

A/S VALMIERAS STIKLA ŠKIEDRA

BALANCE SHEET

AS OF 30 SEPTEMBER 2004 AND 31 December 2003

	Notes	2004 LVL	2003 LVL
ASSETS			
Non-current assets			
Intangible assets			
Patents and licenses		35,437	24,655
Other intangible assets		589,207	793,163
Total intangible assets	3	624,644	817,818
Fixed assets			
Buildings		4.670,477	3.990,998
Equipment and machinery		10 877,29	9.261,656
Other fixed assets		349,868	484,430
Construction in progress		639,614	817,586
Advance payments for fixed assets		671,786	23,045
Total fixed assets	4	17 209,032	14 577,715
Total non-current assets		17 833,676	15 395,533
Current assets			
Inventory			
Raw materials		6562,991	5.819,058
Work in process		1.241,290	1.143,885
Finished goods		1.992,630	2.471,042
Advance payments for goods		61,142	168,986
Total inventory		9 858,053	9 602,971
Accounts receivable			
Due from related parties	5	3.869,979	2.445,262
Other receivables	6	208,900	225,059
Deferred expenses	8	110,997	160,784
Total accounts receivable		4 189,876	2 831,105
Cash	9	410,431	677,880
Total current assets		14 458,360	13111,956
TOTAL ASSETS		32 292,036	28 507,489

A/S VALMIERAS STIKLA ŠKIEDRA

BALANCE SHEETS

AS OF 30 SEPTEMBER 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		1 791,55	862,588
Total shareholders equity		27 518,943	26 211,505
Provisions			
Deferred tax		931,510	673,310
Other provisions		264,369	66,269
Total provisions	11	1 195,879	739,579
Current liabilities			
Bank loan	12	1.760,869	13,579
Other loans			
Lease obligations	13		
Advance payments from customers		53,877	30,147
Trade payables	14	1.278,881	870,090
Taxes and social security payments	15	156,965	189,145
Other accounts payable	16	222,772	186,837
Derivative financial instruments	17	103,850	266,607
Total current liabilities		3 577,214	1 556,405
TOTAL LIABILITIES & SHAREHOLDERS EQUITY		32 292,036	28 507,489

A/S VALMIERAS STIKLA ŠKIEDRA

**STATEMENTS OF PROFIT AND LOSS
FOR THE PERIODS ENDEN ON 30 SEPTEMBER, 2004 AND 30 SEPTEMBER, 2003**

	Notes	2004 LVL	2003 LVL
Sales	18	20.642,550	15.353,985
Change in inventori value		-381,004	-166,622
Other operating income	19	150,638	119,139
Material expenses	20	-9.210,326	-6.374,882
Personnel expenses	21	-3.314,254	-3.105,604
Depreciation and amortization	22	-1.730,605	-1.539,326
Other operatingexpenses	23	-4.077,546	-2.978,101
<i>Profit from operations</i>		2079,453	1309,589
Interest income and similar income	24	1,252	32,863
Interestexpense and similarexpenses	25	-30,951	-11,278
<i>Profit before taxes</i>		2049,754	1330,174
Corporate income tax	26	-258,200	-275,000
<i>Net profit</i>		1791,554	1055,174

**Statements of cash Flows
In 9 months of 2004**

Variable costs and incomes item titles	Sum Ls (+)/(-)
Cash at the beginning of the year	677 880

A.Changes in assets
1.Non current assets

1.Intangible assets	193 174
2.Fixed assets: increase(-),decrease(+)	-2 631 317
3. Financial (Fixed) assets	

2. Current assets

1.Increase inventory	-255 082
2. Increase(-),decrease(+)accounts receivable	-1 358 771
3.Increase security and capital partipation	

B. Changes in Liabilities

1. Increase(+),decrease(-) shareholders eyuity	1 307 438
2.Increase(+0,decrease(-) provisions	456 300
3. Increase (+),decrease(-) accounts payable	2 020 809
Cash at the end of the year	410 431

President

Chief accountant

A/s „Valmieras stikla šķiedra”

Statements of shareholders' equity
In 9 months of 2004

	Share capital	Statutory reserves	Retained earnings	Total
	LVL	LVL	LVL	LVL
As of 31 December 2002	23,903,205	192,449	1,731,327	25,826,981
Transfer to reserves	-	42,084	(42,084)	-
Dividends paid	-	-	(478,064)	(478,064)
Current year profit	-	-	862,588	862,588
As of 31 December 2003	23,903,205	234,533	2,073,767	26,211,505
Transfer to reserves	-	-	-	-
Dividends paid	-	-	(484,116)	(484,116)
Current year profit	-	-	1,791,554	1,791,554
As of 30 September 2004	23,903,205	234,533	3,381,205	27,518,943

Andris Oskars Brutāns
Chairman of the Board