

“RIGA SHIPYARD” JSC /AS “RĪGAS KUĢU BŪVĒTAVA”/

***“RIGA SHIPYARD” JSC
financial statements for 3 months of the year 2009
(not audited)
(not consolidated)***

Riga, 2009

Content

	<i>Pages</i>
Information on the company	3
Profit& loss calculation	5
Balance sheet	6
Cash flow statement	8
Equity changes report	9
Notes to the financial statements	10

Information on the company

Name of the company	Joint stock company “Riga shipyard”		
Legal status	Joint stock company		
Incorporation number, place and date	000304589, 5 December 1991, companies register, Riga 40003045892, 26 August 2004, commercial register, Riga		
Registered office	2 Gales street, Riga, LV-1015		
Stock capital of the enterprise	Ls 11 672 107		
Core business of the enterprise	<ul style="list-style-type: none">– building and repair of ships, yachts, catamarans, roll trailers and technological equipment– Port services– Wood processing, manufacturing of furniture designed for various functional purposes etc.		
Associate enterprise	“Tosmare Shipyard” JSC		
Address	42/44 Generala Baloza Street, Liepaya		
Partnership	49,72%		
Associate enterprise	“Remars Granula” SIA		
Address	2 Gales street, Riga, LV-1015		
Partnership	49,80%		
Name, surnames and positions of members of the Board			
Vasilijs Melniks	Chairman of the Board,	p. ID 310867-10726	
Igors Komarovs	Member of the Board,	p. ID 040756-10902	
Larisa Artemenko	Member of the Board,	p. ID 030349-12926	
Irina Rudzate	Member of the Board,	p. ID 091066-11012 (appointed on 20.03.2008)	
Name, surnames and positions of members of the Council			
Sergejs Golicins	Chairman of the Council,	p.ID 250154-10952	
Anatolijs Ustinovs	Deputy Chairman of the Council,	p.ID 010146-10964	
Aleksandrs Cernavskis	Member of the Council,	p. ID 230770-10102	
Andris Kravalis	Member of the Council,	p. ID 250977-11002 (resigned on 30.04.2009)	
Juris Kaksitis	Member of the Council,	p. ID 270443-10124	
Gaidis Andrejs Zeibots	Member of the Council,	p. ID 260645-10807 (appointed on 01.05.2009)	
Chief accountant	Marina Pudova	Phone 67080868	
Annual report	1 January – 31 March 2009		
Tax authority	SRS Large tax payers department		
Name and address of an auditor	Natalija Zaiceva, p ID 140366-10722		
	Sworn auditors firm KSIA “ORIENTS N” LSAA certificate No 28		
Responsible person	Larisa Artemenko Member of the board t. 67353411, E-mail: larisa@riga-shipyard.com		

Notification on liability of the board

The board of the enterprise is liable for preparation of a financial report, grounding on initial accountancy per each accounting period, which correctly reflects financial situation of the enterprise as at the end of the year of account, as well as results and cash flow for this period.

The board endorses that, preparing this report for the period ended on March 31th 2009, there were used corresponding accounting methods, their application was consequent, there were made reasonable and prudent resolutions. The board endorses that corresponding International Accounting standards are observed and financial reports are prepared in compliance with principle of continuation of business.

The board is liable for administering of respective accounting reports, for perseverance of means of the enterprise, as well as for elimination of deceit and other dishonest acts.

Chairman of the Board

V. MELNIKS

May 29th, 2009
“Riga Shipyard” JSC

Profit & Loss calculation for 2009 year 3 months and 2008 year 3 months

	Remarks	2009 3 months Ls	2008 3 months Ls	2009 3 months EUR	2008 3 months EUR
Net turnover	1	5 731 964	5 792 530	8 155 850	8 242 028
Sold production operating costs	2	6 547 420	6 272 319	9 316 139	8 924 706
Gross profit or losses		(815 456)	(479 789)	(1 160 289)	(682 678)
Selling costs	3	3 433	7 538	4 885	10 726
Administration costs	4	197 289	207 340	280 717	295 018
Other enterprise's business activity's income	5	276 975	212 033	394 100	301 696
Other enterprise's business activity's costs	6	188 935	224 488	268 830	319 418
Profit & Losses of business activity's		(928 138)	(707 122)	(1 320 621)	(1 006 144)
Income from investments in capital of related and associated companies					
Other percents and the like income	7	276 112	166 633	392 872	237 097
Payment off percents and the like costs	8	56 324	119 226	80 142	
Profit & Losses prior to extra ordinary items and taxes		(708 350)	(659 715)	(1 007 891)	169 643
Profit & loss prior to taxes		(708 350)	(659 715)	(1 007 891)	(938 690)
Income taxes of the enterprise	9	14 988	1 164	21 326	1 656
Other taxes	10	23 871		33 966	
Year of account profit & loss (net income)		(747 209)	(660 879)	(1 063 183)	(940 346)

Chairman of the Board

V. MELNIKS

Member of the Board

L. ARTEMENKO

May 29th, 2009

“Riga shipyard” JSC
financial statements for 3 months of the year 2009

Balance as at 31 March 2009 year

ASSETS	Remarks	31.03.2009 Ls	31.03.2008 Ls	31.03.2009 EUR	31.03.2008 EUR
<i>Long-term investments</i>					
<i>I Intangible investments</i>					
1 Other intangible investments		27012	37214	38435	52951
2 Advance payments of intangible investments		167895	186634	238893	265556
Intangible investments in total	11	194907	223848	277328	318507
<i>II Fixed assets</i>					
1. Lands, buildings, constructions, perennial plants		3814579	3520127	5427657	5008690
2. Long-term investments into leased fixed assets		28615	3304	40715	4701
3. Equipment and machinery		13866672	14039830	19730497	19976878
4. Other fixed assets and stock		391420	450608	556940	641157
5. Up building of fixed assets and unfinished building objects costs		306999	153010	436820	217714
6. Advanced payments for fixed assets		35999		51222	
Fixed assets in total		18444284	18166879	26243851	25849140
<i>III Property deposit</i>					
		440334	440796	626539	627196
Fixed assets and property deposit in total	12	18884618	18607675	26870390	26476336
<i>IV Long-term financial investments</i>					
1. Participation in capital of related companies	13	3008147	3008147	4280207	4280207
2. Participation in capital of associated companies			283540		403441
3. Other equities and investments	14	165	165	235	235
4. Other loans and other long-term debtors	15	555394	570690	790254	812019
5. Loans to copartners of the enterprises and to the directorship	16	332284	342284	472798	487026
6. Long-term deposit	17	4322245	0	6150000	
Long-term financial investments in total		8218235	4204826	11693494	5982928
Long-term investments in total		27297760	23036349	38841212	32777771
<i>Current assets</i>					
<i>I Reserves</i>					
1. Raw materials, direct materials and auxiliary materials	18	3600938	4021373	5123673	5721898
2. Unfinished production	19	789097	342585	1122785	487456
3. Unfinished order	20	450080	1416214	640406	2015091
4. Advance payments for goods	21	3863571	604572	5497366	860228
Reserves in total		8703686	6384744	12384230	9084673
<i>II Debts of debtors</i>					
1. Debts of buyers and customers	22	3390740	2590931	4824588	3686563
2. Associated companies debts	23	394313	302683	561057	430679
3. Other debtors	24	465366	580385	662157	825813
4. Short-term loans to copartners of the enterprise's and to the directorship	25	224394	222676	319284	316839
6. Next period costs	26	108445	137478	154303	195614
7. Accrued proceeds	27	4701782	12804307	6690032	18218888
Debtors in total		9285040	16638460	13211421	23674396
<i>III Short-term financial investments</i>					
<i>Short-term financial investments in total</i>					
<i>Cash assets</i>	28	11862719	9256075	16879129	13170208
Current assets in total		29851445	32279279	42474780	45929277
Assets in total		57149205	55315628	81315992	78707048

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“Riga shipyard” JSC
financial statements for 3 months of the year 2009

LIABILITIES		Remarks	31.03.2009 Ls	31.03.2008 Ls	31.03.2009 EUR	31.03.2008 EUR
I	Equity capital					
	1. Stock or share capital (equity capital)	29	11672107	11672107	16607912	16607912
	2. Overrate reserved of financial fixed assets	30	8810776	10666906	12536605	15177640
	3. Retained earnings					
	a) previous years retained earnings		3286347	3077375	4676051	4378711
	b) year of account retained earnings		(747209)	(660879)	(1063183)	(940346)
	<i>Retained earnings in total</i>		<i>2539138</i>	<i>2416496</i>	<i>3612868</i>	<i>3438365</i>
	Equity capital in total		23022021	24755509	32757385	35223917
II	Reserves					
	<i>Reserves in total</i>					
III	Creditors					
I	Long-term debts					
	1. Liability of leasing					
	2. Deferred taxation reserves liabilities		2024555	417985	2880682	594739
	Long-term debts in total		2024555	417985	2880682	594739
II	Short-term debts					
	1. Loans from credit institutions	31	5537908	7061842	7879733	10048096
	2. Liability of leasing			1486		2114
	3. Advance payments received from buyers	32	23658692	19727132	33663286	28069180
	4. Debts to suppliers and contractors	33	1726033	2192345	2455924	3119426
	5. Debts to associated companies	34	1200		1707	
	6. Taxes and social insurance payments	35	171549	223971	244092	318682
	7. Other creditors	36	274864	300543	391096	427634
	8. Unpaid previous years dividends	37	24915	25058	35451	35654
	9. Next period income	38	6833		9722	
	10. Accrued liabilities	39	700635	487518	996914	693676
	Short-term creditors in total		32102629	30019895	45677925	42714462
	Creditors in total		34127184	30437880	48558607	43309201
	Liabilities total		57149205	55315628	81315992	78707048

Chairman of the Board

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May 29th, 2009

Cash flow statement for 2009 year 3 months and 2008 year 3 months

	2009 3 months Ls	2008 3 months Ls	2009 3 months EUR	2008 3 months EUR
A Cash flow from primary activity				
Sales income	7601627	8213862	10816141	11687273
Cash to suppliers, personnel and others primary activity costs	7195698	7847413	10238556	11165863
Gross cash flow from primary activity	405929	366449	577585	521410
Interest paid	56324	119226	80142	169643
Corporate income tax	3747		5332	
Primary activity before extraordinary items	345858	247223	492111	351767
Cash flow from extraordinary items	345858	247223	492111	351767
Net cash flow from primary activity	345858	247223	492111	351767
B Cash flow from investment activity				
Related and associated enterprises shares acquisition				
Selling out of shares	75785	153993	107832	219112
Paid for fixed assets acquisition	1394	45784	1984	65145
Received for the fixed assets sold	3651	2706	5195	3850
Loans granted				
Deposit				
Repayment of loans				
Interest received	276112	166632	392873	237096
Received dividend				
Net cash flow from financial activity	198070	55717	281830	79279
C Cash flow from financial activities				
Loan received				
Loan repaid	306545	279393	436174	397540
Dividend paid	2	3420	3	4866
Net cash flow from financial activities	(306547)	(282813)	(436177)	(402406)
Result of currency exchange rates changing	(9922)	875	(14118)	1243
Net cash flow and equivalent increase or decrease (A+B+C)	227459	21002	323646	29883
Cash and equivalent thereof at beginning of the period of accounts	11635260	9235073	16555483	13140325
Cash and equivalent thereof at the end of the period of account	11862719	9256075	16879129	13170208

Chairman of the Board

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Member of the Board

L. ARTEMENKO

May 29th, 2009

Changes in own capital report for 2009 year 3 months and 2008 year 3 months

Types of changes	Stock or Share capital		Long-term asset reevaluation reserve		Retained earnings		Total	
Balance as at 31.12.2007	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
	11672107	16607912	10666906	15177640	3077375	4378711	25416388	36164263
Reevaluation reserve								
Dividends								
Period of account net profit & loss					(660879)	(940346)	(660879)	(940346)
Balance as at 31.03.2008	11672107	16607912	10666906	15177640	2416496	3438365	24755509	35223917
Balance as at 31.12.2008	11672107	16607912	8868979	12619419	3286347	4676051	23827433	33903382
Reevaluation reserve *			(58203)	(82814)			(58203)	(82814)
Dividends					(747209)	(1063183)	(747209)	(1063183)
Period of account net profit & loss								
Balance as at 31.03.2009	11672107	16607912	8810776	12536605	2539138	3612868	23022021	32757385

* Long-term asset reevaluation reserve to the calculated depreciation amount

EPS uz 31.03.2009. LVL (747209) : 11672107 = (0,06) LVL vai (0,09) EUR ;

EPS uz 31.03.2008. (0,06) LVL vai (0,08) EUR

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May 29th, 2009

Notes: all sections of the financial reports are to be evaluated in EURO according to the rates of Bank of Latvia on 31.03.2009.

Notes to the financial statements

Accounting policy

(1) General principles

The annual report has been prepared in compliance with “International Accounting Standard”(IAS) and “International Reporting Standard”(IFRS).

Profit & Loss calculation has been prepared as per turnover costs scheme.

Cash flow statement has been prepared as per third method.

Comparing to previous year of account methods of accountancy and evaluation applied in the Company have been changed.

The annual report has been prepared basing on the conception of continuation of business.

Financial reports, which are applied to the given annual report, are made in the Latvian national currency - in an LVL and counted in EURO.

(2) Agency continuation

Present financial report has been prepared with reference to uninterrupted operation of company that an active realization and repayment liability is preceding in an ordinary way.

(3) Income recognition and net sales

Net sales contains the total value of goods and services sold during the period under review excluding discounts and value added tax.

Income is recognized according to the following principles:

Sales of goods - after significant ownership risk and rewards have been passed to the buyer;

Rendering of services - under the percentage of completion method;

Income from fines and penalties - at the moment of receiving the payments;

Interest income - on an accrual basis;

Dividends - at the moment of acquiring legal rights to receive them.

(4) Revaluation of foreign currency in lats

All the company accounting is carried out into lats.

All monetary assets in foreign currency were revaluated in lats in the end of the year of account pursuant to the currency exchange rate officially established by the Bank of Latvia

Cash, debtors and creditors in currency at the end of the year was converted in Ls in accordance to the Bank of Latvia currency rate at the last day of year of the account. Net income or losses at the result of exchange rate fluctuations was reflected in profit-loss statement.

Currency rate for financial statements at March:

	31.03.2009.	30.03.2008.
	Ls	Ls
1 USD	0,532	0,445
1 EUR	0,702804	0,702804
1 NOK	0,0797	0,0876
1 GBP	0,756	0,893
1 RUB	0,0157	0,0189

(5) Fixed assets and low-grade stock

Intangible and fixed assets are initially defined at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are defined at purchase cost or revalued amount less depreciation.

Increase in value arising from revaluation is shown in equity under “Long-term investments revaluation reserve”.

Depreciation is calculated on a straight-line basis applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets:

Depreciation % per annum

Buildings	2-15
Other buildings and constructions	3,5 - 20
Technological equipment	5-50
Other fixed assets and stock	10-40

Wear of basic means begins to count from the first date of the next month after its delivery to exploitation and is finished by the first date of the next after its exclusion from the basic means.

Company capitalizes permanent assets with value more than Ls 100 and time of valid usage is more than 1 year. Increased value of revaluing permanent assets is reflected as moving towards long-term investments revaluation reserve. It is attributed to the dissolution of permanent assets in the calculation of profits, incomes losses.

In case of the obvious evident that as a result of fixed asset’s repair and reconstruction in the future the economical achieved effect would be higher than the primary defined output, then such investments are capitalized as an additional cost of fixed assets staff. With capitalization of the spare parts installation expense the remaining cost of exchange spare parts is written off to the profit or losses account.

Net profit or losses from fixed assets disposal is calculated as the difference between fixed assets balanced value and income received from the sales and defined in the income or loss calculation of the period where they had occurred from.

To calculate enterprise’s income tax the depreciation of the fixed assets was estimated pursuant to rates and requirements under article 13 of LR law “On enterprises’ income tax”.

Low-grade stock booked at the purchase prices and costs was 100% written off after commissioning.

(6) Property deposit

There is some property that is hold in order to gain cost for the rent.

(7) Affiliated undertaking deposits.

Affiliated undertaking deposits are shown taking into account SGS Nr.27, 28, 36 as well as SFPS Nr.3 requirements. Though since year 2004 goodwill amortization and 36 SGS requirements were suspended.

(8) Other long-term investments.

Other long-term investments have been reflected in purchase costs.

(9) Reserves

Raw materials, materials and goods subject to sale were booked at the purchase price, including costs related to purchase, and were accounted as per FIFO methods. Sum of Illiquid assets', stored in the enterprise's warehouses, in comparison to total commodity stock was not essential.

Balance of reserves has been shown at the lowest costs.

Unfinished production has been reflected at the prime cost, excluding administration costs.

(10) Long-term contract

Initial and final dates of execution of the contract about creation of an active are in the different accounting periods.

Incomes of long-term contracts admit according to a degree of their readiness. The degree of readiness is determined surveying results of work personally and physically ascertaining the termination of a part of works of the named contracts.

(11) Debtors

Debtors' debts in the balance sheet have been shown at the net value. Debtors' actual sum complies with contracts and other accounting basic documents.

(12) Accumulated income

Riga Shipyard's new building incomes are acknowledged respective to its executive degree.

(13) Cash and cash equivalents

In the report of cash flow consist of the money in cash-box and remnants of active bank cont.

(14) Reserves for unused vocations

Vocation cost reserves was calculated considering vocation days and average earnings for all workers.

(15) Income tax of the enterprise

Enterprise income tax was calculated according to Latvia Republic tax laws. Tax laws in 2009 and further fix 15% tax rate.

Deferred taxation was referable to all short-term distinctions, which appear as a result of making accountancy of earnings and expenses according to tax laws. Deferred taxation is liability, which was calculated using tax rates. The main short-term distinctions appear from distinctions of fixed assets and nonmaterial wealth depreciation norms in taxes and financial bookkeeping calculation.

Deferred taxation assets item was included in financial reports only when regain of assets is real.

(16) Taxes

There has been made reconciliation of taxes liabilities by State Revenue Service data.

(17) Bookkeeping arrangement

The bookkeeping accountancy has been arranged with the help of computers using the software

(Microsoft Business Solutions – NAVISION 4.0).

(18) Use of estimation

In financial reports enterprise management must make estimations, assumptions which influence presented assets and liabilities at the date of annual report processing. Real results can differ from estimations.

(19) Financial risks

The principal financial instruments of the Company are money. The main objective of these financial instruments is to provide financing for the operations of the Company. The Company interacts with various other financial instruments, for example, trade receivables and payables and other creditors, following directly from its operations.

Financial risks, connected with the financial instruments of the Company, mainly, are interest rate risk, liquidity risk and credit risk.

In the conditions of regular activities the Enterprise is subject to credit and foreign exchange risks.

(20) Credit risk

The Company is subject to the credit risk with respect to the debts of its buyers and customers, issued short-term loans and money and its equivalents. The Company manages its credit risk constantly reviewing the repayment history of the client debts and stating the credit conditions for each client separately.

The Company has no significant concentration of credit risk on any separate business partner or group of partners corresponding to the similar description.

(21) Percentage risk

Enterprise is subjected from credit interest rate changing risk.

(22) Currency risk

The company is subject to foreign currency exchange rate fluctuations; mainly due to its loans and other operations performed in euro currency as well as trade receivables is also in euro.

Since 2005 the Bank of Latvia has stated a fixed official currency exchange rate for lats against euro, i.e. 0.702804, and ensure that the market rate will not differ from the official rate by more than 1%. As far as the Bank of Latvia maintains the above mentioned exchange corridor, the Company will not have a significant currency exchange risks in respect of assets and liabilities nominated in euro.

(23) Dividend

Dividend was reflex as fixed in announced period.

(24) Retraining

In comparative readings for year 2008 in necessary cases individual post classification is changed in order to meet post classification for year 2009.

Profit & Loss calculation supplement

According to the standard demands No 14 “Information on segments presenting”, management defined the following kinds of industrial works:

(1) Net turnover	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
On aspects of business				
Shipbuilding	3 254 277	3 161 385	4 630 419	4 498 245
Ship repair	2 441 520	2 517 434	3 473 970	3 581 986
Mechanical engineering	14 754	111 397	20 993	158 504
Other works	21 413	2 314	30 468	3 293
Total	5 731 964	5 792 530	8 155 850	8 242 028
(2) Sold products operating costs				
	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Material costs (raw materials and materials, value of goods, services from outside)	4 868 144	4 590 834	6 926 745	6 532 168
Remuneration of labor	1 069 957	1 097 884	1 522 412	1 562 148
Social insurance costs	249 414	255 824	354 884	364 005
Depreciation of fixed assets	250 171	219 190	355 961	311 879
Other costs	109 734	108 587	156 137	154 506
Total	6 547 420	6 272 319	9 316 139	8 924 706
(3) Selling costs				
	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Advertisement	3 433	7 538	4 885	10 726
Total	3 433	7 538	4 885	10 726
(4) Administration costs				
	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Liaison costs	2 188	2 006	3 113	2 854
Office maintenance costs	363	1 161	517	1 652
Salary of administration	17 164	12 190	24 422	17 345
Remuneration of the board	59 995	70 507	85 365	100 322
Remuneration of the council	49 000	52 500	69 721	74 701
Social insurance costs	29 326	31 786	41 727	45 227
Depreciation of fixed assets	5 939	9 590	8 450	13 645
Transport costs, travel allowances	20 546	21 571	29 234	30 693
Legal services	0	351	0	499
Assurance	2 166	3 209	3 082	4 566
Representation costs	3 147	2 469	4 478	3 514
Vehicle representation costs	7 455	0	10 608	0
Total	197 289	207 340	280 717	295 018

Profit & Loss calculation supplement

(5) Other enterprise's business activity's income

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Income generated by transport services rendering	2 001	599	2 847	852
Income generated by leased FA payments and public services	184 300	139 898	262 235	199 057
Tugboat services income	17 551	15 329	24 973	21 811
Selling out of raw materials and materials	64 863	36 196	92 292	51 502
Education expenses recovery	138	2 526	196	3 594
Income generated by chemical analyses	1 080	682	1 537	971
Income generated by realization of fixed assets	0	9 659	0	13 744
Currency selling income	6 147	0	8 746	0
Income generated by fluctuation of currency rate	0	325	0	462
Other income	895	6 819	1 274	9 703
Total	276 975	212 033	394 100	301 696

(6) Other enterprise's business activity's costs

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Material purchase costs	55 566	29 883	79 063	42 520
Losses due to currency rate fluctuation	4 564	0	6 494	
Losses incurred by currency selling out	0	19 317	0	27 486
Medical services	3 063	2 088	4 358	2 971
Costs on tugboat services	7 913	2 330	11 259	3 315
The donations	1 100	1 000	1 565	1 423
Material benefits	60	110	85	157
Burial costs	630	550	896	783
Costs incurred by fixed assets' exclusion	0	1 377	0	1 959
Representation costs	2 161	1 671	3 075	2 378
Costs on maintenance of leased FA	113 878	166 159	162 035	236 422
Other costs	0	3	0	4
Total	188 935	224 488	268 830	319 418

Profit & Loss calculation supplement

(7) Other percents and the like income

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Depositing percentage	276 014	165 860	392 733	235 997
Bank interests	98	773	139	1 100
Total	276 112	166 633	392 872	237 097

(8) Payment off percents and the like costs

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Paid off penalty	595	0	847	0
Paid off interests	33 678	93 378	47 919	132 865
Guarantee maintenance	22 051	25 848	31 376	36 778
Total	56 324	119 226	80 142	169 643

(9) Income taxes of the enterprise

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Income tax advance payments	14 988	1 164	21326	1 656
Total	14 988	1 164	21 326	1 656

(10) Other taxes

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Real estate tax	23 871	0	33 966	0
Total	23 871	0	33 966	0

Supplement to the balance sheet

(11) Other intangible investments LVL

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments Total
Initial value						
01.01.2009			70 409		167 701	238 110
Bought			3 880		1 694	5 574
Relocated						
Written off					1 500	1 500
31.03.2009	0	0	74 289	0	167 895	242 184
Depreciation						
01.01.2009			43 756			43 756
Estimated			3 521			3 521
Written off						
31.03.2009	0	0	47 277			47 277
Balance value 01.01.2009	0	0	26 653		167 701	194 354
Balance value 31.03.2009	0	0	27 012		167 895	194 907

(11) Other intangible investments EUR

	Concessions, patents, licenses, trade-marks and similar rights	Research and development costs	Other intangible rights	Intangible value of enterprise	Advance payments of intangible investments	Intangible investments total
Initial value						
01.01.2009.			100 183		238 617	338 800
Bought			5 521		2 410	7 931
Written off						
Relocated						
Revaluated					2 134	2 134
31.03.2009.	0	0	105 704	0	238 893	344 597
Depreciation						
01.01.2009.			62 259			62 259
Estimated			5 010			5 010
Written off						
31.03.2009.	0	0	67 269			67 269
Balance value 01.01.2009.	0	0	37 924	0	238 617	276 541
Balance value 31.03.2009.	0	0	38 435	0	238 893	277 328

“Riga shipyard” JSC
financial statements for 3 months of the year 2009

Supplements to the balance sheet

(12) Report on long-term investments movement LVL

	Land, buildings, constructions Ls	Investments assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction Ls	Advance Payment for FA Ls	Total Ls
Initial value								
01.01.2009	5825261	531039	28615	18495598	960479	128891	5835	25975718
Bought				44721		222829	37577	305127
Written off				2406		44721	7413	54540
Relocated								
31.03.2009	5825261	531039	28615	18537913	960479	306999	35999	26226305
Depreciation								
01.01.2009	1964620	89279		4490582	546962			7091443
Estimated	46062	1426		124862	22097			194447
Written off				2406				2406
Relocated				58203				58203
31.03.2009	2010682	90705		4671241	569059			7341687
Balance value								
01.01.2009	3860641	441760	28615	14005016	413517	128891	5835	18884275
Balance value								
31.03.2009	3814579	440334	28615	13866672	391420	306999	35999	18884618

Immovable property (building) cadastral value at 31.03.2009. is **5843723 LVL**

(12) Report on long-term investments movement (EUR)

	Land, buildings, constructions	Investment assets	Long-term investments into leased FA	Equipment and machinery	Other fixed assets	Unfinished construction	Advance Payment for FA	Total
Initial value								
01.01.2009	8288600	755600	40715	26316865	1366639	183395	8302	36960116
Bought				63632		317057	53468	434157
Written off				3424		63632	10548	77604
Relocated								
31.03.2009	8288600	755600	40715	26377073	1366639	436820	51222	37316669
Depreciation								
01.01.2009	2795402	127033		6389523	778257			10090215
Estimated	65541	2028		177662	31442			276673
Written off				3423				3423
Relocated				82814				82814
31.03.2009	2860943	129061		6646576	809699			10446279
Balance value								
01.01.2009	5493197	628568	40715	19927342	588382	183395	8302	26869903
Balance value								
31.03.2009	5427657	626539	40715	19730497	556940	436820	51222	26870390

Immovable property (building) cadastral value at 31.03.2009. is **8314869 LVL**

Supplements to the balance sheet

(13) Partnership in capital of associated companies

	31.03.2009. Ls	Share capital (%)	31.03.2008. Ls	Share capital (%)	31.03.2009. EUR	31.03.2008. EUR
Branch enterprise “Tosmare shipyard” JSC investment value	2 164 782	49,72	2 164 782	49,72	3 080 207	3 080 207
SIA “Remars Granula”	843 365	49,80	843 365	49,80	1 200 000	1 200 000
Investments	3 008 147		3 008 147		4 280 207	4 280 207

(14) Other equities and investments

Name enterprise	Parts or shares	Parts or shares value		31.03.2009			31.03.2008		
		2009	2008	Quantity	Ls	EUR	Quantity	Ls	EUR
“Baltic International Bank” JSC		5	5	33	165	235	33	165	235
Total		5	5	33	165	235	33	165	235

(15) Other loans and other long-term debtors

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Student loan payout	56 952	57 242	81 035	81 448
Shares loan payout	498 442	513 448	709 219	730 571
Total	555 394	570 690	790 254	812 019

Amount to be pay back after 5 years – 506 836 Ls or 721 163 EUR

Supplements to the balance sheet

(16) Loans to copartners of the enterprises and to the directorship

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Long-term loans	332 284	342 284	472 798	487 026
Total	332 284	342 284	472 798	487 026

	Ls	EUR
Copartners and directorship		
Including: Long-term	332 284	472 798
Short-term	10 000	14 229
31.03.2009	342 284	487 027

There is a management of JSC “Tosmare shipyard” shares in this position.
The sum, which should be paid in 5 years - 292 284 Ls or 415 883 EUR.

(17) Long-term deposit

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
	4 322 245	0	6 150 000	0
Total	4 322 245	0	6 150 000	0

The enterprise had made investments at JSC “UniCredit Bank” with final term 2011-2012 that serves as a loan (financial guarantee) to 4 signed guarantee agreements dated July 10th 2008 referring guarantee delivery and agreements dated January 28th 2009 on issuance of letters of credit concluded between “JSC “Riga Shipyard” and JSC “UniCredit Bank” based on May 30 2008 agreement concluded between “JSC “Riga Shipyard” and ‘Abeking & Rasmussen” Schiffts- un Yachtwerft GMBH & Co. KG about 5 SWAT vessels building and delivery to the Ministry of Defense.

Supplement to the balance sheet

(18) Raw materials, direct materials and auxiliary materials

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
1. Metal ware	74 898	78 540	106 570	111 752
2. Timbering	4 642	9 318	6 605	13 258
3. Metal, non-ferrous metals, pipes	2 529 084	1 890 619	3 598 562	2 690 108
4. Wire cables	5 687	22 723	8 092	32 332
5. Fuel	6 401	15 170	9 108	21 585
6. Coveralls	8 691	7 438	12 366	10 583
7. Equipment	5 278	55 040	7 510	78 315
8. Cables	30 200	34 989	42 971	49 785
9. Varnish and paint	56 306	80 831	80 116	115 012
10. Tools	5 013	5 906	7 133	8 403
12. Technical rubber ware	13 100	14 613	18 640	20 793
13. Other	861 638	1 806 186	1 226 000	2 569 972
Total	3 600 938	4 021 373	5123673	5 721 898

(19) Unfinished production

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Shipbuilding orders	789 097	342 585	1 122 785	487 456
Total	789 097	342 585	1 122 785	487 456

These columns reflect the orders with up to 10% executive degree from contractual value.

(20) Unfinished orders

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
1) Ship repair orders	432 915	1 402 973	615 982	1 996 250
2) Mechanical engineering orders	6 157	11 134	8 761	15 842
3) Various	11 008	2 107	15 663	2 999
Total	450 080	1 416 214	640 406	2 015 091

(21) Advance payments for goods

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
For materials	3 863 571	604 572	5 497 366	860 228
Total	3 863 571	604 572	5 497 366	860 228

Supplement to the balance sheet

(22) Debts of buyers and customers

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Buyers and customers accounting value	3 618 956	2 815 661	5 149 310	4 006 325
Generated reserves	(228 216)	(224 730)	(324 722)	(319 762)
Balance net value	3 390 740	2 590 931	4 824 588	3 686 563

(23) Associated companies debts

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
“Tosmare shipyard” JSC	2 872	19 143	4 087	27 238
SIA “Remars Granula” debt for service and credit	391 441	283 540	556 970	403 441
Total	394 313	302 683	561 057	430 679

(24) Other debtors

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Accounting value	606 845	714 385	863 463	1 016 477
Generated reserves	(141 479)	(134 000)	(201 306)	(190 664)
Balance net value	465 366	580 385	662 157	825 813

Other debtors debts are as following:

Accounted VAT	2 816	2 816	4007	4 007
Overpaid taxes				
- Value added tax	226 071	253 791	321 670	361 112
- Enterprise income tax	34 982	33 348	49 775	47 450
- Real estate tax				
Payments personal debts	331	19 251	471	27 392
Payment of salary	624	224	888	319
Short-term loans for “Tosmare Shipyard” JSC’S shares	14 961	14 955	21 288	21 279
Advance payment of service	180 440	212 930	256 743	302 972
Other debtors	5141	43 070	7 316	61 282
Total	465 366	580 385	662 157	825 813

Supplement to the balance sheet

(25) Short-term loans to the enterprise's copartners and directorship

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Total	224 394	222 676	319 284	316 839

	Directorship, copartners Ls	Directorship, copartners EUR
Loan JSC “Remars Riga”	214 394	305 055
leaders debt for shares	10 000	14 229
31.03.2009	224 394	319 284

(26) Next period costs

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Enterprise's property insurance premium sum	12 296	13 214	17 496	18 802
Subscription to the press	239	279	340	397
Inviting of specialists	21 498	17 336	30 589	24 667
Insurance of health	0	11 012	0	15 669
Check of floating means	15 629	15 021	22 238	21 373
Expenses for repair of the rented basic means	27 214	68 443	38 722	97 386
Advertisements	9 367	4 957	13 328	7 053
Payment lease of land	8 139	5 978	11 581	8 506
Others	14 063	1 238	20 009	1 761
Total	108 445	137 478	154 303	195 614

(27) Accrued proceeds

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Shipbuilding	4 701 782	12 804 307	6 690 032	18 218 888
Total	4 701 782	12 804 307	6 690 032	18 218 888

Supplement to the balance sheet

(28) Cash assets

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Money at a cash department	3 886	7 991	5 529	11 370
Money on current accounts	93 202	9 248 084	132 615	13 158 838
Short-term deposit	11 765 631	0	16 740 985	
Total	11 862 719	9 256 075	16 879 129	13 170 208

(29) Stock or share capital (equity capital)

“Riga shipyard” JSC was founded in 1995 with the equity capital of Ls 10 000 000, which was comprised of 10 000 000 shares, face value of one share made up Ls 1.

The joint stock company is public and its shares are quoted on exchange market. All the shares give equal rights for dividends receive, liquidation quotes and vote rights at the shareholders meeting. 1 share gives 1 vote right. The enterprise does not have shares that it held or anybody else on its behalf.

Amendments to the Acts:

1. Growth of the equity capital up to Ls 11 000 000 on 31 December 1998.
2. Growth of the equity capital up to Ls 11 672 107 on 30 December 1999.

	2009 year 3 months Ls	%	2008 year 3 months Ls	%	2009 year 3 months EUR	2008 year 3 months EUR
“Remars-Riga” JSC	5 819 194	49.86	5 819 194	49.86	8 279 967	8 279 967
Other limited companies	3 329 177	28.52	3 335 061	28.57	4 736 992	4 745 364
Private personae	2 523 736	21.62	2 517 852	21.57	3 590 953	3 582 581
Total	11 672 107	100	11 672 107	100	16 607 912	16 607 912

(30) Long term investments reevaluation reserves

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
	8 810 776	10 666 906	12 536 605	15 177 640
Total	8 810 776	10 666 906	12 536 605	15 177 640

On December 2007 the enterprise had made 3 floating docks reevaluation based on certificate marine experts. As a result, reevaluation reserve of the amount of 10 666 906 LVL had been made up.

Supplement to the balance sheet

(31) Loans from credit institutions (short-term)

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
	5 537 908	7 061 842	7 879 733	10 048 096
Total	5 537 908	7 061 842	7 879 733	10 048 096

The enterprise had concluded the Overdraft and guarantee line agreement Nr 2003 / 4 / OD / GA with JSC “Nordea Bank Finland Plc.” for 2 floating docks, 2 running new building projects, all requirement rights belonging to the depositor, reserves and debtor debts had been pawned as a guarantee to the received loan.

(32) Advance payments received from buyers

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
For shipbuilding	23 606 286	19 038 553	33 588 719	27 089 420
For ship repair	50 524	686 262	71 889	976 463
Others	1 882	2 317	2 678	3 297
Total	23 658 692	19 727 132	33 663 286	28 069 180

(33) Debts to suppliers and contractors

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Debts for services	52 361	65 467	74 503	93 151
Debts for materials	502 912	644 040	715 579	916 386
Debts subcontractors	1 170 760	1 482 838	1 665 842	2 109 889
Total	1 726 033	2 192 345	2 455 924	3 119 426

(34) Debts to associated companies

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
“Tosmare Shipyard” JSC	1 200	0	1 707	0
Total	1 200	0	1 707	0

Supplement to the balance sheet

(35) Taxes and social insurance payments

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Social insurance payments	107 512	137 304	152 976	195 366
Residents income tax	59 934	83 809	85 278	119 249
Risk tax	208	200	296	285
Natural resources tax	3 895	2 658	5 542	3 782
Total	171 549	223 971	244 092	318 682

(36) Other creditors

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Salary	242 685	262 530	345 310	373 547
Payments for deductions from salary	893	1 375	1 271	1 956
Payments by return to personae	1 407	2 319	2 002	3 300
Payments for credit cards	2 641	4 226	3 758	6 013
Payments for debts to other enterprises	27 238	30 093	38 755	42 818
Total	274 864	300 543	391 096	427 634

(37) Unpaid previous years dividends

	2008 year Ls	2008 year EUR
31.12.2008	24 917	35 454
Calculated	0	0
Paid off	2	3
31.03.2009	24 915	35 451

(38) Next period income

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
Free of charge received base means had been formed that will be referred to PL incomings at the period of base means use.	6 833	0	9 722	0
Total	6 833	0	9 722	0

Supplement to the balance sheet

(39) Accrued liabilities

	2009 year 3 months Ls	2008 year 3 months Ls	2009 year 3 months EUR	2008 year 3 months EUR
For services	437 643	243 174	622 710	346 005
Accruals for vocations	262 992	244 344	374 204	347 671
Total	700 635	487 518	996 914	693 676

(40) Out of balance supplements.

On May 12th 2005 a Treaty Nr KD05091/12 for the final amount of 100000 LVL had been concluded with JSC “SEB LATVIJAS Unibanka” as a guarantee of “Remars Granula” responsibilities that is based on Credit agreement Nr KD 05091 dated May 2nd 2005.

On February 10th 2006 Loan agreement (mortgage) had been concluded with JSC “SEB LATVIJAS Unibanka” as an additional guarantee to “Remars Granula” responsibilities based on Credit agreement Nr KD 05091 dated May 2nd 2005 (with May 12th 2005 improvements) with loan of belonging to the enterprise building workshop of Granula.

Chairman of the Board

V. MELNIKS

Member of the Board

I.KOMAROVS

Member of the Board

L.ARTEMENKO

Member of the Board

I.RUDZATE

May 29th, 2009