

A/S VALMIERAS STIKLA ŠKIEDRA

**STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDEN 30 JUNE 2004 AND 30 JUNE 2003**

	Notes	2004 LVL	2003 LVL
Sales	18	13.887,702	9.605,782
Change in inventori value		-272,991	42,023
Other operating income	19	108,955	87,808
Material expenses	20	-6045,706	-3690,969
Personnel expenses	21	-2190,703	-2059,865
Depreciation and amortization	22	-1149,670	-1024,384
Other operating expenses	23	-2832,179	-2126,898
Profit from operations		1505,408	833,497
Interest income and similar income	24	57,668	58,484
Interest expense and similar expenses	25	-6,853	-2,873
Profit before taxes		1556,223	889,108
Corporate income tax	26	-238,200	-225,000
Net profit		1318,023	664,108

A/S VALMIERAS STIKLA ŠKIEDRA

BALANCE SHEETS

AS OF 30 JUNE 2004 AND 31 December 2003

	Notes	2004 LVL	2003 LVL
ASSETS			
Non-current assets			
Intangible assets			
Patents and licenses		38,157	24,655
Other intangible assets		657,193	793,163
Total intangible assets	3	695,350	817,818
Fixed assets			
Buildings		4.015,128	3.990,998
Equipment and machinery		9.747,251	9.261,656
Other fixed assets		333,571	484,430
Construction in progress		922,611	817,586
Advance payments for fixed assets		351,971	23,045
Total fixed assets	4	15 370,532	14 577,715
Total non-current assets		16 065,882	15 395,533
Current assets			
Inventory			
Raw materials		6.333,222	5.819,058
Work in process		1.439,969	1.143,885
Finished goods		1.901,965	2.471,042
Advance payments for goods		80,175	168,986
Total inventory		9 755,331	9 602,971
Accounts receivable			
Due from related parties	5	4.092,609	2.445,262
Other receivables	6	210,230	225,059
Deferred expenses	8	157,053	160,784
Total accounts receivable		4 459,892	2 831,105
Cash	9	404,093	677,880
Total current assets		14 619,316	13 111,956
TOTAL ASSETS		30 685,198	28 507,489

A/S VALMIERAS STIKLA ŠKIEDRA

BALANCE SHEETS

AS OF 30 JUNE 2004 AND 31 December 2003

	Notes	2004 LVL	2003 LVL
LIABILITIES & SHAREHOLDERS EQUITY			
Shareholders equity			
Share capital	10	23.903,205	23.903,205
Reserves:			
statutory reserves		234,533	234,533
Retained earnings:			
a)retained earnings		1.589,651	1.211,179
b)current year profit		1.318,023	862,588
Total shareholders equity		27 045,412	26 211,505
Provisions			
Deferred tax		911,510	673,310
Other provisions		399,769	66,269
Total provisions	11	1 311,279	739,579
Current liabilities			
Bank loan	12	520,857	13,579
Other loans			
Lease obligations	13		
Advance payments from customers		18,207	30,147
Trade payables	14	1.314,292	870,090
Taxes and social security payments	15	184,049	189,145
Other accounts payable	16	166,902	186,837
Derivative financial instruments	17	124,200	266,607
Total current liabilities		2 328,507	1 556,405
TOTAL LIABILITIES & SHAREHOLDERS EQUITY		30 685,198	28 507,489