

Main tables deciphering of annual report  
for 2009 of Joint Stock company "Brivais vilnis"

Salacgriva, 2010

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## General information

Name of the company	JSC "Brivais Vilnis"	
Legal status	Joint Stock Company	
Common registration number, place and date of registration	40003056186, Riga, February 7, 1992	
Legal address	1 Ostas Street, Salacgriva, LV-4033, Latvia	
Largest shareholders	<p>"Brivais Vilnis Company" Ltd. (49,97 %) Registration No. 40103202073 (1 Ostas Street, Salacgriva, LV-4033, Latvia)</p> <p>"IIB Investment Limited" (40.9 %) (12260 Willow Grove Road, Bldg. #2 Camden, DE 19934, County of Kent, State of Delaware, USA)</p>	
Members of the Board	<p>Arnolds Babris, Chairman of the Board Māris Trankalis, Member of the Board Zinaida Ekmane, Member of the Board Vasilijs Iļušins, Member of the Board</p>	
Members of the Council	<p>Aleksandrs Iļčenko, Chairman of the Council Ilona Drikina, Member of the Council Vladimirs Zļenko, Member of the Council Anita Lase, Member of the Council Valērijs Belokoņs, Member of the Council</p>	
Financial year	1 <sup>st</sup> January – 31 <sup>st</sup> December, 2009	
Auditors	<p>Māris Bergmanis Certified Auditor Certificate No.67</p>	<p>"ABrevizija" Ltd. Licence of Commercial Company No.122 45/47 Elizabetes Street, Riga, LV-1010, Latvia</p>

## Management Report

April 29, 2010

The types of activities performed by the JSC "Brivais Vilnis" ("the Company") are processing and canning of fish and fish products, wholesale of food products, including fish, shellfish and mollusc, and other commercial activities classified nowhere else.

Year 2009 was the 18<sup>th</sup> year of operation since the Company was transformed into a Joint Stock Company. In 2009 the Company produced a total of 17.5 million cans of various types (141) of canned fish products, including 7.4 million cans of sprat. 18.4 million cans were sold for EUR 8.5 million.

The financial result of the year 2009 are losses of EUR 70 826. These losses in year 2009 are arisen from shape of reserves for write off of bad debts in amount of EUR 117 868. Gross profit in the year 2009 is EUR 1 241 520.

The management of the Company recommends covering of losses of the reporting year by the next year profit.

The Company's goal is to continue transformation in accordance with the EU quality requirements, real decrease the production expenses, optimize the management structure to enable the Company to compete and strengthen its position on the market of canned fish. The Company will also continue working on the implementation of ISO 9001:2000 quality management systems.

The JSC "Brivais Vilnis" will continue cooperation with the JSC "NASDAQ OMX Riga", and remain listed in the free list of stock exchange in 2010. The Company will continue to work on adoption of new markets in Western Europe and other world in 2010. To enlarge the competitiveness the Company has gained the IFS (International Food Standard) certificate.

The Company doesn't consolidate the statement of the subsidiary company in the year 2009. Financial result of the "Brivais Vilnis Company" Ltd. in 2009 was losses in amount of EUR 16 364 that basically shaped from indirect costs.



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Arnolds Babris

*On behalf of the Board based on the  
decision by the Board*

## Profit or loss statement

	2009	2008
	EUR	EUR
Net turnover	8 693 280	11 854 693
Cost of sales	<u>(7 451 760)</u>	<u>(10 203 513)</u>
Gross profit or loss	1 241 520	1 651 180
Distribution costs	(199 378)	(321 986)
Administrative expenses	(759 493)	(833 736)
Other operating income	436 857	330 224
Other operating expenses	(461 812)	(5 396 739)
Interest receivable and similar income	47 912	4 954
Interest payable and similar expenses	<u>(306 442)</u>	<u>(351 030)</u>
Profit or loss before taxes	(837)	(4 917 132)
Corporate income tax for the reporting year	(34 108)	(41 199)
Deferred corporate income tax	(19 411)	2 847
Other taxes	<u>(16 471)</u>	<u>(17 944)</u>
Profit or loss of the reporting year	<u>(70 826)</u>	<u>(4 973 428)</u>
Earning or loss per share	-0,023	-1,605



Arnolds Babris

*Chairman of the Board*

April 29, 2010

## Balance Sheet

		ASSETS			
			Notes	31.12.2009	31.12.2008
				EUR	EUR
<b>NON-CURRENT ASSETS</b>					
<b>Intangible assets</b>					
	Concessions, patents, licences, trademarks and similar expenses			3 618	4 940
	TOTAL		15	3 618	4 940
<b>Fixed assets</b>					
	Land, buildings and constructions			3 609 659	3 672 372
	Equipment and machinery			54 082	90 611
	Other fixed assets and inventory			87 771	127 679
	Establishment of fixed assets			-	945
	TOTAL		16	3 751 513	3 891 607
<b>Long term financial investments</b>					
	Interest in capital of related companies			2 846	2 846
	TOTAL		17	2 846	2 846
	<b>TOTAL NON-CURRENT ASSETS</b>			<b>3 757 977</b>	<b>3 899 393</b>
<b>CURRENT ASSETS</b>					
<b>Stock</b>					
	Raw materials		18	488 727	555 967
	Finished goods and goods for sale		18	319 228	717 338
	Advance payments for goods		19	-	108 796
	TOTAL			807 955	108 796
<b>Receivables</b>					
	Trade receivables		20	1 806 228	1 950 474
	Other receivables		21	237 243	130 036
	Other loans		22	6 541	7 471
	TOTAL			2 050 011	2 087 982
<b>Cash</b>					
				39 052	179 134
	<b>TOTAL CURRENT ASSETS</b>			<b>2 897 018</b>	<b>3 649 217</b>
<b>Total assets</b>					
				<b>6 654 995</b>	<b>7 548 610</b>



Arnolds Babris

*Chairman of the Board*

April 29, 2010

## Balance Sheet

## LIABILITIES

	31.12.2009	31.12.2008
	EUR	EUR
<b>EQUITY</b>		
Share capital	4 410 120	4 410 120
Non-current assets revaluation reserve	2 284 071	2 214 725
Reserves:		
other reserves	-	135 891
Retained earnings:		
retained earnings carried forward from previous years	(4 732 945)	104 591
retained earnings of reporting year	(70 826)	(4 973 428)
<b>TOTAL EQUITY</b>	<b>1 890 419</b>	<b>1 991 900</b>

## LIABILITIES

<b>Non-current liabilities</b>		
Loans from credit institutions	2 991 160	3 229 067
Other loans	18 637	36 521
Deferred corporate income tax liabilities	114 738	95 327
<b>TOTAL</b>	<b>3 124 534</b>	<b>3 360 914</b>
<b>Current liabilities</b>		
Loans from credit institutions	240 000	277 460
Other loans	330 274	564 864
Customer advances	8 108	14 536
Accounts payable to suppliers and contractors	769 656	874 313
Taxes and social insurance contributions	66 176	162 533
Other liabilities	139 861	211 585
Unpaid dividends	-	4 067
Accrued liabilities	85 967	86 437
<b>TOTAL</b>	<b>1 640 042</b>	<b>2 195 796</b>
<b>TOTAL LIABILITIES</b>	<b>4 764 576</b>	<b>5 556 710</b>

<b>Total equity and liabilities</b>	<b>6 654 995</b>	<b>7 548 610</b>
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Arnolds Babris

*Chairman of the Board*

April 29, 2010

## Cash flow statement

	2009	2008
	EUR	EUR
<b>Cash flow from operating activities</b>		
Profit or loss for the reporting period before extraordinary items and taxes	(837)	(4 917 132)
Adjustments:		
Depreciation and amortization	154 572	131 981
Interest expenses	306 442	313 632
Provision for vacations	(43)	20218
Loss (profit) on sale / write-off of fixed assets	28	(6 416)
Non-current assets revaluation reserve write-off	(30 656)	(4 905)
<i>Operating profit before working capital changes</i>	429 508	(4 462 621)
Decrease (increase) of stock	574 146	(345 422)
Decrease (increase) in receivables	37 971	4 770 812
Increase/(decrease) in payables	(283 408)	251 081
<i>Cash from operating activities</i>	758 217	213 851
Interest paid	(342 810)	(327 582)
Corporate income tax paid	(34 108)	(116 310)
Real estate tax costs	(16 723)	(17 944)
<b>Net cash from operating activities</b>	<b>364 577</b>	<b>(247 985)</b>
<b>Cash flow of investment changes</b>		
Acquisition of associated companies	-	(2846)
Purchase of fixed and intangible assets	(13 184)	(94 792)
Proceeds from sales of fixed and intangible assets	-	16 373
<b>Net cash flow of investment changes</b>	<b>(13 184)</b>	<b>(81 264)</b>
<b>Cash flow from financing activities</b>		
Loans received	-	1 708 025
Loans repaid	(465 557)	(1 235 713)
Lease payments	(25 918)	(28 445)
<b>Net cash from financing activities</b>	<b>(491 474)</b>	<b>443 868</b>
Increase/(decrease) of cash and cash equivalents	(140 082)	114 618
<b>Cash and cash equivalents at the beginning of the period</b>	<b>179 134</b>	<b>64 516</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>39 052</b>	<b>179 134</b>



Arnolds Babris  
Chairman of the Board

April 29, 2010



## Statement of Changes in Equity (EUR)

	Share capital	Long term investment revaluation reserve	Reserves	Retained earnings of previous years	Profit (loss) of the reporting year	Total
<b>As at 31<sup>st</sup> December 2007</b>	<b>4 410 120</b>	<b>4 812</b>	<b>135 891</b>	<b>-</b>	<b>104 591</b>	<b>4 655 415</b>
Revaluation of fixed assets	-	2 314 818	-	-	-	2 314 818
Revaluation reserve write-off	-	(4 905)	-	-	-	(4 905)
Reclassification of profit	-	-	-	104 591	(104 591)	-
Loss of the reporting year	-	-	-	-	(4 973 428)	(4 973 428)
<b>As at 31<sup>st</sup> December 2008</b>	<b>4 410 120</b>	<b>2 314 725</b>	<b>135 891</b>	<b>104 591</b>	<b>(4 973 428)</b>	<b>1 991 900</b>
Revaluation reserve write-off	-	(30 654)	-	-	-	(30 654)
Use of reserves to cover losses	-	-	(135 891)	135 891	-	-
Reclassification of losses	-	-	-	(4 973 428)	4 973 428	-
Loss of the reporting year	-	-	-	-	(70 826)	(70 826)
<b>As at 31<sup>st</sup> December 2009</b>	<b>4 410 120</b>	<b>2 284 071</b>	<b>-</b>	<b>(4 732 945)</b>	<b>(70 826)</b>	<b>1 890 419</b>



Arnolds Babris  
Chairman of the Board

April 29, 2010

