



JSC VEF, Brīvības gatve 214, Rīga, LV-1039

JOINT STOCK COMPANY VEF
(Unified registration number 40003001328)

NON- AUDITED FINACIAL STATEMENTS
For the period ended on June 30, 2015



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GENERAL INFORMATION

Title of enterprise	Joint stock company VEF
Legal type of enterprise	Public joint stock company
Registered:	On April 15, 1991 in the Register of Enterprises of the Republic of Latvia, re-registered on December 7, 2000 with Nbr. 000300132 On April 14, 2004 registered in the Commercial Register, Nbr. 40003001328
Taxpayers' Reg. Nbr.	LV 40003001328
Legal address	Brīvības gatve 214, Rīga, LV-1039, Republic of Latvia phone: 7270618.
Equity capital ¹ :	EUR 2 722 492 paid and registered equity capital.
Core businesses:	*Power supply - distribution of power; *Letting and renting of real-estate property
Name of the holder of shares and share capital (%)	As on June 30, 2015: *VEF KOMUNIKĀCIJU SERVISS SIA- 45.52 % ; *Laila Līduma - 6.31 % ; * Tamāra Kampāne - 9.79 % ; * Gints Feņuks - 24.49 % ; *Other shareholders - 13.89 %.
Chief executive officer:	Chairman of the Board of the Company: GINTS FENUKS
Members of the Board:	TAMĀRA KAMPĀNE MĀRTINŠ CAUNA MODRIS ZOMMERS
Members of the Supervisory Council:	ANDRIS DENIŅŠ INTS KALNIŅŠ GUNTIS LIPIŅŠ ARNIS ZEKUNDE
Period of account:	01.01.2015. - 30.06.2015.
Qualified auditor:	ALEKSEJS LITVINOVS . Certificate Nbr.190

¹ Paid-up and registered equity capital 2 722 492 EUR common shares
The company's capital consists of the 623 528 bearer shares and 1 321 109 registered shares
Nominal value of a common share is EUR 1 .40 .



Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the six months of 2015

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the middle-term financial statements of the Company. The middle-term financial statements are not audited.

Middle-term financial statements are prepared based on justifying documents and represent true and clear overview on the Company's Assets and Equity and Liabilities, its financial standing and results of activity as well as cash flows within the reporting period ended on June 30, 2015.

Accounting principles used in preparation of the middle-term financial statements have not been changed comparing to the previous reporting period. During preparation of the middle-term financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded. The information included in the middle-term management's report is true.

The Management Board of the Company is responsible for ensuring the corresponding accounting system, securing the assets of the Company, as well as for prevention and exposure of fraud and other violation within the Company.

On behalf of the Management Board of JSC „VEF”,

Gints Fenuks
Chairman of the Management Board



Management report

Joint Stock Company VEF is a publicly traded company that is doing business by managing its own real estate property, renting business spaces, and also electricity distribution services for business located in VEF territory.

Net cash flow/turnover of the joint venture within six months of 2015 reached 538 314 EUR that is lower by 11% in comparison with the last period reported.

The Company focuses its activities in a direction to preserve the cash flow/turnover.

Taking into account that one of the biggest renters - State Revenue Service had vacated the building rented from JSC VEF located on Brīvības gatve 214 last year and the building has not been rented out yet, even in the future reporting period it is projected that cash flow/turnover will decrease considerably.

All resources including also additional credits will be used to renovate the building and attract new renters.

Board of JSC VEF holds to the strategic plans of the company according to economic developments in the country and following to the trends of the real estate rent markets.

On behalf of the Management Board of JSC „VEF”,

Gints Fenuks
Chairman of the Management Board



ASSETS	Final balance	
	EUR	EUR
	30.06.2015	30.06.2014
LONG-TERM INVESTMENTS		
Intangible assets		
Concessions, patents, licences	339	688
Total intangible assets	339	688
Fixed Assets		
Land, buildings and other property	5 525 893	5 582 722
Equipment and machinery		
Other fixed assets and inventory	44 872	103 567
Advance payments for fixed assets		
Total fixed assets	5 570 765	5 686 289
Total long-term investments	5 571 104	5 686 977
Current assets		
Inventory		
Goods for sale	0	0
Total inventory	0	0
Debtors		
Customers and client debts	87 551	101 784
Other debtors	6 188	11 468
Future period expenses	1 874	1 967
Future period income	0	0
Total debtors	95 613	115 219
Cash	104 412	58 056
Total Current assets	200 025	173 275
TOTAL ASSETS	5 771 129	5 860 252



LIABILITIES	Final balance	
	EUR	EUR
	30.06.2015	30.06.2014
Stockholder's Equity		
Common stock	2 722 492	2 766 969
Other reserves	44 477	0
Long-term investments revaluation reserve	801 562	801 562
Total accumulation		
Retained earnings from the previous years	- 1 104 359	- 1 092 219
Retained earnings of the financial years	-4 108	5 850
Total stockholder's equity	2 460 064	2 482 162
PROVISIONS		
Other provisions	12 401	12 585
Total provisions	12 401	12 585
LIABILITIES		
Long-term liabilities		
Borrowings from credit institutions	2 853 641	2 993 984
Prepayments from buyers	53 149	32 106
Other liabilities	43 021	61 977
Deferred tax liability	187 833	137 992
Total long-term liabilities	3 137 644	3 226 059
Current liabilities		
Borrowings from credit institutions	70 172	46 781
Accounts payable	36 661	36 975
Taxes and social security payments	27 747	21 075
Other liabilities	10 616	11 137
Prepayments from buyers	6 298	14 145
Other loans	9 526	9 333
Total current liabilities	161 020	139 446
Total liabilities	3 298 664	3 365 505
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 771 129	5 860 252



**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON JUNE
30.2015.**

		EUR 30.06.2015 -	EUR 30.06.2014 -
1	2		
Net turnover	1	538 314	606 362
Cost of goods sold	2	-389 166	-434 816
Gross profit		149 148	171 546
Administrative expenses	3	-47 956	-56 130
Other income from operations	4	5 615	2 159
Other expenses from operations	5	-1 574	-2 196
Financial services income			
Financial services expenses	6	-70 289	-75 689
Profit before taxes		34 944	39 690
Other taxes	7	-10 917	-7 278
Deferred tax		-28 135	-26 562
Net profit		-4 108	5 850

Earnings per share (EPS)

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0.002

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampane

**CASH FLOW STATEMENT FOR YEAR THAT ENDS ON JUNE 30, 2015**

	2015	2014
	30.06.	30.06.
	EUR	EUR
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before outstanding items and taxes (+)	34 944	39 690
<i>Adjustments:</i>		
fixed assets depreciation (+)	56 232	62 844
intangible assets depreciation (+)	168	210
increase/decrease in provisions		
profit or losses from exchange rates fluctuation (+/-)		0
financial service income		
financial services income	70 289	75 689
<i>Profit or losses before adjustments from current assets and liabilities</i>	161 633	178 433
<i>Adjustments:</i>		
debtors : increase (-); decrease (+)	19 606	-8 264
liabilities: increase (-); decrease (+)	15 009	-15 682
<i>Gross cash provide by operating activities</i>	196 248	154 487
Payments for financial	-70 289	-75 689
Income tax payments		
<i>Net cash provided by operating activities before outstanding items:</i>	125 959	78 798
Cash flow from outstanding items (-/+)		
Net cash provided by operating activities :	125 959	78 798
II. CASH FLOWS FROM INVESTING ACTIVITIES :		
Fixed assets purchase	0	0
Interest received	0	0
Net cash used in investing activities :	0	0
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Expenses for borrowings repayment	-70 172	-20 000
Expenses on leasing liabilities	-9 431	-9 242
Net cash provided by financing activities :	-79 603	-29 242
IV. Exchange rate fluctuation result :	0	0
Net cash flom	46 356	49 556
CASH AT BEGINNING OF YEAR	58 056	8 500
CASH AT END OF YEAR	104 412	58 056



**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
JUNE 30, 2015**

	30.06.2015 EUR	30.06.2014 EUR
Stockholder's equity		
Balance at the beginning of the financial year	2 766 969	2 766 969
Increase from		
Decrease from denomination of shares from lats to euro	44 477	
Balance at the end of the financial year	2 722 492	2 766 969
Long-term investments revaluation reserve		
Balance at the beginning of the financial year	801 562	801 562
Increase from		
Decrease from		
Balance at the end of the financial year	801 562	801 562
Other reserves		
Balance at the beginning of the financial year	0	0
Increase from denomination of shares from lats to euro	44 477	0
Decrease from		
Balance at the end of the financial year	44 477	0
Retained earnings		
Balance at the beginning of the financial year	-1 104 359	-1 092 219
Profit or losses of the financial year	-4 108	5 850
Dividends		
Included in accumulations		
Balance at the end of the financial year	-1 108 467	-1 086 369
Stockholder's equity (total)		
Balance at the beginning of the financial year	2 482 162	2 476 312
Balance at the end of the financial year	2 460 064	2 482 162



Annex of the annual report of six

(1) Net turnover

Turnover consists of revenues that the Company gained in the first six months of 2015 from its core business-service provision without VAT

Type of commercial operations	2015.06.30	2014.06.30
	EUR	EUR
power supply, distribution and servicing	154 818	146 399
office renting service	283 088	319 070
utility services	100 408	140 893
Total	538 314	606 362

Distribution of net turnover by geographical markets

Country	2015.06.30	2014.06.30
	EUR	EUR
Latvia	538 314	606 362
Total	538 314	606 362

(2) Cost of sales

	2015.06.30	2014.06.30
	EUR	EUR
personnel	75 328	90 142
depreciation	56 232	62 844
transport	4 037	5 242
other outstanding costs	195 759	218 284
personnel training	229	237
telecommunication service	634	623
other costs tied to commercial operations	50 991	49 456
insurance (buildings)	2 775	2 965
land rent to LPA	3 013	3 013
depreciation of license	168	210
travel expenses	0	1 800
Total	389 166	434 816



(3) Costs of administration	2015.06.30	2014.06.30
	EUR	EUR
personnel	35 527	41 902
telecommunication service	634	622
office supplies	454	1 073
cash turnover expenses	157	137
transport expenses for administrative needs	4 037	5 243
representative expenses	72	15
legal assistance or raid	1 739	1 802
NASDAQ OMX Riga annual fee	5 336	5 336
Total	47 956	56 130

(4) Other revenues from commercial operation	2015.06.30	2014.06.30
	EUR	EUR
finances	1 221	1 510
other revenues	4 394	649
Total	5 615	2 159

(5) Other costs of commercial operations	2015.06.30	2014.06.30
	EUR	EUR
losses from currency conversion	0	0
60% of representative costs	130	27
donations to Latvian orphans fund	0	400
allowances and bonuses	891	661
finances	553	1 108
Total	1 574	2 196



Payments of interest and similar expenses

(6)	2015.06.30	2014.06.30
	EUR	EUR
credit interests	69 453	74 493
lizing	836	1 196
Total	70 2 89	75 689

(7)	2015.06.30	2014.06.30
	EUR	EUR
real estate tax (buildings,land)	10 917	7 278
Total	10 917	7 278