

A/S VALMIERAS STIKLA ŠKIEDRA

BALANCE SHEETS

AS OF 30 SEPTEMBER 2004 AND 31 December 2003

CURRENCY EXCHANGE RATE ON 30.09.2004. LVL/EUR 0,671

CURRENCY EXCHANGE RATE ON 31.12.2003. LVL/EUR 0,674

	Notes	2004		2003	
		LVL	EUR	LVL	EUR
ASSETS					
Non-current assets					
Intangible assets					
Patents and licenses		35,437	52,812	24,655	36,580
Other intangible assets		589,207	878,103	793,163	1176,800
Total intangible assets	3	624,644	930,915	817,818	1213,380
Fixed assets					
Buildings		4670,477	6960,472	3990,998	5921,362
Equipment and machinery		10877,287	16210,562	9261,656	13741,329
Other fixed assets		349,868	521,413	484,430	718,739
Construction in progress		639,614	953,225	817,586	1213,036
Advance payments for fixed assets		671,786	1001,171	23,045	34,191
Total fixed assets	4	17209,032	25646,844	14 577,715	21628,657
Total non-current assets		17833,676	26577,759	15 395,533	22842,037
Current assets					
Inventory					
Raw materials		6562,991	9780,911	5819,058	8633,617
Work in process		1241,290	1849,911	1143,885	1697,159
Finished goods		1992,630	2969,642	2471,042	3666,234
Advance payments for goods		61,142	91,121	168,986	250,721
Total inventory		9858,053	14691,584	9 602,971	14247,731
Accounts receivable					
Due from related parties	5	3869,979	5767,480	2445,262	3627,985
Other receivables	6	208,900	311,326	225,059	333,915
Deferred expenses	8	110,997	165,420	160,784	238,552
Total accounts receivable		4189,876	6244,227	2 831,105	4200,453
Cash	9	410,431	611,671	677,880	1005,757
Total current assets		14458,360	21547,481	13111,956	19453,941
TOTAL ASSETS		32292,036	48125,240	28 507,489	42295,978

A/S VALMIERAS STIKLA ŠKIEDRA

BALANCE SHEETS

AS OF 30 SEPTEMBER 2004 AND 31 December 2003

		2004		2003	
	Notes	LVL	EUR	LVL	EUR
LIABILITIES & SHAREHOLDERS EQUITY					
Shareholders equity					
Share capital	10	23903,205	35623,256	23903,205	35464,696
Reserves:					
statutory reserves		234,533	349,528	234,533	347,972
Retained earnings:					
a)retained earnings		1589,651	2369,077	1211,179	1797,001
b)current year profit		1791,554	2669,976	862,588	1279,804
Total shareholders equity		27518,943	41011,838	26211,505	38889,473
Provisions					
Deferred tax		931,510	1388,241	673,310	998,976
Other provisions		264,369	393,993	66,269	98,322
Total provisions	11	1195,879	1782,234	739,579	1097,298
Current liabilities					
Bank loan	12	1760,869	2624,246	13,579	20,147
Other loans					
Lease obligations	13				
Advance payments from customers		53,877	80,294	30,147	44,728
Trade payables	14	1278,881	1905,933	870,090	1290,935
Taxes and social security payments	15	156,965	233,927	189,145	280,631
Other accounts payable	16	222,772	332,000	186,837	277,206
Derivative financial instruments	17	103,850	154,769	266,607	395,559
Total current liabilities		3577,214	5331,168	1556,405	2309,206
TOTAL LIABILITIES & SHAREHOLDERS EQUITY					
		32292,036	48125,240	28507,489	42295,978

A/S VALMIERAS STIKLA ŠKIEDRA

STATEMENTS OF PROFIT AND LOSS

FOR THE YEARS ENDEN 30 SEPTEMBER 2004 AND 30 SEPTEMBER 2003

CURRENCY EXCHANGE RATE ON 30.09.2004. LVL/EUR 0,671

CURRENCY EXCHANGE RATE ON 30.09.2003. LVL/EUR 0,674

	Notes	2004		2003	
		LVL	EUR	LVL	EUR
Sales	18	20642,550	30763,860	15353,985	22780,393
Change in inventori value		-381,004	-567,815	-166,622	-247,214
Other operating income	19	150,638	224,498	119,139	176,764
Material expenses	20	-9210,326	-13726,268	-6374,882	-9458,282
Personnel expenses	21	-3314,254	-4939,276	-3105,604	-4607,721
Depreciation and amortization	22	-1730,605	-2579,143	-1539,326	-2283,866
Other operating expenses	23	-4077,546	-6076,820	-2978,101	-4418,547
Profit from operations		2079,453	3099,036	1308,589	1941,527
Interest income and similar income	24	1,252	1,866	32,863	48,758
Interest expense and similar expenses	25	-30,951	-46,127	-11,278	-16,733
Profit before taxes		2049,754	3054,775	1330,174	1973,552
Corporate income tax	26	-258,200	-384,799	-275,000	-408,012
Net profit		1791,554	2669,976	1055,174	1565,540

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

Currency exchange rate on 30.09.2004. 0,671 LVL/EUR

Variable costs and incomes item titles	Sum LVL (+)/(-)	EUR
Cash at the beginning of the year	677880	1010253
A, Changes in assets		
1, Non current assets		
1, Intangible assets	193174	287890
2, Fixed assets: increase(-), decrease(+)	-2631317	-3921486
3, Financial (Fixed) assets		
2, Current assets		
1, Increase inventory	-255082	-380152
2, Increase(-), decrease(+) accounts receivable	-1358771	-2024994
3, Increase security and capital participation		
B, Changes in Liabilities		
1. Increase(+), decrease(-) shareholders equity	1307438	1948492
2. Increase(+), decrease(-) provisions	456300	680030
3. Increase (+), decrease(-) accounts payable	2020809	3011638
Cash at the end of the year	410431	611671

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