

Name of enterprise (business company): **JSC "Latvijas tilti" [Bridges]**

Registration No.: **50003030441**

Address: **15 Granitu St., Stopiņi Civil Parish, Rumbula LV-1057**

Telephone: **67251822**

Managing Authority: **SRS Great taxpayers Administration**

Tax Inspectorate:

Type of primary activity: building

Unit of measurement: **Ls**

NON-AUDITED BALANCE SHEET

for the 31th March 2011

CONTENTS

Data on the enterprise

Management's Statement

Financial Report

- Non-audited Balance Sheet
- Profit & Loss Account
- Report on changes in Owner's Capital
- Cash Flow Report
- Supplements to Financial Reports

JSC "Latvijas tilti" [Bridges]

Information on the enterprise

The name of the enterprise	"Latvijas tilti " JSC
The legal status	Joint stock company Public limited company The main shareholder - SIA ZRA " Latvijas Novitates kompleks"
Registration number and date in the Register of enterprises	LV4000300252 - 89.69% Reg. No. 50003030441 October 07, 1991
Registration date in the Commercial Register	June 29, 2004
Type of activities	Construction
Address	15 Granīta Street, Stopiņi Civil Parish ,Rumbula LV 1057, Latvia , +371 67251372
Banks	AS "Rietumu Banka" LV90RTMB0000062801598 AS "DnB NORD Banka" LV02RIKO0002013111394 (LVL) LV67RIKO0002930060439 (EUR) AS "GE MONEY BANK" LV62BART0051802675000 Nordea Bank Finland Plc Latvia LV56NDEA0000081990540 (LVL) LV93NDEA0000081990553 (EUR) A/S Swedbank LV92HABA0551025126793
Reporting year	January 1, 2011 - March 31, 2011
Members of the Council	Aleksandrs Milovs, Vadims Milovs, Igoris Golcovs, Andrejs Subočs, Boris Rozentals
Members of the Board	Sergejs Brovkins, Vladimirs Muhomors, Regīna Vitrjaka
Other investments	"Transports Systems" JSC Latvia – 12.5 % "Mostootrjad 17" – 50 % Pilnsab."TLTB" Latvia – 25 %
Other shares of participation	
Bookkeeper	Regīna Vitrjaka ,telephone 67251822
Auditor	Ēriks Bahirs Sworn auditor Certificate No. 136 "Baker Tilly Baltics" LTD Reg. No. 40003444833 Licence No. 80

Management report

"Latvijas tilti" JSC share or interest capital (fixed capital) is: LVL 671 000.

Net turnover of the reporting period is: LVL 2 765 998. The profit of the reporting period after taxes is: LVL 150 558. Comparing to the previous reporting period the gross amount of construction work performed has not decreased. The main construction items- road overpass on the motorway from the airport of Turkmenbashi city to the National Tourist Zone "Avaza", Daugava South Bridge right and left coast approach to construction, Klaipeda sea port reconstruction.

The management of "Latvijas tilti" JSC bears responsibility for provision of a respective accounting system, preservation of the assets of the company as well as for detection and elimination of fraudulence and other violations made within the enterprise. The management is also responsible for fulfillment of all requirements of Latvian legislation and provides full information on financial activity and financial results of the company.

Financial result indicators	2011. I quarter	2010. I quarter
Liquidity		
- current assets / short-term liabilities	1.27	2.68
Solvencies		
- liabilities / the total of the balance	0.66	0.39
- liabilities / own capital	1.90	0.63
Effectiveness		
- net turnover / the total of assets	0.24	0.42
Profitability		
- (Net profit / net turnover)*100	5.44	40.78
- (Net profit / the total of assets)*100	1.33	17.26

JSC "Latvijas tilti" [Bridges]

JSC "Latvijas tilti"

Balance

	as of March 31, 2011		as of March 31, 2010	
ASSETS	LVL	EUR 0,702804 EUR	LVL	EUR 0,702804 EUR
LONG-TERM INVESTMENTS				
INTANGIBLE INVESTMENTS				
Licenses and other intangible investments	148	211	808	1,150
Subtotal intangible investments	148	211	808	1,150
FIXED ASSETS				
Plots of land, buildings, perennial plants	745,891	1,061,307	531,737	756,594
Equipment and machinery	1,852,590	2,635,998	2,333,160	3,319,788
Other fixed assets and inventory	301,447	428,920	123,933	176,341
Cost of fixed assets formation and unfinished construction objects	2,685	3,820	21,736	30,928
Subtotal fixed assets	2,902,613	4,130,046	3,010,566	4,283,649
LONG-TERM FINANCIAL INVESTMENTS				
Participation in associated enterprises' capital	13,320	18,953	13,820	19,664
Own stock and shares	2,013	2,864	2,013	2,864
Subtotal long-terms financial investments	15,333	21,817	15,833	22,528
Total intangible investments	2,918,094	4,152,074	3,027,207	4,307,328
CIRCULATING ASSETS				
INVENTORIES				
Raw materials, basic materials and auxiliary materials	976,244	1,389,070	771,673	1,097,992
Unfinished products	924,470	1,315,402	34,435	48,997
Finished products, and goods for sale	439,786	625,759	807,100	1,148,400
Prepayments for goods	1,057,338	1,504,456	845,355	1,202,832
Subtotal inventories	3,397,838	4,834,688	2,458,563	3,498,220
DEBTORS				
Debts of purchasers and customers	2,136,738	3,040,304	1,344,818	1,913,504
Other debtors	1,092,653	1,554,705	2,928,148	4,166,379
Deferred expenses	121,343	172,656	50,352	71,644
Accumulated debtors	436,242	620,716	1,834,094	2,609,681
Subtotal debtors	3,220,281	4,582,047	6,157,412	8,761,208
SECURITIES AND PARTICIPATION IN CAPITALS				
Other securities and participation in capitals	4	6	4	6
Subtotal securities and participation in capitals	4	6	4	6
CASH	1,816,736	2,584,982	2,547,219	3,624,366
Total intangible investments	8,434,859	12,001,723	11,163,198	15,883,800
TOTAL ASSETS	11,352,953	16,153,797	14,190,405	20,191,127

JSC "Latvijas tilti" [Bridges]

JSC "Latvijas tilti"

Balance

	as of March 31, 2011		as of March 31, 2010	
LIABILITIES	LVL	EUR 0,702804 EUR	LVL	EUR 0,702804 EUR
OWN CAPITAL				
Stock or share capital (fixed capital)	671,000	954,747	671,000	954,747
Reserves:				
a) statutory reserves	29,982	42,661	29,982	42,661
Undistributed profit:				
a) undistributed profit for preceding years	3,063,191	4,358,528	5,564,800	7,917,997
b) undistributed profit for accounting year	150,558	214,225	2,449,918	3,485,919
Subtotal own capital	3,914,731	5,570,160	8,715,700	12,401,324
CREDITORS				
LONG-TERM DEBTS				
Other loans	630,732	897,451	1,033,724	1,470,857
Provisions for anticipated taxes	152,819	217,442	274,729	390,904
Subtotal long-term debts	783,551	1,114,893	1,308,453	1,861,761
SHORT-TERM DEBTS				
Other loans	494,174	703,146	613,865	873,451
Advance payments received from purchasers	1,966,736	2,798,413	773,450	1,100,520
Debts to suppliers and contractors	3,408,278	4,849,543	1,495,713	2,128,208
Taxes and social insurance payments	214,414	305,084	789,851	1,123,857
Other creditors	158,507	225,535	162,570	231,316
Accumulated liabilities	412,562	587,023	330,803	470,690
Subtotal short-term debts	6,654,671	9,468,744	4,166,252	5,928,043
Total creditors	7,438,222	10,583,636	5,474,705	7,789,803
TOTAL LIABILITIES	11,352,953	16,153,797	14,190,405	20,191,127

JSC "Latvijas tilti" [Bridges]

JSC "Latvijas tilti"

PROFIT & LOSS ACCOUNT

	as of March 31, 2011		as of March 31, 2010	
	EUR 0,702804		EUR 0,702804	
	LVL	EUR	LVL	EUR
Net turnover	2765998	3935660	6007756	8548267
Manufacturing cost of products sold	(2446041)	(3480403)	(3454475)	(4915275)
Gross profit	319957	455257	2553281	3632992
Cost of sales	(2929)	(4168)	(15615)	(22218)
Administration expenses	(82681)	(117644)	(123792)	(176140)
Other incomes from enterprise's business activity	66284	94314	37257	53012
Other expenses for enterprise's business activity	(136244)	(193858)	(16257)	(23132)
Incomes from participation in capitals of subsidiaries and associated enterprises	0	0	21658	30817
Other interest-bearing income, and similar incomes	0	0	15	21
Interest payments, and similar expenses	(13829)	(19677)	(6629)	(9432)
Profit or loss before taxes	150558	214224	2449918	3485919
Profit or loss before unforeseen destructions and taxes	150558	214244	2449918	3485919
Profit or loss for accounting period after taxes	150558	214244	2449918	3485919
Dividend "profit on the action" (EPS)	0.22	0.32	3.65	5.20

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Name of the enterprise: "Latvijas tilti" JSC

Unified Reg. No. LV50003030441

Address: 15 Granīta St., Stopiņi Civil Parish, Rumbula, LV-1057

Report on changes in owner's capital

	Fixed capital		Statutory reserves		Undistributed profit		Owner's capital total	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
31.03.2009 EUR 0,702804	671000	954747	29982	42661	5687205	8092164	6388187	9089571
Profit for reporting year	0	0	0	0	6185763	8801548	6185763	8801548
Distribution of profit	0	0	0	0	(3858250)	(5489795)	(3858250)	(5489795)
31.03.2010 EUR 0,702804	671000	954747	29982	42661	8014718	11403916	8715700	12401324
Profit for reporting period	0	0	0	0	(305269)	(434359)	(305269)	(434359)
Distribution of profit	0	0	0	0	(4495700)	(6396805)	(4495700)	(6396805)
31.03.2011 EUR 0,702804	671000	954747	29982	42661	3213749	4572753	3914731	5570160

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Name of the company: „Latvijas tilti” JSC

Unified reg. no. LV50003030441

Address: **15 Granīta St., Stopiņi Civil Parish, Rumbula, LV-1057**

REPORT ON THE CASH FLOW 2011

	2011		2010	
	LVL	EUR 0,702804	LVL	EUR 0,702804
I. I. Cash flow from the basic activities				
Profit or losses before extra items and taxes	150558	214224	2449918	3485919
Corrections for:				
- depreciation of capital assets	122177	173842	106070	150924
- write-off of purchase of capital assets and non-material investment value	89	127	10359	14740
- profit or losses due to fluctuations of foreign currencies	111837	159130	(389)	(553)
- other interest income and similar income	0	0	(15)	(21)
- interest payment and similar expenses	136244	193858	6629	9432
Profit or losses before current asset and short-term liability surplus change impact corrections	520905	741181	2572572	3660440
Corrections for:				
- debtor debt surplus increase (-) or decrease (+)	1573988	2239583	(288604)	(410646)
- accumulation surplus increase (-) or decrease (+)	(1113334)	(1584132)	129696	184541
- increase (+) or decrease (-) of debts to be paid to suppliers, contractors and other creditors	492150	700266	(2020751)	(2875270)
Gross cash flow from basic activity	1473709	2096898	392913	559065
Expenses for interest payment	(136244)	(193858)	(6629)	(9432)
Expenses for corporate income tax payments	152024	216311	(75000)	(106715)
Cash flow before extra items	1489489	2119351	311284	442917
Cash flow from extra items				
Basic activity net cash flow	1489489	2119351	311284	442917
II. Investing activity cash flow				
Purchase of capital assets and non-material investments	(9636)	(13711)	(3605)	(5129)
Income from debt payment	100	142	3600	5122
Dividends received	0	0	21658	30817
Net cash flow from investments	(9536)	(13569)	21653	30809
III. Cash flow from financial activities				
Expenses for loan payment	(85485)	(121634)	(100946)	(143633)
Net cash flow from financial activities	(85485)	(121634)	(100946)	(143633)
IV. Foreign currency rate fluctuation results	(111837)	(159130)	389	553
V. Review on annual net cash flow	1282631	1825019	232380	330647
VI. Money and its equivalent in the beginning of the period	534105	759963	2314839	3293719
VII. Money and its equivalents in the end of the period	1816736	2584982	2547219	3624366

Annex

Accounting policy

The fundamentals of preparation of the report

The annual report has been prepared in accordance with the Laws of the Republic of Latvia "On accounting", "The law on annual reports", LGS No. 1, LGS No. 2, LGS No. 3, LGS No. 4, LGS No. 5, LGS No. 6, LGS No. 7 and LGS No. 8.

The profit or loss calculation has been drafted in accordance with the turnover expenses scheme.

The cash flow report has been drafted with the indirect method.

General principles

The positions of the annual report have been evaluated in accordance with the following accounting principles:

- It is assumed that the enterprise will operate also in the future;
- The same evaluation methods as in the previous year have been used;
- Only the profit gained before the balance day is included in the report;
- The income and expenses associated with the reporting year have been taken into consideration irrespective of the date of payment or of the date of reception or issue of the invoice;
- The expenses have been coordinated with the income within the reporting period;
- In the beginning of the reporting period the balance complies with the closing balance of the previous year;
- Management transactions have been reflected with consideration of their economic content and essence, instead of the legal form.

Re-evaluation of foreign currencies into lats

Assets and liabilities in foreign currencies are recalculated into lats in accordance with the currency rate defined by the Bank of Latvia as of the last day of the reporting year. The profit or loss gained as the result of the fluctuations in the foreign currency rate is reflected in the profit and loss calculation of the respective period.

	31.03.11.	31.03.10.
	Ls	Ls
1 EUR	0.702804	0.702804
1 USD	0.499	0.521
1 LTL	0.204	0.204

Fixed assets

Capital assets listed in accordance with requirements of LGS Nr.7 by cost method. All capital assets valued at initial cost, except depreciation. Depreciation is calculated by method appropriate usage of capital assets over the period. Depreciation was calculated by 1-th date on next month.

Since 2007 amortization cost of the basic means are established, excepting from cost of purchase liquidating cost. If liquidating cost is not essential it does not undertake in attention in calculation amortization costs.

Enterprise uses for commercial activities capital assets with zero residual value. Input value of these assets is LVL 873.520.

Non-material investments

All non-material investments have been evaluated in their initial value, excluding depreciation. The period of depreciation set by the management is five years.

Reserves

The reserves are evaluated with the weighted average price method and they have been reflected in the balance in accordance with their supply and production cost price.

Debtor

Debts of debtors are realistic and compared. For doubtful debts of debtors is created savings. All debtors formed before 31.03.2011.

Investments in daughter and associated enterprises

Investments in the capital of daughter and associated enterprises of the holding company are calculated in the financial report of the enterprise in their purchase value.

Future period expenses

The position reflects the expenses made during the reposting year but where their costs refer to the next year.

Vacation reserves

Reserves for unused vacations are defined by multiplying the average salary of each employee during the reporting year with the number of unused vacation days as of the end of the reporting year.

Accrued liabilities

The position reflects the expenses referring to the reporting year but where the invoices have been received in the next year.

Income recognition

Income includes the management benefits gained within usual operations that have been received or will be received by the enterprise itself.

The result of a service provision transaction, the income associated with this transaction, is recognized by consideration of the type of execution of the service provision transaction on the day of the balance.

The result of a service provision transaction can be credibly estimated if all of the following conditions are observed:

- it is possible to credibly estimate the amount of income;
- it is plausible that the enterprise will receive the management benefits associated with the transaction;
- it is possible to credibly estimate the volume of execution of the service provision execution in percent as of the balance day;
- it is possible to credibly evaluate the existing expenses of the transaction and the expenses required for completion of the transaction.

Income from sales of products is recognized when all of the following conditions are observed:

- the enterprise has transferred the ownership rights for the products to the customer;
- the enterprise does not retain further management rights and real control over the products associated with the ownership rights;
- it is possible to credibly evaluate the amount of income;
- it is credible that the enterprise will receive the management benefits associated with the transaction;
- it is possible to credibly evaluate the expenses that have risen or will rise in association with the transaction.

Recognition of income and expenses associated with long-term contracts

Income and expenses from long-term contracts are the income which is equal to the volume of service provision in percents as of the date of the balance.

Expenses referred to the contract can be clearly identified and credibly estimated so that the expenses that have actually risen in association with the contract could be compared to the recognized income.

JSC "Latvijas tilti" [Bridges]

Explanations

Net turnover

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Revenues from construction Latvian	2.658.207	5.896.120
Revenues from sales of services and building structures Latvian	107.791	111.636
TOTAL:	<u>2.765.998</u>	<u>6.007.756</u>

Production costs

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Material costs (raw materials, materials, services from outside)	1.125.178	1.469.180
The salary	269.065	640.990
Social tax	73.381	158.166
Co-operation	874.003	806.817
Other costs	104.414	179.322
TOTAL:	<u>2.446.041</u>	<u>3.454.475</u>

Selling costs

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Transport services	2.093	14.962
Other expenditure	836	653
TOTAL:	<u>2.929</u>	<u>15.615</u>

Administrative overheads

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Administration salaries, social tax	43.749	54.414
Expenses for communications	4.754	5.169
Chancellery costs	3.447	4.405
Legal services	3.987	9.242
Bank services	3.782	2.105
Motor transport maintenance costs	14.421	13.485
Other administrative overheads	8.541	34.972
TOTAL:	<u>82.681</u>	<u>123.792</u>

Other revenues from the enterprise economic activity

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Revenues from selling materials	50.217	17.544
Revenues from services	7.678	7.652
On the foreign exchange rate fluctuations	6.933	11.749
Other revenues	1.456	312
TOTAL:	<u>66.284</u>	<u>37.257</u>

Other expenditure from the enterprise economic activity

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Sponsorship	-	3.000
Write-off of the residual rest a fixed capital	-	10.359
Result of converting	136.244	514
Other expenditure	-	2.384
TOTAL:	<u>136.244</u>	<u>16.257</u>

Payment of percent and similar expenditure

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Percent the credit	8.184	-
Percent the finance lease	5.375	6.629
The penalty	270	-
TOTAL:	13.829	6.629

Intangible investments

	1 Quarter 2011 Ls	1 Quarter 2010 Ls
Acquisition value	9.031	9.031
Wear and tear	8.883	8.223
Residual value	148	808

Fixed assets

	Land, buildings and facilities Ls	Equipment and machinery Ls	Other fixed assets Ls	Formation of fixed assets Ls
Acquisition value as of 31.03.10.	890.992	3.994.558	535.029	21.736
Wear and tear	359.255	1.661.398	411.096	-
Residual value as of 31.03.10.	531.737	2.333.160	123.933	21.736
Acquisition value as of 31.03.11.	1.158.401	3.686.425	923.478	2.685
Wear and tear	412.510	1.833.835	622.031	-
Residual value as of 31.03.11.	745.891	1.852.590	301.447	2.685

JSC "Latvijas tilti" [Bridges]

Financial rent contracts – JSC "DnB Nord lizings"

Name of the fixed assets	Period of the contract	SHORT-TERM DEBTS		LONG-TERM DEBTS	
		Ls	EUR	Ls	EUR
Truck Mercedes Actros contr. No. 09676;11045;14809;18678	2006.g – 2012.g.	72.101	102.590	-	-
Compressor contr. No. 14331	2005.g – 2011.g.	1.411	2.007	-	-
Hydraulic hammer contr. No. 22921	2005.g – 2015.g.	97.198	138.300	177.890	253.114
Car contr. No.10709; 12188; 12916; 17450; 14087; 14481; 16465; 17451; 18190; 19371; 21260; 24298; 31390; 31750; 32095	2007.g – 2015.g.	103.637	147.463	60.273	85.761
Yunttan contr.Nr.12004	2007g – 2017.g	108.060	153.756	303.372	431.660
Loader contr.Nr.17782	2007.g – 2012.g	7.187	10.226	-	-
Vibrator contr.Nr15016	2007g – 2014.g	90.138	128.255	89.197	126.916
Semi trailer contr.Nr18097	2007.g – 2012.g	14.442	20.549	-	-

JSC "Latvijas tilti" [Bridges]

Participation in associated enterprises capital

	Share of participation – purchase price	
	Ls	%
Partnership with unlimited liability "Transports Systems" [South Bridge], Latvia	6.250	12.5
Partnership with unlimited liability "TLTB"Latvia	5.000	25
"Mostootrjad 17"Russia	2.070	50

JSC "Dienvidu Tilts" is registered in 2002 in order to take part in construction of Southern bridge across River Daugava. The month of December 2009 has changed name and is now AS "Transport Systems" .

Union "TLTB" has been registered in 2008.

The goal of the union - continuation of construction of the existing "Vairoga" overpass and its connection with "Gaujas" street.

JSC "Mostootrjad 17" was registered in Russia in 2006. The goal of the company – bridge designing, construction and maintenance.

Debts of purchasers and customers

	31.03.11.	31.03.10.
	Ls	Ls
Debts of purchasers and customers	1.102.587	612.321
Deferred payments	1.034.151	732.497
	<u>2.136.738</u>	<u>1.344.818</u>

Other debtors

	31.03.11.	31.03.10.
	Ls	Ls
Other debtors	21.145	19.802
Overpaid VAT	91.498	72.442
Short-term debts	13.044	2.811.216
Overpaid enterprise income tax	400.271	24.688
	<u>525.958</u>	<u>2.928.148</u>

JSC "Latvijas tilti" [Bridges]

Deferred expenses

	31.03.11.	31.03.10.
	Ls	Ls
The periodic literature	700	565
Insurance premiums –objects	86.152	9.905
Insurance premiums -transport, the equipment	9.560	17.036
Insurance premiums	23.056	20.971
Riga Stock Exchange	1.875	1.875
	121.343	50.352
	121.343	50.352

Accumulated debtors

	31.03.11.	31.03.10.
	Ls	Ls
Debts of purchasers and customers	436.242	1.834.094
	436.242	1.834.094
	436.242	1.834.094

Money

	31.03.11.	31.03.10.
	Ls	Ls
Cash at Cashier's Desk	8.125	6.340
Money with bank	1.808.611	2.540.879
Money total:	1.816.736	2.547.219
	1.816.736	2.547.219

Creditors

	31.03.11.	31.03.10.
	Ls	Ls
Long-term debts		
Others debts- Ltd "DnB Nord Līzings"	630.732	1.033.724
Postponed tax liabilities	152.819	274.729
Long-term debts total	783.551	1.308.453
Short-term debts		
Others debts- Ltd "DnB Nord Līzings"	494.174	613.865
	494.174	613.865
	494.174	613.865

JSC "Latvijas tilti" [Bridges]

Debts to suppliers and contractors

	31.03.11.	31.03.10.
	Ls	Ls
Debts to suppliers and contractors - Latvia	2.930.971	1.293.492
Debts to suppliers and contractors - Europe	194.917	6.747
The detained payments	282.390	195.747
	<u>3.408.278</u>	<u>1.495.713</u>

Taxes and social insurance payments

	31.03.11.	31.03.10.
	Ls	Ls
State social insurance obligatory premiums	109.502	159.814
Population income tax	33.229	62.205
VAT	71.327	160.806
The profit tax of the enterprise	-	406.808
Other taxes	356	218
	<u>214.414</u>	<u>789.851</u>

Other debets to creditors

	31.03.11.	31.03.10.
	Ls	Ls
Settlements on wages	140.418	161.268
Other creditors – settlement parties	18.089	1.302
	<u>158.507</u>	<u>162.570</u>

Average quantity of workers at the enterprise

	I Quarter 2011	I Quarter 2010
Average quantity of workers at the enterprise	248	255
	<u>248</u>	<u>255</u>

Payment for a management

	I Quarter 2011 Ls	I Quarter 2010 Ls
Members of Advice		
The counted payment	16.740	20.503
The paid payment	12.366	13.370
Members of Board		
The counted payment	15.976	17.223
The paid payment	11.090	13.190