

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

***“RIGA SHIPYARD” JSC  
financial statements for 3 months of the year 2010***

***(not audited)  
(not consolidated)***

***Under EU Approved International Standards for Financial  
Statements***

***Riga, 2010***

***Content***

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**Information on the company**

Name of the company	<b>Joint stock company “Riga shipyard”</b>	
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 Address Partnership	“Tosmare Shipyard” JSC Reg.No. 42103022837 42/44 Generala Baloza Street, Liepaya 49,72%	
Associate enterprise Address Partnership	“Remars Granula” SIA Reg.Nr.54103022521 2 Gales street, Riga, LV-1015 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
Einars Buks	Member of the Board	p. ID 270764 – 12854 (appointed on 29.01.2010)
Name, surnames and positions of members of the Council		
Sergejs Golcins	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
Juris Kaksitis	Member of the Council,	p.ID 270443 – 10124
Gaidis Andrejs Zeibots	Member of the Council,	p.ID 260645 – 10807
Chief accountant	Marina Pudova	Phone 67080868
Annual report Tax authority	<b>1 January – 31 March 2010</b> SRS Large tax payers department	
Name and address of an auditor	Natalija Zaiceva, p ID 140366-10722 LACA certificate. No. 138  Sworn auditors firm KSIA “ UHY “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 JSC “Riga Shipyard” (The Company) endorses that, according to information available at the time of preparing this report, Financial statements give a true picture of the Company’s financial situation on March 31st 2010 and its performance and cash flow in all significant aspects. The above mentioned financial statements are under the International Standards of Financial Statements approved by EU.

The board endorses that, preparing this report:

- there were used corresponding accounting methods, their application was consequent;
- there were made reasonable and prudent resolutions;
- it was guided by business continuation principle.

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.

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***

May 31th, 2010  
“Riga Shipyard” JSC

**Profit & Loss calculation for 2010 year 3 months and 2009 year 3 months**

	Remarks	<b>2010 3 months Ls</b>	<b>2009 3 months Ls</b>	<b>2010 3 months EUR</b>	<b>2009 3 months EUR</b>
Net turnover	1	2 007 817	5 731 964	2 856 866	8 155 850
Sold production operating costs	2	2 486 582	6 547 420	3 538 087	9 316 139
<b>Gross profit or losses</b>		<b>(478 765)</b>	<b>(815 456)</b>	<b>(681221)</b>	<b>(1 160 289)</b>
Selling costs	3	2 694	3 433	3 833	4 885
Administration costs	4	128 016	197 289	182 150	280 717
Other enterprise's business activity's income	5	342 448	276 975	487 260	394 100
Other enterprise's business activity's costs	6	266 703	188 935	379 484	268 830
<b>Profit &amp; Losses of business activity's</b>		<b>(535 730)</b>	<b>(928 138)</b>	<b>(759 428)</b>	<b>(1 320 621)</b>
Income from investments in capital of related and associated companies					
Other percents and the like income	7	120 291	276 112	171159	392 872
Payment off percents and the like costs	8	36 554	56 324	52012	80 142
<b>Profit &amp; Losses prior to extra ordinary items and taxes</b>		<b>(449 993)</b>	<b>(708 350)</b>	<b>(640281)</b>	<b>(1 007 891)</b>
<b>Profit &amp; loss prior to taxes</b>		<b>(449 993)</b>	<b>(708 350)</b>	<b>(640281)</b>	<b>(1 007 891)</b>
Income taxes of the enterprise	9	5 460	14 988	7769	21 326
Other taxes	10	26 113	23 871	37155	33 966
<b>Year of account profit &amp; loss (net income)</b>		<b>(481 566)</b>	<b>(747 209)</b>	<b>(685205)</b>	<b>(1 063 183)</b>
<b>Profit or loss per share</b>		<b>-0.04 LVL</b>	<b>-0.06 LVL</b>	<b>-0.06 EUR</b>	<b>-0.08 EUR</b>

Chairman of the Board

**V. MELNIKS**

Member of the Board

**L.ARTEMENKO**

May 31th, 2010

*“Riga shipyard” JSC*  
*financial statements for 3 months of the year 2010*

**Balance as at 31 March 2010 year**

ASSETS	Rem arks	31.03.2010 Ls	31.03.2009 Ls	31.03.2010 EUR	31.03.2009 EUR
<b>Long-term investments</b>					
<b>I Intangible investments</b>					
1 Other intangible investments		13463	27012	19157	38435
2 Advance payments of intangible investments		167895	167895	238894	238893
<b>Intangible investments in total</b>		<b>11</b>	<b>181358</b>	<b>194907</b>	<b>258051</b>
<b>II Fixed assets</b>					
1. Lands, buildings, constructions, perennial plants		3951570	3814579	5622577	5427657
2. Long-term investments into leased fixed assets		560	28615	796	40715
3. Equipment and machinery		13992894	13866672	19910094	19730497
4. Other fixed assets and stock		321361	391420	457257	556940
5. Up building of fixed assets and unfinished building objects costs		431444	306999	613888	436820
6. Advanced payments for fixed assets		19000	35999	27035	51222
<b>Fixed assets in total</b>		<b>12</b>	<b>18716829</b>	<b>18444284</b>	<b>26631647</b>
<b>III Property deposit</b>					
		447440	440334	636649	626539
<b>Fixed assets and property deposit in total</b>		<b>12</b>	<b>19164269</b>	<b>18884618</b>	<b>27268296</b>
<b>IV Long-term financial investments</b>					
1. Participation in capital of related companies	13	3008147	3008147	4280207	4280207
2. Participation in capital of associated companies					
3. Other equities and investments	14	165	165	235	235
4. Other loans and other long-term debtors	15	543104	555394	772767	790254
5. Loans to copartners of the enterprises and to the directorship	16	322284	332284	458569	472798
6. Long-term deposit	17	2909609	4322245	4140000	6150000
<b>Long-term financial investments in total</b>			<b>6783309</b>	<b>8218235</b>	<b>9651778</b>
<b>Long-term investments in total</b>			<b>26128936</b>	<b>27297760</b>	<b>37178125</b>
<b>Current assets</b>					
<b>I Reserves</b>					
1. Raw materials, direct materials and auxiliary materials	18	2481528	3600938	3530896	5123673
2. Unfinished production	19	1564779	789097	2226480	1122785
3. Unfinished order	20	364701	450080	518923	640406
4. Advance payments for goods	21	6978392	3863571	9929357	5497366
<b>Reserves in total</b>			<b>11389400</b>	<b>8703686</b>	<b>16205656</b>
<b>II Debts of debtors</b>					
1. Debts of buyers and customers	22	2447103	3390740	3481914	4824588
2. Associated companies debts	23	395829	394313	563214	561057
3. Other debtors	24	708462	465366	1008052	662157
4. Short-term loans to copartners of the enterprise's and to the directorship	25	160865	224394	228890	319284
5. Next period costs	26	51546	108445	73343	154303
6. Accrued proceeds	27	663200	4701782	943649	6690032
<b>Debtors in total</b>			<b>4427005</b>	<b>9285040</b>	<b>6299062</b>
<b>III Short-term financial investments</b>					
<b>Short-term financial investments in total</b>					
<b>Cash assets</b>					
	28	9656502	11862719	13739964	16879129
<b>Current assets in total</b>			<b>25472907</b>	<b>29851445</b>	<b>36244683</b>
<b>Assets in total</b>			<b>51601843</b>	<b>57149205</b>	<b>73422808</b>

Chairman of the Board

**V. MELNIKS**

Member of the Board

**L.ARTEMENKO**

*“Riga shipyard” JSC*  
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<b>LIABILITIES</b>		Remarks	<b>31.03.2010</b> <b>Ls</b>	<b>31.03.2009</b> <b>Ls</b>	<b>31.03.2010</b> <b>EUR</b>	<b>31.03.2009</b> <b>EUR</b>
<b>I</b>	<b>Equity capital</b>					
	1. Stock or share capital (equity capital)	29	11672107	11672107	16607912	16607912
	2. Overrate reserved of financial fixed assets	30	8612885	8810776	12255031	12536605
	3. Retained earnings					
	a) previous years retained earnings		3019800	3286347	4296789	4676051
	b) year of account retained earnings		(481566)	(747209)	(685205)	(1063183)
	<i>Retained earnings in total</i>		<i>2538234</i>	<i>2539138</i>	<i>3611584</i>	<i>3612868</i>
	<b>Equity capital in total</b>		<b>22823226</b>	<b>23022021</b>	<b>32474527</b>	<b>32757385</b>
<b>II</b>	<b>Reserves</b>					
	<i>Reserves in total</i>					
<b>III</b>	<b>Creditors</b>					
<b>I</b>	<b>Long-term debts</b>					
	1. Liability of leasing		4139		5889	
	2. Deferred taxation reserves liabilities		2046145	2024555	2911402	2880682
	<b>Long-term debts in total</b>		<b>2050284</b>	<b>2024555</b>	<b>2917291</b>	<b>2880682</b>
<b>II</b>	<b>Short-term debts</b>					
	1. Loans from credit institutions	31	3609287	5537908	5135553	7879733
	2. Liability of leasing		1797		2557	
	3. Advance payments received from buyers	32	21263658	23658692	30255460	33663286
	4. Debts to suppliers and contractors	33	1134460	1726033	1614191	2455924
	5. Debts to associated companies		1200		1707	
	6. Taxes and social insurance payments	34	119720	171549	170346	244092
	7. Other creditors	35	204153	274864	290481	391096
	8. Unpaid previous years dividends	36	24783	24915	35263	35451
	9. Next period income	37	4833	6833	6877	9722
	10. Accrued liabilities	38	365642	700635	520262	996914
	<b>Short-term creditors in total</b>		<b>26728333</b>	<b>32102629</b>	<b>38030990</b>	<b>45677925</b>
	<b>Creditors in total</b>		<b>28778617</b>	<b>34127184</b>	<b>40948281</b>	<b>48558607</b>
	<b>Liabilities total</b>		<b>51601843</b>	<b>57149205</b>	<b>73422808</b>	<b>81315992</b>

Chairman of the Board

**V. MELNIKS**

Member of the Board

**L.ARTEMENKO**

May 31th, 2010

*“Riga shipyard” JSC*  
*financial statements for 3 months of the year 2010*

**Cash flow statement for 2010 year 3 months and 2009 year 3 months**

	2010 3 months Ls	2009 3 months Ls	2010 3 months EUR	2009 3 months EUR
<b>A Cash flow from primary activity</b>				
Sales income	5 138 486	7 601 627	7 311 407	10 816 141
Cash to suppliers, personnel and others primary activity costs	4 195 818	7 195 698	5 970 111	10 238 556
<b>Gross cash flow from primary activity</b>	<b>942 668</b>	<b>405 929</b>	<b>1 341 296</b>	<b>577 585</b>
Interest paid	36 554	56 324	52 012	80 142
Corporate income tax		3 747		5 332
Primary activity before extraordinary items	906 114	345 858	1 289 284	492 111
Cash flow from extraordinary items	906 114	345 858	1 289 284	492 111
<b>Net cash flow from primary activity</b>	<b>906 114</b>	<b>345 858</b>	<b>1 289 284</b>	<b>492 111</b>
<b>B Cash flow from investment activity</b>				
Related and associated enterprises shares acquisition				
Selling out of shares				
Paid for fixed assets acquisition	242 957	75 785	345 697	107 832
Received for the fixed assets sold	1 742	1 394	2 479	1 984
Loans granted	7 028	3 651	10 000	5 195
Decrease of long-term deposit	2 818 244		4 010 000	
Repayment of loans				
Interest received	120 291	276 112	171 159	392 873
Received dividend				
<b>Net cash flow from financial activity</b>	<b>2 690 292</b>			
<b>C Cash flow from financial activities</b>				
Loan received				
Loan repaid	1 134 831	306 545	1 614 719	436 174
Dividend paid	6	2	9	3
<b>Net cash flow from financial activities</b>	<b>(1 134 837)</b>	<b>(306 547)</b>	<b>(1 614 728)</b>	<b>(436 177)</b>
Result of currency exchange rates changing	8 967	(9 922)	12 760	(14 118)
<b>Net cash flow and equivalent increase or decrease (A+B+C)</b>	<b>2 470 536</b>	<b>22 7459</b>	<b>3 515 257</b>	<b>323 646</b>
<b>Cash and equivalent thereof at beginning of the period of accounts</b>	<b>7 185 966</b>	<b>11 635 260</b>	<b>10 224 708</b>	<b>16 555 483</b>
<b>Cash and equivalent thereof at the end of the period of account</b>	<b>9 656 502</b>	<b>11 862 719</b>	<b>13 739 965</b>	<b>16 879 129</b>

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Member of the Board

**L.ARTEMENKO**

May 31th, 2010



**Changes in own capital report for 2010 year 3 months and 2009 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
<b>Balance as at 31.12.2008</b>	<b>11672107</b>	<b>16607912</b>	<b>8868979</b>	<b>12619419</b>	<b>3286347</b>	<b>4676051</b>	<b>23827433</b>	<b>33903382</b>
Reevaluation reserve			(58203)	(82814)			(58203)	(82814)
Dividends								
Period of account net profit & loss					(747209)	(1063183)	(747209)	(1063183)
<b>Balance as at 31.03.2009</b>	<b>11672107</b>	<b>16607912</b>	<b>8810776</b>	<b>12536605</b>	<b>2539138</b>	<b>3612868</b>	<b>23022021</b>	<b>32757385</b>
<b>Balance as at 31.12.2010</b>	<b>11672107</b>	<b>16607912</b>	<b>8671089</b>	<b>12337846</b>	<b>3019800</b>	<b>4296789</b>	<b>23362996</b>	<b>33242547</b>
Reevaluation reserve *			(58204)	(82815)			(58204)	(82815)
Dividends								
Period of account net profit & loss					(481566)	(685205)	(481566)	(685205)
<b>Balance as at 31.03.2010</b>	<b>11672107</b>	<b>16607912</b>	<b>8612885</b>	<b>12255031</b>	<b>2538234</b>	<b>3611584</b>	<b>22823226</b>	<b>32474527</b>

\* Long-term asset reevaluation reserve to the calculated depreciation amount

EPS uz 31.03.2010. LVL (481566) :11672107 =(0,04) LVL vai (0,06) EUR ;

EPS uz 31.03.2009. (0,06) LVL vai (0,08) EUR

Chairman of the Board

**V. MELNIKS**

Member of the Board

**L.ARTEMENKO**

May 31th, 2010

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 31.03.2010.

## **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), approved by EU.

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 year 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) Segment Content**

**Operating Segment** is identifiable public (consuming goods and services) section, which is characterized by the risks and benefits that differs from the risks and benefits of other part of public. **Geographical Segment** is identifiable public that sells good and provides services in the particular economic environment and which is characterized by the risks and benefits that differs from the other part of public acting in the other economic environment.

#### **(5) 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:

	31.03.2010. Ls	31.03.2009. Ls
1 USD	0,521	0,532
1 EUR	0,702804	0,702804
1 NOK	0,0874	0,0797
1 GBP	0,782	0,756
1 RUB	0,0177	0,0157

### **(6) 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.

**(7) Property deposits**

Investment property is buildings, constructions and their parts that the Company owns (as owner or renter acc. to financial leasing) to get rent or to wait prices rising (appreciation), but not to use for production of goods, providing a services, for administrative purposes or to sell in course of economic activity. The Company after initial recognition evaluates its investment property according to International Accounting Standard No.16 “Fixed Assets”.

**(8) 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.

**(9) Other long-term investments.**

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

**(10) 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.

**(11) Long-term contract**

Initial and final dates of execution of the contract about creation of an active are in the different accounting periods. Revenue and Costs associated with the Contract are recognized as Revenue and Costs taking into consideration Contract works performance level (percentage) on the Balance date. Expected loss of long-term Contract at once is acceptable as Expenses.

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.

**(12) Debtors**

Debtors’ debts in the balance sheet have been shown at the net value, obtained deducting provisions for doubtful debts from the total amount of Debtor’s debts. Debtors’ actual sum complies with contracts and other accounting basic documents. Provisions for doubtful debts. are calculated by individual evaluation of every Debtor. Provisions for doubtful debts. reflect evaluation of estimated loss on the date of balance. Hopeless debts are to be written off when its recovery is admitted as impossible.

**(13) Accumulated income**

Riga Shipyard’s new building incomes are acknowledged respective to its executive degree.

**(14) Cash and cash equivalents**

In the report of cash flow consist of the money in cash-box, remnants of active bank cont and demand deposits in the credit institutions. The report of cash flow is prepared according to International Accounting Standard No.7.

**(15) Revaluation reserve of Long-term investments**

Revaluation of the balance value of real estate. In the revaluation reserve of long-term investments they reduce the growth of values contained when a revaluated fixed asset are to be written off or eliminated. As well as it is revaluated during the asset's usage gradually by writing off every reporting period the amount that I difference between the wear to be calculated according to asset's revaluated value and the wear to be calculated according to asset's acquisition value.

**(16) Reserves for unused vocations**

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

**(17) Income tax of the enterprise**

Enterprise income tax was calculated according to Latvia Republic tax laws. Tax laws in 2010 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.

**(18) Related parties**

Related parties are the Company's major shareholders, Board members and Council member, their close family members and the companies, that are controlled or effected by the above mentioned persons. Also related parties are the companies that are controlled or effected by the final controlling member. Related parties are as well the Company's related and associated companies, whose financial and main activity is under the Company's significant influence.

**(19) Taxes**

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

**(20) Bookkeeping arrangement**

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

**(21) 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.

**(22) 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.

**(23) 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.

**(24) Percentage risk**

Enterprise is subjected from credit interest rate changing risk.

**(25) 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.

**(26) Dividend**

Dividend was reflex as fixed in announced period.

**(27) Retraining**

In comparative readings for year 2009 in necessary cases individual post classification is changed in order to meet post classification for year 2010.

**Profit & Loss calculation supplement**

According to the standard demands No 14 “Information on segments presenting”, management defined the following kinds of industrial works:

<b>(1) Net turnover</b>	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
<b>On aspects of business</b>				
Shipbuilding	1 160 227	3 254 277	1 650 854	4 630 419
Ship repair	834 032	2 441 520	1 186 721	3 473 970
Mechanical engineering	13 455	14 754	19 145	20 993
Other works	103	21 413	146	30 468
<b>Total</b>	<b>2 007 817</b>	<b>5 731 964</b>	<b>2 856 866</b>	<b>8 155 850</b>
<b>(2) Sold products operating costs</b>				
	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Material costs (raw materials and materials, value of goods, services from outside)	1 267 532	4 868 144	1 803 536	6 926 745
Remuneration of labor	735 096	1 069 957	1 045 947	1 522 412
Social insurance costs	171 772	249 414	244 410	354 884
Depreciation of fixed assets	233 820	250 171	332 696	355 961
Other costs	78 362	109 734	111 498	156 137
<b>Total</b>	<b>2 486 582</b>	<b>6 547 420</b>	<b>3 538 087</b>	<b>9 316 139</b>
<b>(3) Selling costs</b>				
	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Advertisement	2 694	3 433	3 833	4 885
<b>Total</b>	<b>2 694</b>	<b>3 433</b>	<b>3 833</b>	<b>4 885</b>
<b>(4) Administration costs</b>				
	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Liaison costs	1 520	2 188	2 163	3 113
Office maintenance costs	288	363	410	517
Salary of administration	14 692	17 164	20 905	24 422
Remuneration of the board	32 305	59 995	45 966	85 365
Remuneration of the council	29 173	49 000	41 509	69 721
Social insurance costs	17 320	29 326	24 644	41 727
Depreciation of fixed assets	7 089	5 939	10 087	8 450
Transport costs, travel allowances	15 956	20 546	22 703	29 234
Assurance	1 288	2 166	1 833	3 082
Representation costs	1 162	3 147	1 653	4 478
Vehicle representation costs	7 223	7 455	10 277	10 608
<b>Total</b>	<b>128 016</b>	<b>197 289</b>	<b>182 150</b>	<b>280 717</b>

**Profit & Loss calculation supplement**

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

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Income generated by leased FA payments and public services	284 976	184 300	405 484	262 235
Tugboat services income	12 396	17 551	17 638	24 973
Selling out of raw materials and materials	32 975	64 863	46 919	92 292
Income generated by chemical analyses	165	1 080	235	1 537
Income generated by realization of fixed assets	1 742	0	2 479	0
Income generated by fluctuation of currency rate	8 967	6 147	12 759	8 746
Other income	1 227	3034	1 746	4 317
<b>Total</b>	<b>342 448</b>	<b>276 975</b>	<b>487 260</b>	<b>394 100</b>

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

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Material purchase costs	29 757	55 566	42 340	79 063
Losses due to currency rate fluctuation	0	4 564	0	6 494
Medical services	834	3 063	1 187	4 358
Costs on tugboat services	3 198	7 913	4 550	11 259
The donations	0	1 100	0	1 565
Material benefits	81	60	115	85
Burial costs	560	630	797	896
Costs incurred by fixed assets’ exclusion	452	0	643	0
Representation costs	1 798	2 161	2 558	3 075
Costs on maintenance of leased FA	225 665	113 878	321 092	162 035
Other costs	4 358	0	6 202	0
<b>Total</b>	<b>266 703</b>	<b>188 935</b>	<b>379 484</b>	<b>268 830</b>



**Profit & Loss calculation supplement**

**(7) Other percents and the like income**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Depositing percentage	120 286	276 014	171 152	392 733
Bank interests	5	98	7	139
<b>Total</b>	<b>120 291</b>	<b>276 112</b>	<b>171 159</b>	<b>392 872</b>

**(8) Payment off percents and the like costs**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Paid off penalty	19	595	27	847
Paid off interests	26 600	33 678	37 848	47 919
Guarantee maintenance	9 935	22 051	14 137	31 376
<b>Total</b>	<b>36 554</b>	<b>56 324</b>	<b>52 012</b>	<b>80 142</b>

**(9) Income taxes of the enterprise**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Income tax advance payments	5 460	14 988	7 769	21 326
<b>Total</b>	<b>5 460</b>	<b>14 988</b>	<b>7 769</b>	<b>21 326</b>

**(10) Other taxes**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Real estate tax	26 113	23 871	37 155	33 966
<b>Total</b>	<b>26 113</b>	<b>23 871</b>	<b>37 155</b>	<b>33 966</b>

**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
<b>Initial value</b>						
01.01.2010			74 372		167 895	242 267
Bought						
Relocated						
Written off						
31.03.2010	0	0	74 372		167 895	242 267
<b>Depreciation</b>						
01.01.2010			58 421			58 421
Estimated			2 488			2 488
Written off						
31.03.2010	0	0	60 909			60 909
<b>Balance value 01.01.2010</b>	<b>0</b>	<b>0</b>	<b>15 951</b>		<b>167 895</b>	<b>183 846</b>
<b>Balance value 31.03.2010</b>	<b>0</b>	<b>0</b>	<b>13 463</b>		<b>167 895</b>	<b>181 358</b>

**(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
<b>Initial value</b>						
01.01.2010			105 822		238 894	344 716
Bought						
Written off						
Relocated						
Revaluated						
31.03.2010	0	0	105 822		238 894	344 716
<b>Depreciation</b>						
01.01.2010			83 125			83 125
Estimated			3 540			3 540
Written off			86 665			86 665
31.03.2010	0	0				
<b>Balance value 01.01.2010</b>	<b>0</b>	<b>0</b>	<b>22 697</b>		<b>238 894</b>	<b>261 591</b>
<b>Balance value 31.03.2010</b>	<b>0</b>	<b>0</b>	<b>19 157</b>		<b>238 894</b>	<b>258 051</b>

*“Riga shipyard” JSC*  
*financial statements for 3 months of the year 2010*

**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
<b>Initial value</b>								
01.01.2010	<b>6 141 189</b>	<b>544 039</b>	<b>560</b>	<b>18 986 373</b>	<b>970 219</b>	<b>174 008</b>		<b>26 816 388</b>
Bought	2 246			285 933		545 615	19000	<b>852 794</b>
Written off				64 299	115	288 179		<b>352 593</b>
Relocated								
<b>31.03.2010</b>	<b>6 143 435</b>	<b>544 039</b>	<b>560</b>	<b>19 208 007</b>	<b>970 104</b>	<b>431 444</b>	<b>19000</b>	<b>27 316 589</b>
<b>Depreciation</b>								
01.01.2010	<b>2 147 537</b>	<b>94 985</b>		<b>5 107 590</b>	<b>629 200</b>			<b>7 979 312</b>
Estimated	44 328	1 614		113 167	19 658			<b>178 767</b>
Written off				63 847	115			<b>63 962</b>
Relocated				58 203				<b>58 203</b>
<b>31.03.2010</b>	<b>2 191 865</b>	<b>96 599</b>		<b>5 215 113</b>	<b>648 743</b>			<b>8 152 320</b>
<b>Balance value</b>								
01.01.2010	<b>3 993 652</b>	<b>449 054</b>	<b>560</b>	<b>13 878 783</b>	<b>341 019</b>		<b>174008</b>	<b>18 837 076</b>
<b>Balance value</b>								
31.03.2010	<b>3 951 570</b>	<b>447 440</b>	<b>560</b>	<b>13 992 894</b>	<b>321 361</b>	<b>431 444</b>	<b>19000</b>	<b>19 164 269</b>

Immovable property (building) cadastral value at 31.03.2010 is **5843723 LVL**

**(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
<b>Initial value</b>								
01.01.2010	<b>8 738 125</b>	<b>774 097</b>	<b>796</b>	<b>27 015 175</b>	<b>1 380 498</b>	<b>247 590</b>		<b>38 156 281</b>
Bought	3195			406 846		776 340	27 035	<b>1 213 416</b>
Written off				91 489	164	410 042		<b>501 695</b>
Relocated								
<b>31.03.2010</b>	<b>8 741 320</b>	<b>774 097</b>	<b>796</b>	<b>27 330 532</b>	<b>1 380 334</b>	<b>613 888</b>	<b>27 035</b>	<b>38 868 002</b>
<b>Depreciation</b>								
01.01.2010	<b>3 055 670</b>	<b>135 151</b>		<b>7 267 447</b>	<b>895 270</b>			<b>11 353 538</b>
Estimated	63 073	2 297		161 022	27 971			<b>254 363</b>
Written off				90 846	164			<b>91 010</b>
Relocated				82 815				<b>82 815</b>
<b>31.03.2010</b>	<b>3 118 743</b>	<b>137 448</b>		<b>7 420 438</b>	<b>923 077</b>			<b>11 599 706</b>
<b>Balance value</b>								
01.01.2010	<b>5 682 455</b>	<b>638 946</b>	<b>796</b>	<b>19 747 728</b>	<b>485 228</b>	<b>247 590</b>		<b>26 802 743</b>
<b>Balance value</b>								
31.03.2010	<b>5 622 577</b>	<b>636 649</b>	<b>796</b>	<b>19 910 094</b>	<b>457 257</b>	<b>613 888</b>	<b>27 035</b>	<b>27 268 296</b>

Immovable property (building) cadastral value at 31.03.2010 is **8314869 EUR**

**Supplements to the balance sheet**

**(13) Partnership in capital of associated companies**

	<b>31.03.2010.</b> <b>Ls</b>	<b>Share capital (%)</b>	<b>31.03.2009.</b> <b>Ls</b>	<b>Share capital (%)</b>	<b>31.03.2010.</b> <b>EUR</b>	<b>31.03.2009.</b> <b>EUR</b>
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	843 365	49,80	1 200 000	1 200 000
<b>Investments</b>	<b>3 008 147</b>		<b>3 008 147</b>		<b>4 280 207</b>	<b>4 280 207</b>

**(14) Other equities and investments**

Name enterprise	Parts or shares value		31.03.2010			31.03.2009		
	2010	2009	Quantity	Ls	EUR	Quantity	Ls	EUR
“Baltic International Bank” JSC	5	5	33	165	235	33	165	235
<b>Total</b>	<b>5</b>	<b>5</b>	<b>33</b>	<b>165</b>	<b>235</b>	<b>33</b>	<b>165</b>	<b>235</b>

**(15) Other loans and other long-term debtors**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Student loan payout	59 643	56 952	84 864	81 035
Shares loan payout	483 461	498 442	687 903	709 219
<b>Kopā</b>	<b>543 104</b>	<b>555 394</b>	<b>772 767</b>	<b>790 254</b>

Amount to be pay back after 5 years – 379 503 Ls or 539 984 EUR

**Supplements to the balance sheet**

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

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Long-term loans	322 284	332 284	458 569	472 798
<b>Total</b>	<b>322 284</b>	<b>332 284</b>	<b>458 569</b>	<b>472 798</b>

	<b>Ls</b>	<b>EUR</b>
Copartners and directorship		
Including: Long-term	322 284	458 569
Short-term	10 000	14 229
<b>31.03.2010</b>	<b>332 284</b>	<b>472 798</b>

There is a management of JSC “Tosmare shipyard” shares in this position.  
The sum, which should be paid in 5 years - 282 284 Ls or 401 654 EUR.

**(17) Long-term deposit**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
	2 909 609	4 322 245	4 140 000	6 150 000
<b>Total</b>	<b>2 909 609</b>	<b>4 322 245</b>	<b>4 140 000</b>	<b>6 150 000</b>

The enterprise had made investments at JSC “UniCredit Bank” with final term 2011-2012 that serves as a loan (financial guarantee) to 2 signed guarantee agreements dated November 02<sup>th</sup> 2009 concluded between “JSC “Riga Shipyard” and JSC “UniCredit Bank” referring guarantee delivery based on May 30 2008 agreement concluded between “JSC “Riga Shipyard” and “Abeking & Rasmussen Schiffs- und Yachtwerft Aktiengesellschaft” about 5 SWAT vessels building and delivery to the Ministry of Defense.

**Supplement to the balance sheet**

**(18) Raw materials, direct materials and auxiliary materials**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
1. Metal ware	66 233	74 898	94 241	106 570
2. Timbering	4 378	4 642	6 229	6 605
3. Metal, non-ferrous metals, pipes	1 799 748	2 529 084	2 560 811	3 598 562
4. Wire cables	5 584	5 687	7 945	8 092
5. Fuel	5 249	6 401	7 469	9 108
6. Coveralls	3 055	8 691	4 347	12 366
7. Equipment	5 098	5 278	7 254	7 510
8. Cables	26 513	30 200	37 725	42 971
9. Varnish and paint	63 096	56 306	89 778	80 116
10. Tools	4 691	5 013	6 675	7 133
12. Technical rubber ware	11 264	13 100	16 027	18 640
13. Other	486 619	861 638	692 395	1 226 000
<b>Total</b>	<b>2 481 528</b>	<b>3 600 938</b>	<b>3 530 896</b>	<b>5123673</b>

**(19) Unfinished production**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Shipbuilding orders	1 564 779	789 097	2 226 480	1 122 785
<b>Total</b>	<b>1 564 779</b>	<b>789 097</b>	<b>2 226 480</b>	<b>1 122 785</b>

These columns reflect the orders with up to 10% executive degree from contractual value.

**(20) Unfinished orders**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
1) Ship repair orders	351 593	432 915	500 272	615 982
2) Mechanical engineering orders	4 568	6 157	6 500	8 761
3) Various	8 540	11 008	12 151	15 663
<b>Total</b>	<b>364 701</b>	<b>450 080</b>	<b>518 923</b>	<b>640 406</b>

**(21) Advance payments for goods**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
For materials	6 978 392	3 863 571	9 929 357	5 497 366
<b>Total</b>	<b>6 978 392</b>	<b>3 863 571</b>	<b>9 929 357</b>	<b>5 497 366</b>

**Supplement to the balance sheet**

**(22) Debts of buyers and customers**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Buyers and customers accounting value	2 686 891	3 618 956	3 823 100	5 149 310
Generated reserves	(239 788)	(228 216)	(341 186)	(324 722)
<b>Balance net value</b>	<b>2 447 103</b>	<b>3 390 740</b>	<b>3 481 914</b>	<b>4 824 588</b>

**(23) Associated companies debts**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
“Tosmare shipyard” JSC	78 749	2 872	112 050	4 087
SIA “Remars Granula” debt for service and credit	317 080	391 441	451 164	556 970
<b>Total</b>	<b>395 829</b>	<b>394 313</b>	<b>563 214</b>	<b>561 057</b>

**(24) Other debtors**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Accounting value	849 941	606 845	1 209 358	863 463
Generated reserves	(141 479)	(141 479)	(201 306)	(201 306)
<b>Balance net value</b>	<b>708 462</b>	<b>465 366</b>	<b>1 008 052</b>	<b>662 157</b>

Other debtors debts are as following:

Accounted VAT	2 816	2 816	4 007	4007
Overpaid taxes				
- Value added tax	439 656	226 071	625 574	321 670
- Enterprise income tax	43 650	34 982	62 108	49 775
- Real estate tax				
Payments personal debts	1 998	331	2 843	471
Payment of salary	1 894	624	2 695	888
Short-term loans for “Tosmare Shipyard” JSC’S shares	14 942	14 961	21 261	21 288
Advance payment of service	58 131	180 440	82 713	256 743
Other debtors	145 375	5141	206 850	7 315
<b>Total</b>	<b>708 462</b>	<b>465 366</b>	<b>1 008 051</b>	<b>662 157</b>

**Supplement to the balance sheet**

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

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
	160 865	224 394	228 890	319 284
<b>Total</b>	<b>160 865</b>	<b>224 394</b>	<b>228 890</b>	<b>319 284</b>

	<b>Directorship, copartners Ls</b>	<b>Directorship, copartners EUR</b>
<b>Loan JSC “Remars Riga”</b>	150 865	214 662
<b>leaders debt for shares</b>	10 000	14 229
<b>31.03.2010</b>	<b>160 865</b>	<b>228 890</b>

**(26) Next period costs**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Enterprise’s property insurance premium sum	3 416	12 296	4 861	17 496
Subscription to the press	357	239	508	340
Inviting of specialists	1 388	21 498	1 975	30 589
Insurance of health	6 202	0	8 825	0
Check of floating means	6 584	15 629	9 368	22 238
Expenses for repair of the rented basic means	19 662	27 214	27 977	38 722
Advertisements	1 609	9 367	2 289	13 328
Payment lease of land	5 978	8 139	8 506	11 581
Others	6 350	14 063	9 034	20 009
<b>Total</b>	<b>51 546</b>	<b>108 445</b>	<b>73 343</b>	<b>154 303</b>

**(27) Accrued proceeds**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Shipbuilding	663 200	4 701 782	943 649	6 690 032
<b>Total</b>	<b>663 200</b>	<b>4 701 782</b>	<b>943 649</b>	<b>6 690 032</b>



**Supplement to the balance sheet**

**(28) Cash assets**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Money at a cash department	1 566	3 886	2 228	5 529
Money on current accounts	19 494	93 202	27 737	132 615
Short-term deposit	9 635 442	11 765 631	13 710 000	16 740 985
<b>Total</b>	<b>9 656 502</b>	<b>11 862 719</b>	<b>13 739 965</b>	<b>16 879 129</b>

**(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 exchange market. All the shares give equal rights for dividends receive, liquidation quotes and vote rights at the shareholders meeting. 1 share gives 1 vote right. The enterprise does not have shares that it held or anybody else on its behalf.

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.

	<b>2010 year 3 months Ls</b>	<b>%</b>	<b>2009 year 3 months Ls</b>	<b>%</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
“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	3 329 177	28.52	4 745 364	4 736 992
Private personae	2 517 852	21,57	2 523 736	21.62	3 582 581	3 590 953
<b>Total</b>	<b>11 672 107</b>	<b>100</b>	<b>11 672 107</b>	<b>100</b>	<b>16 607 912</b>	<b>16 607 912</b>

**(30) Long term investments reevaluation reserves**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
	8 612 885	8 810 776	12 255 031	12 536 605
<b>Total</b>	<b>8 612 885</b>	<b>8 810 776</b>	<b>12 255 031</b>	<b>12 536 605</b>

**Supplement to the balance sheet**

**(31) Loans from credit institutions (short-term)**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
	3 609 287	5 537 908	5 135 553	7 879 733
<b>Total</b>	<b>3 609 287</b>	<b>5 537 908</b>	<b>5 135 553</b>	<b>7 879 733</b>

The enterprise had concluded the Overdraft and guarantee line agreement Nr 2003 / 4 / OD / GA with JSC “Nordea Bank Finland Plc.” On March 31<sup>st</sup> 2010 2 floating docks, 1 running new building project, all requirement rights belonging to the depositor, reserves and debtor debts had been pawned as a guarantee to the received loan.

**(32) Advance payments received from buyers**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
For shipbuilding	21 189 454	23 606 286	30 149 877	33 588 719
For ship repair	66 559	50 524	94 705	71 889
Others	7 645	1 882	10 878	2 678
<b>Total</b>	<b>21 263 658</b>	<b>23 658 692</b>	<b>30 255 460</b>	<b>33 663 286</b>

**(33) Debts to suppliers and contractors**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Debts for services	50 672	52 361	72 100	74 503
Debts for materials	502 445	502 912	714 915	715 579
Debts subcontractors	581 343	1 170 760	827 176	1 665 842
<b>Total</b>	<b>1 134 460</b>	<b>1 726 033</b>	<b>1 614 191</b>	<b>2 455 924</b>

**(34) Taxes and social insurance payments**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Social insurance payments	77 245	107 512	109 910	152 976
Residents income tax	41 156	59 934	58 560	85 278
Risk tax	159	208	226	296
Natural resources tax	1 160	3 895	1 650	5 542
<b>Total</b>	<b>119 720</b>	<b>171 549</b>	<b>170 346</b>	<b>244 092</b>

**Supplement to the balance sheet**

**(35) Other creditors**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Salary	156 596	242 685	222 816	345 310
Payments for deductions from salary	962	893	1 369	1 271
Payments by return to personae	510	1 407	726	2 002
Payments for credit cards	1 161	2 641	1 652	3 758
Payments for debts to other enterprises	44 924	27 238	63 918	38 755
<b>Total</b>	<b>204 153</b>	<b>274 864</b>	<b>290 481</b>	<b>391 096</b>

**(36) Unpaid previous years dividends**

	<b>2010 year Ls</b>	<b>2010 year EUR</b>
<b>31.12.2009</b>	24 789	35 272
Calculated	0	0
Paid off	6	9
<b>31.03.2010</b>	<b>24 783</b>	<b>35 263</b>

**(37) Next period income**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
Free of charge received base means had been formed that will be referred to PL incomings at the period of base means use.	4 833	6 833	6 877	9 722
<b>Total</b>	<b>4 833</b>	<b>6 833</b>	<b>6 877</b>	<b>9 722</b>

**(38) Accrued liabilities**

	<b>2010 year 3 months Ls</b>	<b>2009 year 3 months Ls</b>	<b>2010 year 3 months EUR</b>	<b>2009 year 3 months EUR</b>
For services	192 047	437 643	273 259	622 710
Accruals for vocations	173 595	262 992	247 003	374 204
<b>Total</b>	<b>365 642</b>	<b>700 635</b>	<b>520 262</b>	<b>996 914</b>

**Supplement to the balance sheet**

**(39) Out of balance supplements.**

On May 12<sup>th</sup> 2005 a Treaty Nr KD05091/12 for the final amount of 100000 LVL had been concluded with JSC “SEB LATVIJAS Unibanka” as a guarantee of “Remars Granula” responsibilities that is based on Credit agreement Nr KD 05091 dated May 2<sup>nd</sup> 2005.

On February 10<sup>th</sup> 2006 Loan agreement (mortgage) had been concluded with JSC “SEB LATVIJAS Unibanka” as an additional guarantee to “Remars Granula” responsibilities based on Credit agreement Nr KD 05091 dated May 2<sup>nd</sup> 2005 (with May 12<sup>th</sup> 2005 improvements) with loan of belonging to the enterprise building workshop of Granula.

Chairman of the Board

***V. MELNIKS***

Member of the Board

***I.KOMAROVS***

Member of the Board

***L.ARTEMENKO***

Member of the Board

***I.RUDZATE***

Member of the Board

***E.BUKS***

May 31<sup>th</sup>, 2010