are defined at purchase cost or revalued amount less depreciation.

Increase in value arising from revaluation is shown in equity under “Long-term investments revaluation reserve”.

Depreciation is calculated on a straight-line basis applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets:

	Depreciation % per annum
Buildings	2 – 15
Other buildings and constructions	3,5 – 20
Technological equipment	5 – 50
Other fixed assets and stock	10 – 40

Wear of basic means begins to count from the first date of the next month after its delivery to exploitation and is finished by the first date of the next after its exclusion from the basic means.

Company capitalizes permanent assets with value more than 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.

In case of the obvious evident that as a result of fixed asset’s repair and reconstruction in the future the economical achieved effect would be higher that the primary defined output, then such investments are capitalized as an additional cost of fixed assets staff. With capitalization of the spare parts installation expense the remaining cost of exchange spare parts is written off to the profit or losses account.

Net profit or losses from fixed assets disposal is calculated as the difference between fixed assets balanced value and income received from the sales and defined in the income or loss calculation of the period where they had occurred from.

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

Riga Shipyard's new building incomes 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) Income tax of the enterprise

Enterprise income tax was calculated according to Latvia Republic tax laws. Tax laws in 2009 and further fix 15% tax rate.

Deferred taxation was referable to all short-term distinctions, which appear as a result of making accountancy of earnings and expenses according to tax laws. Deferred taxation is liability, which was calculated using tax rates. The main short-term distinctions appear from distinctions of fixed assets and nonmaterial wealth depreciation norms in taxes and financial bookkeeping calculation.

Deferred taxation assets item was included in financial reports only when regain of assets is real.

(16) Taxes

There has been made reconciliation of taxes liabilities by State Revenue Service data.

(17) Bookkeeping arrangement

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

(18) 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.

(19) Financial risks

The principal financial instruments of the Company are money. The main objective of these financial instruments is to provide financing for the operations of the Company. The Company interacts with various other financial instruments, for example, trade receivables and payables and other creditors, following directly from its operations.

Financial risks, connected with the financial instruments of the Company, mainly, are interest rate risk, liquidity risk and credit risk.

In the conditions of regular activities the Enterprise is subject to credit and foreign exchange risks.

(20) Credit risk

The Company is subject to the credit risk with respect to the debts of its buyers and customers, issued short-term loans and money and its equivalents. The Company manages its credit risk constantly reviewing the repayment history of the client debts and stating the credit conditions for each client separately.

The Company has no significant concentration of credit risk on any separate business partner or group of partners corresponding to the similar description.

(21) Percentage risk

Enterprise is subjected from credit interest rate changing risk.

(22) Currency risk

The company is subject to foreign currency exchange rate fluctuations; mainly due to its loans and other operations performed in euro currency as well as trade receivables is also in euro.

Since 2005 the Bank of Latvia has stated a fixed official currency exchange rate for lats against euro, i.e. 0.702804, and ensure that the market rate will not differ from the official rate by more than 1%. As far as the Bank of Latvia maintains the above mentioned exchange corridor, the Company will not have a significant currency exchange risks in respect of assets and liabilities nominated in euro.

(23) Dividend

Dividend was reflex as fixed in announced period.

(24) Retraining

In comparative readings for year 2008 in necessary cases individual post classification is changed in order to meet post classification for year 2009.

Profit & Loss calculation supplement

(1) Net turnover	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
On aspects of business				
Shipbuilding	6 888 702	9 569 761	9 801 740	13 616 543
Ship repair	8 876 480	20 266 794	12 630 093	28 837 050
Mechanical engineering	83 190	83 985	118 369	119 500
Other works	68 068	174 144	96 852	247 785
Total	15 916 440	30 094 684	22 647 054	42 820 878

(2) Sold products operating costs

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Material costs (raw materials and materials, value of goods, services from outside)	12 121 855	23 960 234	17 247 846	34 092 342
Remuneration of labor	2 963 622	3 904 356	4 216 854	5 555 398
Social insurance costs	688 119	911 927	979 105	1 297 555
Depreciation of fixed assets	741 831	729 493	1 055 530	1 037 975
Other costs	305 957	403 861	435 338	574 642
Total	16 821 384	29 909 871	23 934 673	42 557 912

(3) Selling costs

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Advertisement	28 420	38 122	40 438	54 243
Total	28 420	38 122	40 438	54 243

(4) Administration costs

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Liaison costs	6 705	9 032	9 540	12 851
Office maintenance costs	4 175	4 501	5 940	6 404
Salary of administration	53 274	37 303	75 802	53 077
Remuneration of the board	172 750	210 929	245 801	300 125
Remuneration of the council	139 500	159 885	198 491	227 496
Social insurance costs	84 971	70 426	120 903	100 207
Depreciation of fixed assets	17 863	28 351	25 417	40 340
Transport costs, travel allowances	48 111	65 766	68 456	93 577
Legal services	78	1 576	111	2 242
Insurance	5 184	7 519	7 376	10 699
Representation costs	11 775	10 620	16 754	15 111
Transport representative costs	21 140	11 876	30 080	16 898
Total	565 526	617 784	804 671	879 027

Profit & Loss calculation supplement

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

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Income generated by transport services rendering	83	598	118	851
Income generated by leased FA payments and public services	577 185	412 425	821 260	586 828
Tugboat services income	90 762	87 239	129 143	124 130
Selling out of raw materials and materials	159 650	259 873	227 161	369 766
Educational services	187	4 477	266	6 370
Income generated by chemical analyses	2 091	2 728	2 975	3 882
Income generated by realization of fixed assets	1 352	13 251	1 924	18 854
Education expenses recovery	0	3 842	0	5 467
Profit gained from currency exchange rate difference	8 494	0	12 086	0
Previous year income	0	23 177	0	32 978
Currency selling income	415	0	590	0
Other income	12 927	12 136	18 394	17 267
Total	853 146	819 746	1 213 917	1 166 393

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

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Material purchase costs	137 140	240 688	195 133	342 468
Losses due to currency rate fluctuation	0	1 870	0	2 661
Losses incurred by currency selling out	102 094	53 260	145 267	75 782
Medical services	8 405	10 406	11 959	14 806
Costs on tugboat services	33 069	47 750	47 053	67 942
Donations	2 116	14 750	3 011	20 987
Material benefits	220	11 975	313	17 039
Burial costs	1 410	1 304	2 006	1 855
Costs incurred by fixed assets’ exclusion	214	1 996	304	2 840
Representation costs	8 387	7 386	11 934	10 509
Costs on maintenance of leased FA	262 983	242 760	374 191	345 416
Previous year costs	15 146	0	21 551	0
Other costs	927	9 000	1 319	12 808
Total	572 111	643 145	814 041	915 113

Profit & Loss calculation supplement

(7) Other percents and the like income

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Depositing percentage	743 228	322 007	1 057 518	458 175
Bank interests	226	1 520	322	2 163
Interests income for loans	0	2 555	0	3 635
Total	743 454	326 082	1 057 840	463 973

(8) Payment off percents and the like costs

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Paid off penalty	612	5 116	871	7 279
Paid off interests	79 056	248 053	112 487	352 948
Guarantee maintenance	46 872	65 629	66 692	93 382
Total	126 540	318 798	180 050	453 609

(9) Income taxes of the enterprise

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Income tax advance payments	19 268	28 684	27 416	40 814
Total	19 268	28 684	27 416	40 814

(10) Other taxes

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Real estate tax	71 740	74 993	102 077	106 705
Total	71 740	74 993	102 077	106 705

Supplement to the balance sheet

(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						
01.01.2009.			70409		167701	238110
Bought			3880		1694	5574
Written off						
Relocated					1500	1500
Revaluated						
30.09.2009.			74289		167895	242184
Depreciation						
01.01.2009			43756			43756
Estimated			10949			10949
Written off						
30.09.2009.			54705			54705
Balance value 01.01.2009.			26653		167701	194354
Balance value 30.09.2009.			19584		167895	187479

(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						
01.01.2009.			100183		238617	338800
Bought			5521		2410	7931
Written off						
Relocated					2134	2134
Revaluated						
30.09.2009.			105704		238893	344597
Depreciation						
01.01.2009.			62259			62259
Estimated			15579			15579
Written off						
30.09.2009.			77838			77838
Balance value 01.01.2009.			37924		238617	276541
Balance value 30.09.2009.			27866		238893	266759

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								
01.01.2009.	5825261	531039	28615	18495598	960479	128891	5835	25975718
Bought	95294	0	0	215937	2953	544690	59575	918449
Written off	140	0	0	51394	1249	314184	65410	432377
30.09.2009.	5920415	531039	28615	18660141	962183	359397	0	26461790
Depreciation								
01.01.2009.	1964620	89279	0	4490582	546962	0	0	7091443
Estimated	138173	4280	0	367643	64040	0	0	574136
Written off	140	0	0	51023	1250	0	0	52413
Relocated				174610				174610
30.09.2009.	2102653	93559	0	4981812	609752	0	0	7787776
Balance value 01.01.2009.	3860641	441760	28615	14005016	413517	128891	5835	18884275
Balance value 30.09.2009.	3817762	437480	28615	13678329	352431	359397	0	18674014

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

	Land, buildings, constructions	Investment assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
Initial value								
01.01.2009.	8288600	755600	40715	26316865	1366639	183395	8302	36960116
Bought	135591	0	0	307251	4202	775024	84768	1306836
Written off	199			73127	1777	447043	93070	615216
30.09.2009.	8423992	755600	40715	26550989	1369064	511376	0	37651736
Depreciation								
01.01.2009.	2795403	127032	0	6389523	778257	0	0	10090215
Estimated	196602	6090	0	523109	91121	0	0	816922
Written off	199	0	0	72598	1778	0	0	74575
Relocated				248446				248446
30.09.2009.	2991806	133122	0	7088480	867600	0	0	11081008
Balance value 01.01.2009.	5493197	628568	40715	19927342	588382	183395	8302	26869901
Balance value 30.09.2009.	5432186	622478	40715	19462509	501464	511376	0	26570728

Supplement to the balance sheet

(13) Partnership in capital of associated companies

	30.09.2009. Ls	30.09.2008. Ls	30.09.2009. EUR	30.09.2008. EUR
Branch enterprise “Tosmare shipyard” JSC investment value	2 164 782	2 164 782	3 080 207	3 080 207
SIA “Remars Granula”	843 365	843 365	1 200 000	1 200 000
Investments	3 008 147	3 008 147	4 280 207	4 280 207

(14) Other equities and investments

Name enterprise	Parts or shares	Parts or shares value		30.09.2009.			30.09.2008.		
		2009	2008	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

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Student loan payout	56 952	48 816	81 035	69 459
Shares loan payout	498 442	513 448	709 219	730 571
Total	555 394	562 264	790 254	800 030

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

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Long-term loans	332 284	342 284	472 798	487 026
Total	332 284	342 284	472 798	487 026

Supplement to the balance sheet

(17) Long-term deposit

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
	12 861 314	4 322 245	18 300 001	6 150 000
Total	12 861 314	4 322 245	18 300 001	6 150 000

The enterprise had made investments at JSC “UniCredit Bank” with final term 2011-2012 that serves as a loan (financial guarantee) to 4 signed guarantee agreements dated July 10th 2008 referring guarantee delivery and agreements dated January 28th 2009 on issuance of letters of credit concluded between “JSC “Riga Shipyard” and JSC “UniCredit Bank” based on May 30 2008 agreement concluded between “JSC “Riga Shipyard” and ‘Abeking & Rasmussen” Schiffts- un Yachtwerft GMBH & Co. KG about 5 SWAT vessels building and delivery to the Ministry of Defense.

(18) Raw materials, direct materials and auxiliary materials

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Total	3 049 958	4 096 566	4 339 699	5 828 888

(19) Unfinished production

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Shipbuilding orders	1 017 841	904 947	1 448 257	1 287 624
Total	1 017 841	904 947	1 448 257	1 287 624

(20) Unfinished orders

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
1) Ship repair orders	404 437	452 982	575 462	644 535
2) Mechanical engineering orders	96 014	19 089	136 616	27 161
3) Various	8 758	3 502	12 461	4 983
Total	509 209	475 573	724 539	676 679

Supplement to the balance sheet

(21) Advance payments for goods

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Total	6 469 646	3 876 124	9 205 477	5 515 228
	6 469 646	3 876 124	9 205 477	5 515 228

(22) Debts of buyers and customers

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Buyers and customers accounting value	3 176 536	4 706 784	4 519 803	6 697 151
Generated reserves	(228 216)	(226 311)	(324 722)	(322 012)
Balance net value	2 948 320	4 480 473	4 195 081	6 375 139

(23) Associated companies debts

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
“Tosmare shipyard” JSC	34 977	58 207	49 768	82 821
SIA “Remars Granula”	353 989	95 477	503 681	135 852
Total	388 966	153 684	553 449	218 673

(24) Other debtors

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Accounting value	501 399	669 771	713 426	952 998
Generated reserves	(141 479)	(134 000)	(201 306)	(190 665)
Balance net value	359 920	535 771	512 120	762 333

Other debtors debts are as following:

Accounted VAT	2 816	2 816	4 007	4 007
Overpaid taxes				
– Value added tax	92 324	285 746	131 365	406 580
– Enterprise income tax	29 960	5 829	42 629	8 294
Payments personal debts	1 029	1 021	1 464	1 453
Payment of salary				
Short-term loans for “Tosmare Shipyard” JSC’S shares	14 961	14 955	21 288	21 279
Advance payment of service	216 580	186 222	308 166	264 970
Other debtors	2 250	39 182	3 201	55 750
Total	359 920	535 771	512 120	762 333

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

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
	224 366	222 676	319 244	316 839
Total	224 366	222 676	319 244	316 839
		Directorship, copartners Ls		Directorship, copartners EUR
JSC “Remars Riga”		214 366		305 015
Leaders debt for shares		10 000		14 229
30.09.2009.		224 366		319 244

(26) Next period costs

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Enterprise’s property insurance premium sum	10 138	15 157	14 425	21 566
Subscription to the press	259	415	369	590
Inviting of specialists	4 805	40 451	6 837	57 557
Insurance of health	4 298	10 612	6 116	15 100
Check of floating means	13 188	12 693	18 765	18 061
Expenses for repair of the rented basic means	16 083	17 231	22 884	24 518
Advertisement	4 311	918	6 134	1 306
Payment lease of land	5 978	5 978	8 506	8 506
Exhibition	0	3 934	0	5 598
Transport representative costs	5 677	7 261	8 078	10 331
Other costs	7 787	4 647	11 078	6 611
Total	72 524	119 297	103 192	169 744

(27) Accrued proceeds

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Shipbuilding	2 185 874	6 075 922	3 110 218	8 645 257
Total	2 185 874	6 075 922	3 110 218	8 645 257

Supplement to the balance sheet

(28) Cash assets

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Money at a cash department	1 975	3 931	2 810	5 593
Money on current accounts	84 269	64 080	119 904	91 178
Deposit	141 970	776 505	202 005	1 104 868
Total	228 214	844 516	324 719	1 201 639

(29) 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.

Supplement to the balance sheet

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

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
	4 312 972	5 026 042	6 136 806	7 151 413
Total	4 312 972	5 026 042	6 136 806	7 151 413

(31) Liability of leasing

	2009.g. 9 mēn. Ls	2008.g. 9 mēn. Ls	2009.g. 9 mēn. EUR	2008.g. 9 mēn. EUR
UniCredit Leasing including				
Long (-term)	6 842	0	9 735	0
Short (-term)	433	0	616	0
Total	7 275	0	10 351	0

Supplement to the balance sheet

(32) Advance payments received from buyers

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
For shipbuilding	21 635 834	13 433 438	30 785 018	19 114 060
For ship repair	10 937	44 120	15 562	62 777
Others	2 665	8 135	3 792	11 575
Total	21 649 436	13 485 693	30 804 372	19 188 412

(33) Debts to suppliers and contractors

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Debts for materials	322 218	1 409 327	458 475	2 005 292
Debts subcontractors	798 678	2 382 878	1 136 416	3 390 530
Total	1 120 896	3 792 205	1 594 891	5 395 822

(34) Debts to associated companies

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
“Tosmare shipyard” JSC	1 961	293	2 790	417
Total	1 961	293	2 790	417

(35) Taxes and social insurance payments

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Social insurance payments	116 270	133 082	165 437	189 359
Residents income tax	45 046	88 028	64 095	125 253
Risk tax	170	206	242	293
Enterprise income tax	118	0	168	0
Natural resources tax	2 183	7 915	3 106	11 261
Total	163 787	229 231	233 048	326 166

Supplement to the balance sheet

(36) Other creditors

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Salary	198 215	271 494	282 035	386 301
Payments for deductions from salary	932	1 532	1 326	2 180
Payments for debts to other enterprises	44 433	39 078	63 222	55 603
Total	243 580	312 104	346 583	444 084

(37) Next period income

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
Free of charge received base means had been formed that will be referred to PL incomings at the period of base means use.	6 833	8 000	9 722	11 383
Total	6 833	8 000	9 722	11 383

Supplement to the balance sheet

(38) Unpaid previous years dividends

	Ls	EUR
31.12.2008.	24 917	35 454
Calculated	0	0
Paid off	2	3
30.09.2009.	24 915	35 451

(39) Accrued liabilities

	2009 year 9 months Ls	2008 year 9 months Ls	2009 year 9 months EUR	2008 year 9 months EUR
For services	293 470	835 516	417 570	1 188 832
Accruals for vocations	262 992	244 344	374 204	347 671
Total	556 462	1 079 860	791 774	1 536 503

We confirm pages 1 through 27 of the “Financial Statements for 9 months of the Year 2009”:

Chairman of the Board

V. MELNIKS

Member of the Board

I.KOMAROVS

Member of the Board

L.ARTEMENKO

Member of the Board

I.RUDZATE

November 30th, 2009

Shares

JSC "Rīgas kuģu būvētava" shares are listed on NASDAQ OMX Riga Secondary market since May 5, 1997:

ISIN	LV0000100378
Ticker	RKB1R
Nominal value	1,00 LVL
Total number of securities	11 672 107
Number of listed securities	10 000 000
Indexes	B20GI, B20PI, OMXBGI, OMXBPI, OMXRGI

JSC "Rīgas kuģu būvētava" share price development for the period 01.01.09 – 30.09.09



Currency: LVL

Open	0,19 LVL
Max	0,32 LVL
Min	0,15 LVL
Last	0,28 LVL
Change	47,37 %
Deals	385
No of shares traded	377 420
Turnover	73 770,57 LVL