

Joint-Stock Company
"Liepājas Metalurģs "
Reg.Nr. 40003014197

Consolidated
Quarterly Report

For 9 months of the year 2013

CONTENT

Information About the Company _____	lpp. 3
Management Statement _____	6
Statements of financial position _____	8
Statements of comprehensive income _____	10
Cash Flow Statement _____	11
Statement of Changes in Shareholders' Equity _____	12
Enclosures to the Quarterly Report:	
Enclosures to Statements of financial position _____	14
Enclosures to Statements of comprehensive income _____	16

INFORMATION ABOUT THE COMPANY

JSC "Liepājas Metalurģs" is a public joint-stock company, which operates in compliance with the Republic of Latvia law. The Company was registered in the Business Register of the Republic of Latvia on August 6, 1991 and it was reregistered in the Commercial Register of the Republic of Latvia on August 7, 2003 under the unified register No. 40003014197. The main activities of the Company are production of steel, rolled products and castings, commerce and mediator activity, transport services, sports and medical services.

JSC "Liepājas Metalurģs" has an ownership in various companies. In 2006 the Company further diversified its holding investing in several new companies. At the same time the Joint-Stock Company is not registered as a holding company (corporation).

Companies included in consolidation:

LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM)

number of shares - 95.2%. Business type - stevedoring services, cargo, ship broker service, ship agency.

Ltd. "Sport Club Liepājas metalurģs"

number of shares - 95%. Business type - organization of sporting events, promotion of healthy living, organization of recreation and social events.

Ltd. "Ice-Hockey Hall Liepājas metalurģs"

number of shares - 95%. Business type - operation of the sport hall and stadium.

Ltd. "Liepājas naglas"

number of shares - 100%. Production of nails and wirerod

Ltd. "Metalurģs and Duna"

number of shares - 50%. sale of electricity and rentals of premises, scrap purchase.

Ltd. "Rūķis LM"

number of shares - 100%. Construction materials production, waste and crushed slag processing.

Ltd. "LM Resurss"

number of shares - 100%. Scrap purchase.

LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM) daughter company Ltd. "Liepājas ostas celtnieks LM"

number of shares - 100% owns the LSEZ JSC "Liepājas osta LM". Construction.

Companies not included in consolidation:

OOO "Torgoviy dom "Liepajskij metalurģs", in Belarus number of shares - 90%. Wholesale.

LSEZ Ltd. "Elme-Messer-Metalurģs"

number of shares - 11,3%. production of industrial gas.

Ltd. "LM Ressorss"

number of shares - 100%. Scrap purchase, sale.

Minority shareholders

Minority shareholders of the companies involved in the consolidation are:

Ltd. "Metalurģs and Duna"	50% of shares - JSC "Baltik invest Liepāja".
LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM)	4.8% of shares - physical person.
Ltd. "Sport Club Liepājas metalurģs"	5% of shares - Ltd. "Pērle LM"
Ltd. "Ice-Hockey Hall Liepājas metalurģs"	5% shares - Liepājas City Council
OOO "Torgoviy dom "Liepajskij metalurg"" , in Belarus	10% of shares - physical persons.

Basis for the Preparation of the Financial Statements Report

The Quarterly Report is prepared in accordance with the European Union (EU) International Standards on preparation of the Financial Statements.

Companies included in consolidation have prepared their Quarterly Reports for the same period and applying the same accounting principles.

The IFRS have been used in the preparation of the consolidation.

Assuming that the Company will continue its operations as a going concern, the valuation was conducted for:

- Production equipment inventory based on the average weighted prices
- Purchased goods according to the purchase price
- Finished goods margin after actual cost
- Fixed assets according to the purchase price and additional payments, which are connected to the erection and commissioning

The Statement of Comprehensive income is prepared using the turnover method. Prior to the preparation of the consolidated Quarterly Report, differences in the accounting methods used by the companies included in the consolidation were considered. The Statement of Comprehensive income includes all income and expenses that resulted from the accounting year regardless of their payment date. Any internal transactions between the companies that are a part of the consolidation were excluded.

Net Turnover is a total amount equal to the product quarterly sales and services offered, excluding VAT.

Cash Flow Statement is conducted by using direct method.

Depreciation of fixed assets is calculated at the time of useful life of a particular asset, by using the straight-line method. In the Statement of Financial position all fixed assets are recorded at historical cost. Land depreciation is not calculated.

Revaluation of fixed assets is performed periodically in accordance with the International Valuation Standards. As a result of this revaluation, the value increase is recorded, which is shown in the Shareholders' Equity item called "Long-Term Assets Revaluation Reserve".

Purchased computer software belongs to the **intangible assets** item. The value of the acquired intangible assets is depleting, while calculating their depreciation. Conducting a subsidiary reorganization and during the acquisition process a nonmaterial positive value appears.

Investment properties include buildings and land that the Company leases in order to generate additional earnings and increase the property value. These properties are not used in production, goods transport services, or for the need of administration. Investment properties are appraised based on their true value, which reflects the current market value. The appraisal is performed by the certified and licensed property appraiser. Corresponding profit or loss caused by the true value adjustments to the Investment Properties has been reflected in the Statement of Comprehensive income.

The cash flow statement reflects cash and cash equivalents in the cash office, current bank account balances, and short-term deposit.

Values presented in the Quarterly Report and accounting are expressed in the Latvian national currency - lats (LVL). All foreign currency activities are recalculated by the official currency exchange rate of the Bank of Latvia on the transaction corresponding date. Assets and liabilities reported in a foreign currency are recalculated into Latvian Lats based on the official exchange rate at the Bank of Latvia. Foreign currency exchange profit or loss is reflected in the proper period Statement of Comprehensive income.

Accounts receivable (debtors) are presented in their book value, by deducting specific provisions for bad and doubtful debts. Following the conservative approach, the balance sheet includes only the actual accounts receivable dues. JSC "Liepājas Metalurģs" uses such forms of short-term financing as factoring. The Company operates under a recourse factoring agreement, where the Company is held responsible in front of the bank in cases when the buyer fails to deliver the payment.

Accounts Payable obligations are reflected in costs. Credited advance payment is presented as loans (other loans).

Provisions are thought to cover certain kinds of losses, liabilities and expenses, which are related to the reporting period or previous years and which values on the Statement of Financial position preparation date have either expected or already known values, however, the payment date is not known. Provisions for doubtful debtor dues are not reflected in the Statement of Financial position, but the debtors total amount in the Statement of Financial position is reduced by this amount because usually these amounts are the same.

JOINT-STOCK COMPANY "LIEPĀJAS METALURĢS" MANAGEMENT STATEMENT REGARDING THE CONSOLIDATED QUARTERLY REPORT FOR 9 MONTHS OF THE YEAR 2013.

Operating activity of the Company within 9 months of 2013 forms net turnover LVL 101.16 millions (EUR 143.9 millions) and in total all operating activity produced LVL 28.4 millions (EUR 40.4 millions) losses.

Losses appeared due to shortage of working capital facilities of the parent company JSC Liepājas metalurģs, as a result, the second quarter of 2013 production was performed at 14.3 % capacity level, while during the third quarter of 2013 production was not performed at all.

On May 24, 2013, the JSC Liepājas Metalurģs applied to Liepājas Court to begin the legal protection process. With the decision Nr. C20261213 dated May 27, 2013, the Liepājas Court decided to accept the JSC Liepājas Metalurģs legal protection process (LPP, Latvian "TAP") case.

The plan of measures was worked out and concerted by the creditors within the frames of LPP to restore the company's production. The Court approved it on September 10, 2013 and the plan of measures of LPP foresaw the following:

- The property existence of which is not necessary for business activities is expected to be sold – this includes several real estates, also movable property and capital shares in several daughter companies.
- Business activity resumption in September.
- Attraction of investor and first cash injection of LVL 10 mil. by September 30, 2013 for the sake of working capital to restart of the business activity of the company.
- 50% of unsecured creditors claims against the Company will be satisfied in the 24th month of LPP, and the remaining 50% is possible to exchange for shares of the JSC Liepājas Metalurģs.
- Optimization of the number of employees.

Due to the fact that the conditions planned on September 2013 in accordance with the LPP plan of measures was not fulfilled, the 30-day period starts on 01.10.2013 during which the JSC Liepājas Metalurģs had a possibility to fulfill the measures that had been planned for September of this year.

Continuing the fast growth in 2012, LSEZ AS "Liepājas osta LM" continued its development in January of this year, investing money into assets of the basic activities. The total investments in the accounting period amounted to LVL 333 000, of which LVL 202 000 is bank financing. However, due to the beginning of substantial drop of the cargo turnover, all investment projects have been suspended.

In LSEZ AS "Liepājas osta LM" during 9 months of this year 1001,4 thousand tons of cargo were handled, which is by 48,8% less in comparison with the similar period of 2012. Also LSEZ AS "Liepājas osta LM" during 9 months of 2013 closed with consolidated losses, contrary to profit in 2012. The basis for the drop of profit is in the changes of the structure of the handled cargoes, which was caused by the complete halt of the cargo turnover of the JSC "Liepājas Metalurģs" at the end of April of this year, as well as changes of cargo conjuncture at the world markets of raw materials.

There are structural changes in net turnover of LSEZ JSC Liepājas osta LM, that is, increased revenue section from the ship chartering, but in all other segments there is a reduction.

Profit reduction may be explained by changes in the structure of cargo handled, caused by JSC Liepājas metalurģs full stop of cargo flows at the end of April of this year, as well as changes in conjuncture of cargoes in the world markets of raw materials.

During the accounting period SIA "Rūķis LM" continued its production process in the complicated economic conditions, but simultaneously the production and sales volumes increased in comparison with a similar period of 2012. During 9 months of 2013 the net turnover amounted to LVL 1 281 615, which is by LVL 358 276 more than during 9 months of 2012.

The associated company JSC "Sātiņi Enerģo LM" was sold on September 9, 2013, the amount for this transaction accounted for LVL 350 000,-.

In the SIA Sporta klubs Liepājas metalurģs club within first quarter of the reporting period there were all age groups and Premier League professional football teams.

Circumstances and events following closing of Balance-Sheet:

- The JSC Liepājas Metalurģs didn't realize the conditions regarding the LPP plan of measures until October 30, 2013;
- Administrator of company's Legal Protection Procedure (LPP) Mr. Haralds Velmers submitted in Court the requirement for LPP discontinue and insolvency proceedings inception on November 4, 2013;
- By the November 12, 2013 judgment of Liepāja Court on the civil case No C20261213, has proclaimed the insolvency process of the JSC Liepājas Metalurģs.

In the name of the JSC "Liepājas Metalurģs"

Administrator

_____ H.Velmers

STATEMENTS OF FINANCIAL POSITION (Consolidated) for 9 months of the year 2013

ASSETS	Enclosure Number	As of 30.09.2013.		As of 30.09.2012.	
		LVL	EUR	LVL	EUR
1. LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible assets		40453	57559	42096	59897
2. Concessions, patents, licenses, trademarks and similar rights		0	0	6399	9105
3. Advance payments for intangible investments		0	0	0	0
4. Goodwill		0	0	0	0
I.TOTAL:		40453	57559	48495	69002
II. Fixed assets					
1. Land, buildings and constructions, and long-term sites		65867167	93720535	66851074	95120509
2. Long-term investments in rented fixed assets		4144289	5896792	4838731	6884894
3. Technological equipment and machinery		91893245	130752308	94446113	134384712
4. Other fixed assets and inventory		1506605	2143706	1671117	2377785
5. Fixed assets formation and costs of unfinished construction sites		872270	1241128	5787183	8234420
6. Advance payments for fixed assets		980	1394	85801	122084
II. TOTAL:		164284556	233755864	173680019	247124403
III. Investment properties					
Investment properties		5088905	7240859	5223837	7432850
IV. Long-term financial investments					
1. Share in the capital of related companies (subsidiaries)		65434	93104	5796	8247
2. Share in the capital of associated companies		1023551	1456382	1473551	2096674
3. Loans to the related companies (subsidiaries)		0	0	0	0
4. Loans to the associated companies		85168	121183	81500	115964
5. Other loans		365824	520521	670512	954053
IV. TOTAL:		1539977	2191190	2231359	3174938
Section 1 total amount:		170953891	243245472	181183710	257801194
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		9594199	13651315	18799928	26749888
2. Unfinished products, Work in Process		186388	265206	2658135	3782185
3. Finished products and goods for sales		332417	472987	23456063	33374971
4. Incompleted orders		95647	136093	171364	243829
5. Advance payments for goods		405251	576620	676226	962183
6. Labour animals and productive animals		110	157	110	157
I. TOTAL:		10614012	15102378	45761826	65113212
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		2030307	2888867	9175355	13055354
2. Debt of related enterprises		59758	85028	0	0
3. Debt of associated enterprises		465027	661674	773327	1100345
4. Other debtors (accounts receivable)		291345	414547	1552192	2208570
5. Short-term loans to co-owners and management of the company		1839	2617	7347	10454
6. Prepaid expenses		115839	164824	80959	115194
7. Accrued income		0	0	2500	3557
II.TOTAL:	1	2964115	4217556	11591680	16493475
III. Short-term financial investments		0	0	0	0
III. TOTAL:		0	0	0	0
IV. Cash		1104543	1571623	1478933	2104332
IV. TOTAL:		1104543	1571623	1478933	2104332
Section 2 total amount		14682670	20891557	58832439	83711019
TOTAL ASSETS		185636561	264137030	240016149	341512213

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	As of 30.09.2013.		As of 30.09.2012.	
		LVL	EUR	LVL	EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		30602841	43543920	38183096	54329651
3. Reserves: a) reserves stipulated by law		0	0	0	0
3. Reserves: b) other reserves		44524829	63353124	44524829	63353124
3. TOTAL:		44524829	63353124	44524829	63353124
4. Retained earnings: a) undistributed profit from the previous years		-25223358	-35889605	-15425383	-21948343
4. Retained earnings: b) undistributed profit of the reporting year		-28381402	-40383097	1739725	2475406
4. Retained earnings: c) Minority shareholders		0	0	-321075	-456849
4. Retained earnings: b+c undistributed profit of the reporting year		-28381402	-40383097	1418650	2018557
Section 1 total amount:		38503943	54786175	85682225	121914823
Minority shareholders		514050	731427	514050	731427
2. PROVISIONS					
1. Provisions for anticipated taxes		0	0	1625772	2313265
2. Other provisions		978544	1392343	927816	1320163
Section 2 total amount:		978544	1392343	2553588	3633428
3. LIABILITIES (Accounts payable)					
I. Long-term Creditors (Accounts payable)					
1. Loans from credit institutions		24841204	35345849	54032466	76881273
2. Other loans		54352144	77336134	0	0
3. Debts to suppliers and contractors		2989023	4252997	6416385	9129693
4. Other liabilities		55146	78466	15146	21551
5. Provisions for anticipated taxes		322695	459154	0	0
6. Deferred tax from investment revaluation		5400501	7684221	0	0
I. TOTAL:		87960713	125156819	60463997	86032517
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		1433126	2039155	25388885	36125129
2. Other loans		1178129	1676327	946025	1346072
3. Advance payments received from customers		10355592	14734680	28668268	40791270
4. Suppliers and contractors trade account payable		37951590	54000248	32496087	46237766
5. Accrued liabilities (payable bills of exchange)		2392372	3404039	182414	259552
6. Payable (debt) to related companies		4825	6865	0	0
7. Payable (debt) to associated companies		2094817	2980656	876516	1247170
8. Taxes and state social insurance payments		1751212	2491750	1218431	1733671
9. Other liabilities		517648	736547	1025663	1459387
II. TOTAL:		57679311	82070266	90802289	129200017
Section 3 total amount:	2	145640024	207227085	151266286	215232534
TOTAL LIABILITIES AND EQUITY		185636561	264137030	240016149	341512213

In the name of the JSC "Liepājas Metalurģs"

Administrator _____ H. Velmers

STATEMENTS OF COMPREHENSIVE INCOME (Consolidated) for 9 months of the year 2013

No.	Parameter designation	Enclosure Number	As of 30.09.2013.		As of 30.09.2012.	
			LVL	EUR	LVL	EUR
1	Net turnover	3, 4	101156796	143933153	253933377	361314644
2	Production costs of goods sold	5	-110492900	-157217233	-239284474	-340471133
3	Gross profit or loss (from turnover)		-9336104	-13284079	14648903	20843511
4	Sales costs	6	-2735437	-3892176	-7417843	-10554640
5	Administration costs	7	-4035115	-5741451	-5055412	-7193203
6	Other operating income	8	2810263	3998644	4609483	6558703
7	Other operating costs	9	-12755668	-18149680	-3921461	-5579736
8	Interest income and other similar income		3575	5087	1935	2753
9	Income from capitals of associated and related companies		75951	108069		
10	Interest payments and similar expenses		-2174811	-3094477	-1211926	-1724415
11	Profit or loss before extraordinary items and taxes		-28147346	-40050065	1653679	2352973
12	Income tax for the reporting period		0	0	-280	-398
13	Deferred tax		0	0	0	0
14	Other taxes		-234056	-333032	-234749	-334018
15	Profit or loss after taxes for the reporting period		-28381402	-40383097	1418650	2018557

In the Financial Statements the LVL amounts were converted into EUR by applying the Bank of Latvia exchange rate fixed at EUR 0.702804

In the name of the JSC "Liepājas Metalurģs"

Administrator _____ H.Velmers

CASH FLOW STATEMENT (by direct method) (Consolidated) for 9 Months of the year 2013

	As of 30.09.2013.		As of 30.09.2012.	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	86556819	123159258	260759668	371027581
Cash received from other business activities	62837	89409	34217	48686
VAT overpayment received	1539872	2191040	2329738	3314919
Cash paid to suppliers and employees	-82867998	-117910538	-249635812	-355199760
Cash received from the core business activity	5291530	7529169	13487811	19191426
Received interests from the core business activity	27917	39722	2214	3150
Received interest	-2338800	-3327813	-1210283	-1722078
Corporate income tax payments	-10478	-14909	-22175	-31552
Other tax payments	-2652972	-3774839	-1861602	-2648821
Other costs related to operating activity	-11409	-16234	0	0
Net cash flow from the core business activity	305788	435097	10395965	14792126
CASH FLOW FROM INVESTMENT ACTIVITIES				
Return of long-term investments	350000	498005	0	0
Acquisition of fixed assets	-369449	-525679	-4200881	-5977315
Sale of fixed assets and intangible assets	2323	3305	21567	30687
Investments in associated and related companies	-2000	-2846	-74592	-106135
Net cash flow from investment operations	-19126	-27214	-4253906	-6052763
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings, net value (credit line) net worth	527006	749862	-931262	-1325066
Long term borrowings	202261	287791	444428	632364
Paid liabilities for financial leasing	-660802	-940237	-844457	-1201554
Repayment of loans of related and associated companies	92339	131387	0	0
Repayment of loans	-454016	-646007	-714768	-1017023
Long term loan repayments	-173737	-247205	-4457254	-6342101
Costs not associated with operating activities	-12164	-17308	-49283	-70123
Other funding and grants received	275067	391385	284858	405316
Net cash flow from financing activities	-204046	-290331	-6267738	-8918188
Result of foreign currency exchange rate fluctuations	-87392	-124348	-142530	-202802
Net growth of cash and its equivalents	-4776	-6796	-268209	-381627
Cash and its equivalents at the beginning of accounting period	1109319	1578419	1747142	2485959
Cash and its equivalents at the end of accounting period	1104543	1571623	1478933	2104332

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, LVL

	Share capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous years	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 01.01.2012.	16981033	34403622	0	44524829	3829967	-19267697	80471754
Profit in reserves					-3829967	3829967	0
Undistributed profit of the reporting period					-10355331		-10355331
Minority shareholders							0
Revaluation reserve in the deferred tax		550568					550568
Written-off revaluation reserve		-3670456					-3670456
As of 31.12.2012.	16981033	31283734	0	44524829	-10355331	-15437730	66996535
Profit in reserves					10355331	-10355331	0
Undistributed profit of the review period					-28381402		-28381402
Minority shareholders						569703	569703
Revaluation reserve in the deferred tax		120158					120158
Written-off revaluation reserve		-801051					-801051
As of 30.09.2013.	16981033	30602841	0	44524829	-28381402	-25223358	38503943

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, EUR

	Share capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous years	Equity capital TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 01.01.2012.	24161833	48951944	0	63353124	5449552	-27415463	114500990
Profit in reserves					-5449552	5449552	0
Undistributed profit of the reporting period					-14734309		-14734309
Minority shareholders							0
Revaluation reserve in the deferred tax		783388					783388
Written-off revaluation reserve		-5222588					-5222588
As of 31.12.2012.	24161833.2	44512743	0	63353124	-14734309	-21965911	95327481
Profit in reserves					14734309	-14734309	0
Undistributed profit of the review period					-40383097		-40383097
Minority shareholders						810614	810614
Revaluation reserve in the deferred tax		170969					170969
Written-off revaluation reserve		-1139793					-1139793
As of 30.09.2013.	24161833.2	43543920	0	63353124	-40383097	-35889605	54786175

ENCLOSURES TO THE 9 MONTH QUARTERLY REPORT

(Consolidated)

ENCLOSURES TO FINANCIAL POSITION

1. Accounts Receivables (Debtors)

Accounts Receivable	As of 30.09.2013.		As of 30.09.2012.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies' debts	2555092	3635568	9948682	14155699
Incl. Debts of buyers and customers	1838645	2616156	9175355	13055354
Incl. Debts of buyers with factoring activities	191662	272710	0	0
Incl. Debts of related enterprises (subsidiaries)	59758	85028	0	0
Incl. Debts of associated enterprises (Doubtful debtors debt)	465027 /2408087/	661674 /3426399/	773327 /293520/	1100345 /417641/
Other debtors	291345	414547	1552192	2208570
Incl. Provision for VAT and unpaid VAT	3764	5356	14861	21145
Incl. Advance payments	8550	12166	15838	22535
Incl. VAT budget overpayments	108417	154263	1217965	1733008
Incl. Debt for caused damages to the enterprise	0	0	173	246
Incl. Various debtors	155610	221413	156360	222480
Incl. Overpaid salaries	290	413	4	6
Incl. Advance payments for services	5267	7494	8538	12148
Incl. Advance prepayment for Corporate income tax	5730	8153	32034	45580
Incl. Other overpaid taxes	607	864	655	932
Incl. Security amounts in auction	3110	4425	105764	150489
Short-term loans to employees	1839	2617	7347	10454
Accrued income	0	0	2500	3557
Future periods payments	115839	164824	80959	115194
Incl. Press expenses	1716	2442	3392	4826
Incl. Various	44329	63074	4988	7097
Incl. Property insurance	69577	98999	72304	102879
Incl. Publicity and Advertisement	217	309	275	391
Total Debtors:	2964115	4217556	11591680	16493475

2. Accounts Payable (Creditors)

CREDITORS	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Long- term creditors (credit institutions)	24841204	35345849	54032466	76881273
Other long-term borrowings - leasing	2375057	3379402	6290611	8950733
Long-term debt to suppliers and contractors	2989023	4252997	0	0
Long-term creditors (Ministry of Finance of the Republic of Latvia)	51933939	73895338	0	0
Other creditors	98294	139860	140920	200511
Provisions for anticipated taxes	322695	459154	0	0
Deferred tax from revaluation reserve	5400501	7684221	0	0
Short-term borrowings from credit institutions	1433126	2039155	25388885	36125129
Short-term debt from leasing	819001	1165333	827520	1177455
Advance payments (from residents)	369550	525822	597121	849627
Advance payments (from non-residents)	9986042	14208858	28071147	39941644
Other borrowings (factoring)	191662	272710	118505	168617
Other borrowings	167242	237964	0	0
Other borrowings (physical persons)	224	319	0	0
Debts to suppliers and contractors	37951591	54000249	32496087	46237766
Incl. Materials and gas	7983316	11359235	16512090	23494587
Incl. Services	17033945	24237120	6368658	9061784
Incl. Scrap, various services related to scrap delivery, processing	12706647	18079930	8870754	12621946
Incl. Fixed assets	224820	319890	407753	580180
Incl. Medical department creditors	2863	4074	2384	3392
Incl. Other Creditors	0	0	334448	475877
Debts to related enterprises (subsidiaries)	4825	6865	0	0
Debts to associated enterprises	2094817	2980656	876516	1247170
Accrued liabilities	2392372	3404039	182414	259552
Taxes and social security insurance payments	1751211	2491749	1218431	1733671
Incl. Value added tax	35187	50067	88538	125978
Incl. State tax	621	884	697	992
Incl. Residents' Income tax	636053	905022	395750	563102
Incl. Social Security tax	1074795	1529296	701203	997722
Incl. Autotransportation (car) tax	0	0	210	299
Incl. Nature resources tax	1716	2442	13411	19082
Incl. Enterprise's Income tax	0	0	18622	26497
Incl. Settlements with busines partners-non residents	2839	4040	0	0
Other creditors (liabilities)	517648	736547	1025663	1459387
Incl. Payments for salaries	406451	578328	921362	1310980
Incl. Deductions from salaries	21172	30125	42143	59964
Incl. Debt to accountable persons	90025	128094	62137	88413
Incl. Other Creditors	0	0	21	30
Total Creditors:	145640024	207227085	151266286	215232534

ENCLOSURES TO STATEMENTS OF COMPREHENSIVE INCOME

3. Net turnover (revenue) by products

Product Description	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Rolled steel	82805114	117821062	223663927	318245097
Castings	0	0	202313	287865
Billet	9677649	13770054	16286291	23173304
Wire	587524	835971	453659	645499
Nails	545103	0	579971	0
Slag	66128	94092	11890	16918
Services	62762	89302	152907	217567
Building services	608	865	304794	433683
Sold steam, gCal	5431	7728	5365	7634
Compressed Air	6768	9630	2818	4010
Medical department	697963	993112	652774	928814
Slag and waste processing	518864	738277	0	0
Transportation services	6029	8578	15211	21643
Stevedoring services	2008096	2857263	4403666	6265852
Broker services	1339418	1905820	2545080	3621323
Freightage services	69109	98333	22240	31645
Forwarder and other services	1047624	1490635	3349726	4766231
Sports	332488	473088	288117	409954
Publicity and Advertisement	6763	9623	13618	19377
Beton (concrete) wares	721137	1026086	762485	1084918
Other	160771	228757	120744	171803
Scrap sale	435860	620173	18403	26185
Electric energy	55587	79093	77378	110099
TOTAL	101156796	143933153	253933377	361314644

4. Net turnover by geographic markets

Market	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Latvia	9014937	12827100	20034265	28506191
European Union countries	28192179	40113857	116408850	165634871
Other third countries	63949680	90992197	117490262	167173582
Total	101156796	143933153	253933377	361314644

5. Production costs of sold goods

Cost Description	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Materials	83568648	118907473	194861851	277263435
Salaries and wages	7740730	11014067	12572309	17888784
Social benefits deduction	1832968	2608078	2989239	4253304
Depreciation	5888888	8379133	6355854	9043565
Other costs	11459753	16305760	22504547	32021086
Write-off of nonmaterial values	1913	2722	674	959
Total	110492900	157217233	239284474	340471133

6. Sales expenses

Cost Description	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Packing materials	55285	78663	87263	124164
Transportation costs	618308	879773	2259644	3215184
Port handling charges	0	0	278443	396189
Advertising and marketing costs	29063	41353	43352	61684
Other sales costs	176868	251660	195828	278638
Costs related to sport events	270216	384483	357333	508439
Logistics services costs	1461652	2079743	4075282	5798604
Costs related to L/C and factoring transactions	124045	176500	120698	171738
Total	2735437	3892176	7417843	10554640

7. Administration expenses

Cost Description	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Salaries and social costs	2810695	3999259	3460786	4924255
Communication costs	50744	72202	71831	102206
Office supplies and office maintenance costs	651999	927711	851922	1212176
Legal and auditing fees	261335	371846	120463	171403
Presentation costs	54649	77759	186067	264749
Depreciation of fixed assets	124249	176790	174572	248394
Traveling expenses	26894	38267	78457	111634
Management training	0	0	6743	9594
Costs of bank account services	43226	61505	90399	128626
Costs related to stockholders	11324	16113	14172	20165
Total	4035115	5741451	5055412	7193203

8. Other operating income

Income Description	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Sale of current assets	823117	1171190	934226	1329284
Intermediary services	1245361	1771989	1273837	1812507
Liquidation of fixed assets and sale	10343 45433	14717 64645	97486 3041	138710 4327
Rent of fixed assets	50319	71597	5800	8253
Written-off revaluation reserve of fixed assets	1901	2705	28753	40912
Currency exchange income	70301	100029	0	0
Received fine payments	16451	23408	360739	513285
Bad debt recovery	0	0	121234	172500
Other income from operating activity	271898	386876	1520099	2162906
Dotation (allowance)	275139	391488	264268	376019
Total	2810263	3998644	4609483	6558703

9. Other operating costs

Cost Description	As of 30.09.2013		As of 30.09.2012	
	LVL	EUR	LVL	EUR
Sales costs of current assets	952550	1355357	1247971	1775703
Costs of intermediary services	1196092	1701886	1296287	1844450
Costs related to the sale and and liquidation of fixed assets	24056 19042	34229 27094	87915 31107	125092 44261
Currency exchange loss	0	0	292007	415489
Reserve on the doubtful debtors	528	751	4333	6165
Compensation for damage and other allowances	58925	83843	62407	88797
Other costs	6838271	9729983	531483	756232
Paid fines	178476	253948	43280	61582
Costs not related to the operating activities	3443066	4899042	234557	333745
Costs of infrastructure maintenance	9074	12911	12578	17897
Training of new employees	2248	3199	42838	60953
Costs of previous period	4432	6306	1133	1612
Costs of representative auto maintenance	28908	41132	33565	47759
Total	12755668	18149680	3921461	5579736