

**Joint stock company
SIGULDAS CILTSLIETU UN
MĀKSLĪGĀS APSĒKLOŠANAS
STACIJA**

**INTERIM STATEMENT
for 6 months of 2010**

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Information on the Company

Company's name	<i>SIGULDAS CILTSLIETU UN MĀKSLĪGĀS APSĒKLOŠANAS STACIJA</i>
Company's legal status	<i>Joint stock company</i>
Registration number, place and date	<i>40003013295, Riga, 26 July 1991</i> <i>Registration in the Commercial Register on 19 June 2004</i>
Legal address	<i>„Kalnabeites”8, Sigulda parish, Sigulda area, LV-2150</i>
Shareholders holding more than 5% of the total number of voting shares	<i>SIA „Siguldas mākslīgās apsēklošanas stacija” (49.8%), registration No. 40003311954</i>
Members of the Board	<i>Nils Ivars Feodorovs, Chairman of the Board</i> <i>Sarmīte Arcimoviča, Member of the Board</i> <i>Valda Mālniece, Member of the Board</i>
Members of the Council	<i>Inita Bedrīte, Chairman of the Council</i> <i>Maija Beča, Deputy Chairman of the Council</i> <i>Ērika Everte, Member of the Council</i> <i>Solvīta Arcimoviča, Member of the Council</i> <i>Renia Beķere, Member of the Council</i>
Reporting year	<i>01.01.2010. – 30.06.2010.</i>
Auditors	<i>Anita Sondore</i> <i>Sworn Auditor</i> <i>Certificate No. 129</i> <i>AUDITS A.S., SIA</i> <i>„Pīlādži”, Līgatne parish,</i> <i>Līgatne area, LV-4108, Latvia</i> <i>Sworn Auditors' Commercial Company's license No. 27</i>

Interim Management Report

The basic economic activity of the Stock Company has invariably been production and sale of bull semen, comprising 49% of its net turnover in the accounting period. Milk analysing and data processing services comprise 36% of company's net turnover.

The net turnover in the first six months in 2010 has decreased by 4% in comparison to the corresponding period in 2009. The profit has accordingly dropped by 52%.

The decrease of the net turnover was due to the lower price policy implemented by the Stock Company in regard of its client's lowered purchasing capacity due to economic crisis.

The commercial profitability over the first six months in 2010 was 10% in comparison to 19% in 2009.

Company has additionally invested LVL 39 521 (EUR 56 233) in Ltd “Animal Breeders Association of Latvia” (SIA „Latvijas šķirnes dzīvnieku audzētāju savienība”) capital, thus obtaining constitutive stake in a company comprised by 22.6% of voting rights.



Nils Ivars Feodorovs
Chairman of the Board



Sarmīte Arcimoviča
Member of the Board



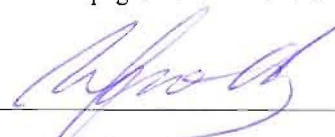
Valda Mālniece
Member of the Board

25 August 2010


Profit or loss account for the period ended 30 June 2010

	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Net sales	3	345 062	358 631	490 979	510 287
Changes in stock of ready-made goods and unfinished products	4	36 530	74 365	51 978	105 812
Other operating income	5	8 805	3 796	12 529	5 401
Costs of materials:		(136 769)	(132 767)	(194 605)	(188 911)
a) raw materials and auxiliary costs of materials		(108 054)	(103 716)	(153 747)	(147 575)
b) other external costs		(28 715)	(29 051)	(40 858)	(41 336)
Personnel costs:	6	(169 496)	(176 966)	(241 171)	(251 800)
a) salaries for work		(130 609)	(135 602)	(185 840)	(192 945)
b) state social insurance compulsory contributions		(30 968)	(32 266)	(44 063)	(45 910)
c) other social insurance costs		(7 919)	(9 098)	(11 268)	(12 945)
Write-off of assets and values:		(34 733)	(42 415)	(49 421)	(60 352)
a) depreciation of fixed assets and amortization of intangible assets		(34 733)	(35 024)	(49 421)	(49 835)
b) write-off of value of current assets above the normal deductions		-	(7 391)	-	(10 517)
Other operating costs	7	(15 136)	(18 482)	(21 536)	(26 298)
Other interest income and similar income	8	2 857	2 298	4 064	3 270
Interest payments and similar costs	9	(2 428)	(1 992)	(3 455)	(2 834)
Profit or losses before taxes		34 692	66 468	49 362	94 575
Enterprise income tax for the reporting year		(6 250)	(8 278)	(8 893)	(11 778)
Other taxes	10	(1 107)	(1 091)	(1 575)	(1 552)
The profit or loss for the year		27 335	57 099	38 894	81 245
Equity per 1 share (EPS)	22	0.065	0.135	0.092	0.192

Notes on pages 10 to 22 form an integral part of these financial statements.


Nils Ivars Feodorovs
Chairman of the Board


Sarmīte Arcimoviča
Member of the Board


Valda Mālniece
Member of the Board

25 August 2010

Balance sheet as at 30 June 2010

Assets	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Long-term investments					
Intangible assets					
Concessions, patents, licenses, trade marks and similar rights		-	12	-	17
Intangible assets total	11	-	12	-	17
Fixed assets					
Land parcels, buildings and constructions and perennial plantings		148 715	162 811	211 602	231 659
Equipment and machinery		40 998	85 907	58 335	122 235
Other fixed assets and inventory		13 915	13 343	19 799	18 986
Fixed assets total	12	203 628	262 061	289 736	372 880
Investment properties	13	120 000	16 245	170 745	23 114
Biological assets		51 012	32 461	72 583	46 188
Long-term financial investments					
Investments in capital of associated companies	14	42 521	3 000	60 502	4 269
Other securities and investments	15	480	480	683	683
Long-term financial investments total		43 001	3 480	61 185	4 952
Long-term investments total		417 641	314 259	594 249	447 151
Current assets					
Stock					
Raw materials, basic materials and auxiliary materials		8 741	11 028	12 437	15 691
Ready-made goods and goods for sale	16	327 702	347 337	466 278	494 216
Prepayments for goods		519	1 414	739	2 012
Stock total		336 962	359 779	479 454	511 919
Receivables					
Trade receivables	17	127 493	89 186	181 406	126 900
Other receivables	18	7 571	2 410	10 773	3 429
Prepaid expenses	19	2 878	3 658	4 095	5 205
Receivables total		137 942	95 254	196 274	135 534
Short-term financial investments					
Other securities and shareholding in capitals	20	21 472	5 201	30 551	7 400
Short-term financial investments total		21 472	5 201	30 551	7 400
Cash	21	87 542	155 049	124 561	220 615
Current assets total		583 918	615 283	830 840	875 468
Assets total		1 001 559	929 542	1 425 089	1 322 619

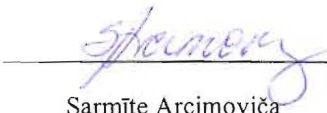
Balance sheet as at 30 June 2010

Shareholders' equity and liabilities	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Shareholders' equity					
Share capital	22	422 440	422 440	601 078	601 078
Retained earnings:					
Retained earnings carried forward from previous years		454 939	359 638	647 320	511 719
Retained earnings of the reporting year		27 335	57 099	38 894	81 245
Shareholders' equity total		904 714	839 177	1 287 292	1 194 042
Payables					
Long-term payables					
Deferred tax liabilities	23	5 712	9 961	8 127	14 174
Long-term payables total		5 712	9 961	8 127	14 174
Short-term payables					
Prepayment received from customers		3 240	-	4 610	-
Trade payables		30 670	18 265	43 640	25 988
Taxes and social insurance payments	24	25 781	30 124	36 682	42 863
Other payables		9 642	9 906	13 719	14 094
Accrued liabilities	25	21 800	22 109	31 019	31 458
Short-term payables total		91 133	80 404	129 670	114 403
Payables total		96 845	90 365	137 797	128 577
Shareholders' equity and liabilities total		1 001 559	929 542	1 425 089	1 322 619

Notes on pages 10 to 22 form an integral part of these financial statements.



Nils Ivars Feodorovs
Chairman of the Board



Sarmīte Arcimoviča
Member of the Board



Valda Mālniece
Member of the Board

25 August 2010


Cash flow statement for the period ended 30 June 2010

	Note	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Cash flow from operating activities					
Income from sale of goods and provision of services		377 028	422 853	536 462	601 666
Payments to suppliers, employees, other expenses arising from basic operations		(383 344)	(397 680)	(545 450)	(565 848)
Other Company's basic income or expenses		10 232	5 776	14 559	8 219
Gross cash flow from basic operations		3 916	30 949	5 571	44 037
Expenses for tax payments		(6 407)	(6 828)	(9 116)	(9 715)
Net cash flow from operating activities		(2 491)	24 121	(3 545)	34 322
Cash flow from investing activities					
Purchase of fixed assets and intangible investments		(4 557)	(6 794)	(6 484)	(9 667)
Purchase of capital shares of other company		(39 521)	-	(56 233)	-
Net cash flow from investing activities		(44 078)	(6 794)	(62 717)	(9 667)
Cash flow from financing activities					
Dividends paid		(33 795)	(33 795)	(48 086)	(48 086)
Net cash flow from financing activities		(33 795)	(33 795)	(48 086)	(48 086)
Result of foreign exchange rate fluctuations		(210)	(208)	(299)	(296)
Increase/decrease of cash and its equivalents		(80 574)	(16 676)	(114 647)	(23 727)
Cash and its equivalents at the beginning of the period		168 116	171 725	239 208	244 342
Cash and its equivalents at the end of the period	21	87 542	155 049	124 561	220 615

Notes on pages 10 to 22 form an integral part of these financial statements.



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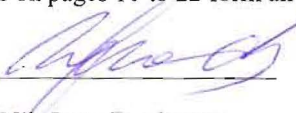
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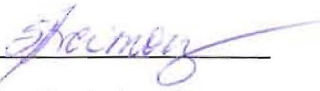
**Statement on changes in shareholders' equity for the period ending
30 June 2010**


	Share capital	Retained earnings	Retained earnings for the reporting year	Shareholders' equity total
	LVL	LVL	LVL	LVL
31.12.2008	422 440	310 555	82 878	815 873
Profit for 2008 transferred to retained earnings of previous years	-	82 878	(82 878)	-
Dividends for 2008	-	(33 795)	-	(33 795)
Retained earnings for the reporting year	-	-	57 099	57 099
30.06.2009	422 440	359 638	57 099	839 177
31.12.2009	422 440	359 638	129 096	911 174
Profit for 2009 transferred to retained earnings of previous years	-	129 096	(129 096)	-
Dividends for 2009	-	(33 795)	-	(33 795)
Retained earnings for the reporting year	-	-	27 335	27 335
30.06.2010	422 440	454 939	27 335	904 714

	Share capital	Retained earnings	Retained earnings for the reporting year	Shareholders' equity total
	EUR	EUR	EUR	EUR
31.12.2008	601 078	441 880	117 925	1 160 883
Profit for 2008 transferred to retained earnings of previous years	-	117 925	(117 925)	-
Dividends for 2008	-	(48 086)	-	(48 086)
Retained earnings for the reporting year	-	-	81 245	81 245
30.06.2009	601 078	511 719	81 245	1 194 042
31.12.2009	601 078	511 719	183 687	1 296 484
Profit for 2009 transferred to retained earnings of previous years	-	183 687	(183 687)	-
Dividends for 2009	-	(48 086)	-	(48 086)
Retained earnings for the reporting year	-	-	38 894	38 894
30.06.2010	601 078	647 320	38 894	1 287 292

Notes on pages 10 to 22 form an integral part of these financial statements.


Nils Ivars Feodorovs
Chairman of the Board


Sarmīte Arcimoviča
Member of the Board


Valda Mālniece
Member of the Board

25 August 2010

Notes to the Financial Statements

(1) General information on the Company

AS „Siguldas ciltslietu un mākslīgās apsēkļošanas stacija” (hereinafter - the Company) was registered in the Register of Enterprises of the Republic of Latvia on 26 July 1991 and was reregistered in the Commercial Register of the Republic of Latvia on 19 June 2004.

The Company's basic activities are agriculture and the types of business are as follows:

- Production and sale of agricultural products – high-quality breeding animals semen,
- making of milk analyses,
- evaluation of cow exterior,
- artificial insemination of cows,
- inspection of immune-genetic origin of cattle,
- milk recording data processing,
- animals breeding organization.

(2) Significant accounting principles

Underlying principles of preparation of the Financial Statements

The Company's Financial Statements have been prepared according to the Law *On Annual Reports* of the Republic of Latvia and the obligatory applicable Latvian Accounting Standards. The Profit or Loss Account was prepared based on the period costs method. The Cash Flow Statement was prepared according to the direct method.

Accounting principles used

The items of the Financial Statements have been evaluated according to the following accounting principles:

- It is assumed that the Company will be a going concern;
- The same evaluation methods have been used, which were used in the previous year;
- Evaluation was done with sufficient prudence:
 - The Financial Statements include solely the profit gained until the balance sheet date,
 - All expected risk amounts and losses have been taken into account, which occurred during the reporting year or in previous years, also if they were known during a certain period of time between the balance sheets date and the day of preparing the Financial Statements,
 - All value decreasing and depreciation amounts have been taken into account irrespective whether the reporting year was closed with profit or loss;
- reporting year related income and costs were recognized irrespective of the payment date and the date of receipt or issuance of invoice. Costs have been agreed with the income in the reporting period;
- components of asset and liabilities items have been recognized separately;
- the opening balance of the reporting year agrees with the closing balance of the previous year;
- all items have been recognized, which materially influence assessment or decision-making process of the users of the annual report, insignificant items are merged and they are detailed in the Appendix;
- operating transactions in the reporting year have been recognized in the Financial Statements by taking into account their economic substance and contents, rather than legal form.

Financial instruments

Fair value of financial assets and liabilities

Fair value of financial assets and liabilities reflect the amount, for which it is possible to exchange assets or perform liabilities in a deal between well informed, interested and financially independent persons. If in the Company's management opinion, fair value of financial assets and liabilities materially differs from the value recognized in the balance sheet, then the fair value of these assets and liabilities is recognized in the Notes to the Financial Statements.

Notes to the Financial Statements

Financial risks management

Credit risk

The Company's management has developed credit policy, which is constantly controlled. Client evaluation is done for all customers above a fixed amount. The Company cooperates with clients who have proper credit assessment.

Currency risk

Based on the current structure of Company's financial assets and liabilities held in foreign currencies, the currency risk is not material.

Reporting period

The reporting period is 6 months from 1 January to 30 June 2010.

Revaluation of foreign currencies

The Company's functional currency and the currency used in the Financial Statements is the Republic of Latvia national currency Lat (LVL). All transactions in foreign currencies are translated to Lats according to the exchange rate set by the Central Bank of Latvia on the day of making the respective transaction.

Monetary assets and liabilities, which are expressed in foreign currency, are translated to Lats to the exchange rate set by the Central Bank of Latvia on the last day of the reporting year.

	30.06.2010	30.06.2009
EUR	0.702804	0.702804
USD	0.573	0.501

Currency exchange rate differences arising from settlements in currencies or when recognizing assets and liabilities using currency exchange rates, which differ from the initial currency exchange rates used for accounting of transactions, are recognized in the profit or loss account in net value.

Recognition of income

Income is recognized according to the conviction about the Company's possibility to gain economic benefit and in the amount, in which it is possible to state it, less value added tax and sales-related discounts. When recognizing income, also the following provisions are taken into account.

Sale of goods

Income is recognized when the Company has transferred to the purchaser major risks and indemnities related to the title of goods.

Provision of services

Income from services is recognized in the period when the services are provided.

Penalty and delay charges

Income from penalty and delay charges is recognized at the moment of their receipt.

Interest

Income is recognized according to the respective period of time.

Long-term and short-term items

Long-term items include amounts whose receipt, payments or write-off terms are due later after the end of the respective reporting year. Amounts, which are receivable, payable or written off during the year, are recognized in short-term items.

Notes to the Financial Statements

Leasing transactions

Financial leasing

In cases when fixed assets are purchased on the conditions of financial leasing and the related risks and return are taken over, these fixed assets are recognized in the value, for which they could be purchased with immediate payment. Leasing interest payments and similar payments are included in the profit or loss account of that period when they occurred.

Intangible assets and fixed assets

In the balance sheet, all intangible assets and fixed assets are reflected at their purchase prices, less depreciation. Depreciation is calculated from the first date of the next month after their commissioning and finished on the first date of the subsequent month after it is excluded from fixed assets. Depreciation is calculated according to the straight line method and is written off during the useful life time of respective fixed assets by choosing the following annual depreciation rates as fixed by the management:

Intangible assets:

Licenses	5 years
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Fixed assets:

Buildings and constructions	20 years
Equipment and machinery	5, 6 and 7 years
Computer hardware and communication equipment	5 years
Inventory and tools	3 and 5 years
Other fixed assets	2 and 3 years

Balances of fixed assets have been counted in the annual count of fixed assets.

Investment properties

Investment properties – land in possession of the stock company, which market value is expected to grow. Investment properties have been filed according to their purchase value. No later than on the end of the year of account the investments properties are being revalued according to their real market value considering any other activities related to particular property. Any changes in the market value of the investments properties are being shown in the profit and loss account.

Biological assets

Biological assets are assets, which are characterized by regeneration and changes in value as a result of growth. The Company in biological assets includes breeding animals – bulls, which are kept for getting agricultural products for sale. Biological assets are recognized in the purchase value.

Stock

Stock is recognized in the lowest cost or net sales value. All stock is assessed by using the average weighted method.

Net sales value is the sales price of stock fixed during normal Company's operations, less the stock completion and selling costs. In cases when the stock net selling value is lower than their cost price, provisions are made for these stocks for decrease of their value down to the net sales value.

All direct costs, which are related to production of breeding animals - bull semen, during the year are booked in the profit or loss account and are adjusted at the end of the year when evaluating stocks according to the lowest sales value or cost price and including them in stocks as “Ready-made goods and goods for sale”.

Notes to the Financial Statements

Trade receivables and other receivables

Receivables are recognized in the balance sheet in the amortized value, less provisions for doubtful and bad debts. Provisions for doubtful and bad debts are made in cases when there is objective evidence to the fact that the Company will not be able to receive the debts in full value according to the initially fixed repayment dates. Provisions for doubtful and bad debts are the difference between the amortized purchase value of receivables and the recoverable value. The recoverable value of receivables is the current value of planned cash flow.

Provisions

Provisions are recognized when the Company has liabilities (legal or substantial) due to some past event and there is a probability that the performance of these liabilities will require outflow of economic resources from the Company, and the amount of liabilities can be fairly assessed.

Corporate income tax

Corporate income tax for the reporting period consists of the tax calculated for the reporting period and deferred tax. Corporate income tax is recognized in the profit or loss account.

Calculated tax

The tax calculated for the reporting period has been calculated in compliance with the requirements of the Law “On Corporate Income Tax” by fixing the taxable income and applying the statutory rate of 15%.

Deferred tax

Deferred corporate income tax is calculated for temporary time differences, which are caused due to differences in the value of assets and liabilities in the financial statements (book-keeping) and its value for tax purposes. The mentioned differences are mainly due to different fixed assets depreciation rates applied in tax and financial accounting, provisions made and losses transferred according to the Company’s income tax declaration. Deferred tax is calculated by applying the statutory tax rate 15%.

Subsidies

Amounts, which are received as a state support for agricultural, i.e., for covering of expenses for maintaining high-quality breed bulls, are included in the income of that reporting period when they are received.

Use of assumptions

When preparing the financial statements, the Company’s management has to make calculations and assumptions, which impact recognition of assets and liabilities included in the financial statements as at the day of preparing the financial statements, as well as the income and expenses recognized in the specific reporting period. Management has made profit or loss assessment and considers that the financial statements reflect the true financial condition based on all currently available information.

Notes to the Financial Statements

(3) Net sales

Sales include income gained during the year from the Company's basic activities – sales of products and provision of services without value added tax and less discounts.

Type of operations	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Livestock sperm	169 662	179 232	241 407	255 024
Milk laboratory services	92 029	92 962	130 945	132 273
Treatment of supervisory data	33 703	26 673	47 955	37 952
Inspection of cows	11 458	14 121	16 303	20 093
Artificial insemination of livestock	11 803	11 811	16 794	16 806
Immune-genetic laboratory services	6 442	3 172	9 166	4 514
Other income	19 965	30 660	28 409	43 625
	345 062	358 631	490 979	510 287

Distribution of net sales according to the geographical markets:

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Latvia	345 062	358 136	490 979	509 583
Estonia	-	495	-	704
	345 062	358 631	490 979	510 287

(4) Changes in stock of ready-made goods and unfinished products

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Changes in sperm stock value	26 247	84 607	37 347	120 385
Written-off sperm	-	-	-	-
Changes in stud bull herd value	10 283	(10 242)	14 631	(14 573)
	36 530	74 365	51 978	105 812

(5) Other operating income

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
State support for agricultural	8 805	3 796	12 529	5 401
	8 805	3 796	12 529	5 401

Notes to the Financial Statements

(6) Personnel costs

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Salaries for work	130 609	135 602	185 840	192 945
State social insurance contributions	30 968	32 266	44 063	45 910
Health insurance	7 236	7 278	10 296	10 355
Other costs	683	1 820	972	2 590
	169 496	176 966	241 171	251 800

(7) Other operating expenses

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Insurance payments	562	1 092	799	1 554
Business trip expenses	977	733	1 391	1 043
Selling expenses	1 342	3 073	1 910	4 372
Company's management and administrative expenses	9 153	8 699	13 023	12 377
Audit of the financial statement	-	1 570	-	2 234
Other costs	3 102	3 315	4 413	4 718
	15 136	18 482	21 536	26 298

(8) Other interest income and similar income

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Income from securities	371	175	528	249
Interest income	1 427	1 981	2 030	2 819
Contractual penalties from clients	4	125	5	178
Recovered doubtful and bad debts	1 055	15	1 501	21
Other income	-	2	-	3
	2 857	2 298	4 064	3 270

Notes to the Financial Statements

(9) Interest payments and similar costs

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Losses from foreign currency exchange rate fluctuations	1 362	446	1 938	635
Employees' leisure and other costs not connected with operating activities	1 066	1 546	1 517	2 199
	2 428	1 992	3 455	2 834

(10) Other taxes

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Real estate tax	1 107	1 091	1 575	1 552
	1 107	1 091	1 575	1 552

(11) Intangible assets

	Concessions, patents, licenses, trade marks and similar rights LVL	Total LVL	Concessions, patents, licenses, trade marks and similar rights EUR	Total EUR
Initial value				
31.12.2009	720	720	1 024	1 024
Purchased	-	-	-	-
Disposed	-	-	-	-
30.06.2010	720	720	1 024	1 024
Accrued depreciation				
31.12.2009	718	718	1 022	1 022
Calculated depreciation	2	2	2	2
Depreciation of excluded investments	-	-	-	-
30.06.2010	720	720	1 024	1 024
Book value as at 31.12.2009	2	2	2	2
Book value as at 30.06.2010	-	-	-	-

Notes to the Financial Statements

(12) Report on movement of fixed assets

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Total
	LVL	LVL	LVL	LVL
Initial value				
31.12.2009	255 107	357 311	85 951	698 369
Purchased	-	2 498	2 527	5 025
Disposed	-	-	(1 400)	(1 400)
30.06.2010	255 107	359 809	87 078	701 994
Accrued depreciation				
31.12.2009	99 340	295 252	70 442	465 034
Calculated depreciation	7 052	23 559	4 121	34 732
Depreciation of excluded fixed assets	-	-	(1 400)	(1 400)
30.06.2010	106 392	318 811	73 163	498 366
Book value as at 31.12.2009	155 767	62 059	15 509	233 335
Book value as at 30.06.2010	148 715	40 998	13 915	203 628

As at 30 June 2009, the cadastral value of real estate – land and constructions – was LVL 245 152

As at 30 June 2010, the cadastral value of real estate – land and constructions – was LVL 113 994

	Land, buildings and constructions	Technological equipment and machinery	Other fixed assets	Total
	EUR	EUR	EUR	EUR
Initial value				
31.12.2009	362 985	508 408	122 297	993 690
Purchased	-	3 554	3 595	7 149
Disposed	-	-	(1 992)	(1 992)
30.06.2010	362 985	511 962	123 900	998 847
Accrued depreciation				
31.12.2009	141 348	420 106	100 230	661 684
Calculated depreciation	10 035	33 521	5 863	49 419
Depreciation of excluded fixed assets	-	-	(1 992)	(1 992)
30.06.2010	151 383	453 627	104 101	709 111
Book value as at 31.12.2009	221 637	88 302	22 067	332 006
Book value as at 30.06.2010	211 602	58 335	19 799	289 736

As at 30 June 2009, the cadastral value of real estate – land and constructions – was EUR 348 820

As at 30 June 2010, the cadastral value of real estate – land and constructions – was EUR 162 199

Notes to the Financial Statements

(13) Investment properties

	Land	Total	Land	Total
	LVL	LVL	EUR	EUR
Book value as at 31.12.2008	16 245	16 245	23 114	23 114
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 30.06.2009	16 245	16 245	23 114	23 114
Book value as at 31.12.2009	120 000	120 000	170 745	170 745
Increase/decrease of value due to revaluation	-	-	-	-
Book value as at 30.06.2010	120 000	120 000	170 745	170 745

(14) Investments in capital of associated companies

	2010		2009			
	% from total share capital	LVL	EUR	% from total share capital	LVL	EUR
Ltd “Animal Breeders Association of Latvia” (SIA „Latvijas šķirnes dzīvnieku audzētāju savienība”) Legal address: Republikas laukums 2, Rīga, LV-1010, Latvia	22.6	42 521	60 502	7.4	3 000	4 269
		<u>42 521</u>	<u>60 502</u>		<u>3 000</u>	<u>4 269</u>

(15) Other securities and investments

	LVL	EUR
Purchase value as at 30.06.2009	480	683
Book value as at 30.06.2009	<u>480</u>	<u>683</u>
Purchase value as at 30.06.2010	480	683
Book value as at 30.06.2010	<u>480</u>	<u>683</u>

(16) Ready-made products and goods for sale

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Bull semen	316 384	343 311	450 174	488 488
Other goods for sale	11 318	4 026	16 104	5 728
	<u>327 702</u>	<u>347 337</u>	<u>466 278</u>	<u>494 216</u>

(17) Trade receivables

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Accounting value of trade receivables	130 413	89 207	185 561	126 930
Provisions for doubtful trade receivables	(2 920)	(21)	(4 155)	(30)
	<u>127 493</u>	<u>89 186</u>	<u>181 406</u>	<u>126 900</u>

Notes to the Financial Statements

(18) Other receivables

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
VAT for received goods and services	741	867	1 055	1 234
Overpayment of taxes	5 740	286	8 167	407
Other receivables	1 090	1 257	1 551	1 788
	7 571	2 410	10 773	3 429

(19) Prepaid expenses

The item recognizes the costs made during the reporting year, but referring to the next reporting periods.

	2010	2009	2010	2009
	LVL	LVL	EUR	EUR
Advertising costs	48	152	68	216
Insurance	2 803	3 493	3 989	4 970
Press subscription	27	13	38	19
	2 878	3 658	4 095	5 205

(20) Other securities and shareholding in capitals

	Number	2010		Number	2009	
		Market price	Amount LVL		Market price	Amount LVL
SEB Lats reserve fund	15 044	1.42722	21 472	3 885	1.33879	5 201
			21 472			5 201

	Number	2010		Number	2009	
		Market price	Amount EUR		Market price	Amount EUR
SEB Lats reserve fund	15 044	2.03075	30 551	3 885	1.90493	7 400
			30 551			7 400

Money market fund shares have no guaranteed interest rate. In 2010, the profitability was about 3.54 %. Exclusion of money market fund shares is carried out at the Company's request.

Notes to the Financial Statements

(21) Cash in LVL and foreign currencies according to the LCB exchange rate

Break-down of cash according to currencies:	2010		2009	
	Currency	LVL	Currency	LVL
Cash in hand	LVL	-	-	3 217
Cash in bank	LVL	-	-	95 062
Cash in bank	EUR	4 073	21 288	14 961
Deposits in credit institutions (with due dates not exceeding 90 days)	LVL	-	-	41 809
		87 542		155 049

Break-down of cash according to currencies:	2010		2009	
	Currency	EUR	Currency	EUR
Cash in hand	LVL	5 469	3 217	4 577
Cash in bank	LVL	79 211	95 062	135 261
Cash in bank	EUR	-	-	21 288
Deposits in credit institutions (with due dates not exceeding 90 days)	LVL	-	41 809	59 489
		124 561		220 615

(22) Share capital

The Company's shares are quoted on NASDAQ OMX Riga Stock Exchange's second listing. The Company's share capital consists of shareholders' investments. The total number of shares is 422 440, the nominal value per share is 1 Lat.

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Ordinary common shares with voting rights	421 440	421 440	599 655	599 655
Shares owned by the Board without voting rights	1 000	1 000	1 423	1 423
	422 440	422 440	601 078	601 078

421440 shares or 99.8% of the share capital are ordinary common shares with voting rights, which give equal rights to receive dividends, receipt of liquidation quota and voting rights in the Shareholders' Meeting.

1000 shares or 0.2% of the share capital, which are not included in the regulated market, are personnel shares, which may be obtained only by Members of the Board, and they give equal rights only to receipt of dividend and liquidation quota.

There are no share alienation restrictions, nor the necessity to receive the Company's or other shareholders' consent for alienation of shares.

There are no restrictions on voting rights, nor any other similar restrictions.

Profit per share

Profit per one share is calculated by dividing the profit of the reporting period with the average weighted number of shares during the year.

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Profit of the reporting period	27 335	57 099	38 894	81 245
Average weighted number of shares during the year	422 440	422 440	422 440	422 440
	0.065	0.135	0.092	0.192

Notes to the Financial Statements

(23) Provisions for deferred tax

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Temporary differences in fixed assets depreciation	59 881	88 518	85 203	125 950
Provisions for vacations	(21 800)	(22 109)	(31 019)	(31 458)
Total temporary differences	38 081	66 409	54 184	94 492
Deferred tax provisions at the beginning of the period	9 961	13 067	14 174	18 593
Increase or decrease	(4 249)	(3 106)	(6 047)	(4 419)
Deferred tax provisions at the end of the period	5 712	9 961	8 127	14 174

(24) Taxes and social insurance payments

Tax type	Balance as at 31.12.2009 LVL	Calculated in 2010 LVL	Paid in 2010 LVL	Balance as at 30.06.2010 LVL
Corporate income tax	(6 690)	6 250	(5 300)	(5 740)
Value added tax	5 251	50 598	(43 622)	12 227
Social insurance contributions	6 553	42 538	(41 055)	8 036
Personal income tax	3 673	27 897	(26 107)	5 463
Real estate tax	-	1 107	(1 107)	-
Nature resource tax	18	66	(40)	44
Business risk duty	10	65	(64)	11
	8 815	128 521	(117 295)	20 041

Including:	2009 LVL	2010 LVL
Tax overpaid	(6 690)	(5 740)
Tax due	15 505	25 781

Tax type	Balance as at 31.12.2009 EUR	Calculated in 2010 EUR	Paid in 2010 EUR	Balance as at 30.06.2010 EUR
Corporate income tax	(9 519)	8 893	(7 541)	(8 167)
Value added tax	7 472	71 994	(62 069)	17 397
Social insurance contributions	9 324	60 527	(58 416)	11 435
Personal income tax	5 226	39 693	(37 147)	7 772
Real estate tax	-	1 575	(1 575)	-
Nature resource tax	26	94	(57)	63
Business risk duty	14	92	(91)	15
	12 543	182 868	(166 896)	28 515

Including:	2009 EUR	2010 EUR
Tax overpaid	(9 519)	(8 167)
Tax due	22 062	36 682

Notes to the Financial Statements

(25) Accrued liabilities

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Vacation reserve	21 800	22 109	31 019	31 458
	21 800	22 109	31 019	31 458

(26) Number of persons employed by the Company

	2010	2009
Average number of persons employed during the reporting year	42	42

(27) Information on remuneration to Council, Board and Managements Members

	2010 LVL	2009 LVL	2010 EUR	2009 EUR
Council Members' salaries for work, including state social insurance contributions	3 294	3 005	4 687	4 276
Board Members' salaries for work, including state social insurance contributions	15 259	13 426	21 712	19 103
Total remuneration to management members	18 553	16 431	26 399	23 379

There are no special regulations worked out, which would regulate election of Board Members, changes in the composition of the Board and amending of the Articles of Association.

All Board Members have equal Company's representation rights. The Chairman of the Board represents the Company separately, but other Board Members can represent the Company only both together.

There is no agreement signed between the Company and the Board Members, which provides any compensations.

Report on Management Liability

According to the information being at our disposal, the Financial Statement for six months of the 2010 have been prepared according to the effective requirements of legislative enactments and provide a true and fair view about the joint stock company’s “Siguldas ciltslietu un mākslīgās apsēkļošanas stacija” assets, liabilities, financial condition and profit.

Interim statements for six months of 2010 have not been audited by Sworn Auditor.



Nils Ivars Feodorovs

Chairman of the Board



Sarmīte Arcimoviča

*Member of the Board, Head
of Production and
Marketing Department in
branch of Laboratory*



Valda Mālniece

*Member of the Board, Head
of Financial and
Accounting Department*

25 August 2010