

Name of the company: **JSC "Olaines kūdra"**
Legal address **Rīgas 21, Olaine, LV-2114**
Unified registration number **40003006999**

ANNUAL REPORT

(reporting period: 01.01.2008.-30.06.2008.)

Date of producing of the document

The document drawn up by (first name, surname, position)

Confirmed by (first name, surname, position)

Currency of the Report: **LVL/EUR**

Name of the Company **JSC “Olaines kūdra”**

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INFORMATION ABOUT THE COMPANY

1 The full name of the Company: **JSC "Olaines kūdra"**

2 Legal status of the Company: **Joint Stock Company**

3 Registration No. In the CR, place and date: **40003006999** **Rīga, 02.07.2004**

4 Tax payer's registration number.: **40003006999** **Rīga, 03.08.2004**

5 VAT registration number: **LV 40003006999**

5 The Company's legal address and telephone: **Rīgas 21, Olaine, LV-2114**
Tel.: **67964254** Fax: **67964203**

6 Office address and telephone: **Rīgas 21, Olaine, LV-2114**
Tel.: **67964254** Fax: **67964203**

7 Type of business: **Extraction and processing of peat**

8 Reporting year: **January 1, 2008 – Jun 30, 2008**

9 Members of Board

Chairman of Board **Sergejs Šakuns**
Director

Members of Board **Brigita Kraule**
economical director

Mihails Zeņkovs
engineer-mechanic

10 Council **Biomins Kajems**

Oļegs Krasiļņikovs

Sergejs Lukašins

Andžs Krastiņš

Vilnis Nollendorfs

11 the Chief accountant: **Jeļena Luseviča**

12 Auditor, licence no., address, telephone: **LLC "FINANSIST",**
Address: Rīga, Kurzemes prosp.3-412, Latvija, LV-106'
40002046180 Licence no. 102

13 Average number of employees: **120**

14 The owners/shareholders of the Company

Total share capital Ls 1 800 000

LLC "MONO"		
Address Katlakalna 1, Rīga		
The proportion of shares (%)	30%	40003004625
SIA "LEMF"		
Address: Katlakalna 10, Rīga		
The proportion of shares (%)	4%	4000300423
State social insurance agency		
The proportion of shares (%)	3%	337395
Vista Capital Cooperation		
The proportion of shares (%)	5%	VCC061219995
Viktors Karbanovs		
The proportion of shares (%)	38%	160258-10728

15 Information about the related companies:

LLC "MONO"		
Address Katlakalna 1, Rīga		
The proportion of shares (%)	30%	40003004625
LLC "LEMF"		
Address: Katlakalna 10, Rīga		
The proportion of shares (%)	4%	4000300423

16 Structural units of the Company

"Gaismas" - unit of peat extraction
 Address, tel.: "Gaismas", Olaine civil parish, Riga region
 Tel.27931228

JSC “OLAINES KŪDRA”
MANAGEMENT REPORT ON PERFORMANCE
IN FIRST SIX MONTHS OF 2008

Main activity areas of JSC “Olaines kūdra” in first 6 months of 2008

1. Production of milled peat.
2. Production of moss peat, neutralized peat and peat substrates.
3. Peat packaging.
4. Sales of peat products in Latvia and abroad.

Winter of 2008 was peculiar with the fact that marsh did not freeze due to an increased air temperature, it was impossible to drive into the marsh with wheel tractors, and it was necessary to transport peat with caterpillar tractors to loading locations near to mud roads in order to deliver it to processing units. As a result the production amount of packaged peat decreased by 18%, but since peat resources within European Union were deficient in the beginning of 2008, company managed to sell its production for a higher price and achieve an increase in the amount of sold production by 5%. 31,3% of the total six months production sales were sold in the internal market and 68,7% were exported to EU.

Meteorological conditions during May – June of 2008 were congenial for extraction of peat, 15'999 tons of milled peat were extracted in June and July which builds up approximately 38% of the planned amount. However the rainy conditions in July negatively affected extraction of peat and it is prospected that the actual extraction during the season will add up to only 62% of the planned amount. This, certainly will affect the production amounts and profit of 2008 and 2009.

An rise in costs during first six months of 2008 occurred due to wages and social insurance payments, since the average salary has increased from LVL 264,32 in 1st half of 2007 to LVL 332,03 this year, in other words – by 25%. Considering the employees hired in July, the number of necessary personnel is made complete, however the professional qualification and work discipline of employees is insufficient.

Company has provided a monthly salary payment to employees in due time, it has no tax or other payment debts to state and municipal budgets.

JSC "Olaines kūdra" has concluded the first half of 2006 with losses of LVL 28958, losses for previous periods add up to LVL 5344. Entity chiefly uses its own resources for providing its financial activity, without getting involved into bank loans; a financial rent agreement for the amount of LVL 70242,45 has been used for purchasing hydraulic excavator.

Losses for one share in the first half of 2007 were LVL 0,0029, losses for one share in the first half of 2008 are LVL 0,0161.

Market price of one share in stock exchange in 2008 is from LVL 0,28 to LVL 0,17.

The interim six-month report has not been revised by a certified auditor.

Chairman of the board

S.ŠAKUNS

Member of the board

B.KRAULE

Member of the board

M.ZEŅKOVŠ

JSC "OLAINES KŪDRA"

DECLARATION

on the responsibility of Management

JSC "Olaines kūdra" is responsible for the preparation of the financial report of the company.

The Interim financial report of 2008 of JSC "Olaines kūdra" is prepared, basing on the source documents and provides clear and true view on the financial standing of the Company as of June 30, 2008, its financial results and the cash flow in 2008 .

The Financial Report has been prepared in accordance with the Laws being in force and with the book-keeping standards of the Republic of Latvia, basing upon the principle of continuation of entrepreneurship. During the reporting year the appropriate accounting methods have been consequently applied.

JSC "Olaines kūdra" is responsible for the provision of appropriate accounting, preservation of company's assets, as well as for detection and averting of violations.

Chairman of Board

S.ŠAKUNS

Member of Board

B.KRAULE

Member of Board

M.ZEŅKOVŠ

Name of the Company **JSC "Olaines kūdra"** by UUK

Registration No.

Address Rīgas 21, Olaine, LV-2114 by ATK

Telephone 67964254 Fax 67964203

Management institution by VPIIK
SRS Riga regional institution, Riga district department

Type of business Extraction and processing of peat by ISIC

Measurement unit LVL

PROFIT OR LOSS STATEMENT
(ACCORDING TO THE TURN-OVER METHOD)
(reporting period: 01.01.2008.-30.06.2008.)

Name of indices	Number of Notes	2008		2007	
		LVL	EUR	LVL	EUR
1	2				
Net turn-over	10	639204	909511	631010	897851
Cost of production of sold products	11	-571197	-812745	-504491	-717830
Gross profit or losses		68007	96766	126519	180021
Sales costs	12	-57443	-81735	-81123	-115428
Administrative costs	13	-40808	-58065	-34177	-48630
Other income from economic activity	14	52943	75332	28709	40849
Other expenses of economic activity	14	-39473	-56165	-28512	-40569
Other interest income and similar income	15	288	410	374	532
Profit or loss before extraordinary items and taxes		-16486	-23457	11790	16775
Profit or loss before taxes		-16486	-23457	11790	16775
Company's income tax in the reporting year	16	-5161	-7343	-8747	-12446
Other taxes		-7311	-10403	-8387	-11933
Profit or loss of the reporting year	17	-28958	-41203	-5344	-7604

Chairman of Board _____
(name, surname, signature)

Name of the Company	JSC "Olaines kūdra"		
Registration No. In Commercial Register	<input type="text" value="40003006999"/>		
Tax payer's registration number	<input type="text" value="40003006999"/>		
Address	Rīgas 21, Olaine, LV-2114		
Telephone	67964254	Fakss	67964203
Management institution	<input type="text"/>		
Tax authority	<input type="text"/>		
the main type of business	Extraction and processing of peat		
Measurement unit	<input type="text" value="LVL"/>		

BALANCE SHEET

(reporting period: 01.01.2008.-30.06.2008.)

Submission date

Receiving date:

ASSETS	Number of Note	At the end of the Reporting period		At the beginning of the year	
		LVL	EUR	LVL	EUR
1	2				
LONG-TERM INVESTMENTS					
Intangible assets					
Concessions, patents, licenses, trade marks and similar rights		562	800	562	800
I. TOTAL:		562	800	562	800
Fixed assets					
Land plots, buildings and structures and perennial plants		545693	776455	567740	807826
Equipment and machinery		262077	372904	228145	324623
Other fixed assets and inventory		11676	16614	9509	13530
Formation of fixed assets and costs of unaccomplished construction objects		8974	12769	8974	12769
II. TOTAL:		828420	1178742	814368	1158748
GRAND TOTAL OF THE FIRST SECTION		828982	1179542	814930	1159548
CURRENT ASSETS					
Stocks					
Raw material, basic materials and auxiliary materials	1	205463	292349	210742	299861
Unfinished produce		8100	11525	53	75
Finished produce and goods for sale		317672	452009	303929	432454
Advance payments for goods	2	7341	10445	10225	14549
I. TOTAL:		538576	766328	524949	746939
Debtors					
Debts of customers and clients	3	185718	264254	170108	242043
Other debtors	4	69982	99576	46313	65897
Deferred expenses	5	6103	8684	3116	4434
III. TOTAL:		261803	372514	219537	312374
Short-term financial investments					
Own shares		6000	8537	6000	8537
IV. TOTAL:		6000	8537	6000	8537
Cash (total)	6	426256	606511	415308	590933
GRAND TOTAL OF THE SECOND SECTION		1232635	1753890	1165794	1658783
BALANCE		2061617	2933432	1980724	2818331

LIABILITIES	Piezīmes numurs	Pārskata beigās	perioda		Pārskata beigās	perioda
			LVL	EUR		
1	2					
Shareholders' funds						
Share capital (equity capital)		1800000	2561184	1800000	2561184	
Reserves:						
other reserves		37850	53856	37850	53856	
I. TOTAL:		1837850	2615040	1837850	2615040	
Retained earnings						
retained earnings from the previous years		44847	63810	44847	63810	
retained earnings of the reporting year		-28958	-41203			
GRAND TOTAL OF THE SECTION		1853739	2637647	1882697	2678850	
ACCRUALS						
Other accruals		18068	25709	18068	25709	
GRAND TOTAL OF THE SECOND SECTION		18068	25709	18068	25709	
3. CREDITORS						
I. LONG-TERM CREDITORS						
Debts to suppliers and contractors		42475	60436	56903	80966	
Deferred tax liabilities		56903	80966			
I. TOTAL:		99378	141402	56903	80966	
SHORT-TERM CREDITORS						
Advances from customers		8499	12093	7089	10087	
Debts to suppliers and contractors	7	31737	45158	4128	5874	
Taxes and state obligatory social insurance contributions	8	25672	36528	92	130	
Other creditors	9	24524	34895	11747	16715	
II. TOTAL:		90432	128674	23056	32806	
GRAND TOTAL OF THIS SECTION		189810	270076	79959	113772	
BALANCE		2061617	2933432	1980724	2818331	

Chairman of Board

Name of the Company **JSC "Olaines kūdra"**

In accordance with the Latvian accounting standard No.2

STATEMENT OF OWN CAPITAL CHANGES FOR THE YEAR 2008

(reporting period: 01.01.2008.-30.06.2008.)

(WITH A HORIZONTAL METHOD)

	Equity capital		Other reserves		Retained earnings		Own capital (total)	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Residual according to balance sheet as of the beginning of the previous reporting period 01.01.2007	1800000	2561184	37850	53856	37734	53690	1875584	2668730
Profit of the previous year added to reserves							0	0
Retained earning of the reporting year					7 113	10 120	7113	10120
Residual according to the balance sheet as of the beginning of the reporting period 01.01.2008	1 800 000	2 561 184	37 850	53 856	44 847	63 810	1882697	2678850
Retained earnings of the reporting year					-28 958	-41 203	-28 958	-41203
Residual according to the balance sheet as of the end of the reporting period 30.06.2008	1 800 000	2 561 184	37 850	53 856	15 889	22 607	1853739	2637647

Chairman of Board

Name of the company **JSC "Olaines kūdra"**

In accordance with the Latvian accounting standard No.2 "Cash flow statement"

Registration No. In ER **40003006999**

Tax payer's reg.No.: **40003006999**

Address: Rīgas 21, Olaine, LV-2114

Tel. 7964254

Fax 7964203

SRS Riga regional institution, Riga District department

Measurement unit LVL

CASH FLOW STATEMENT FOR THE YEAR 2008
(reporting period: 01.01.2008.-30.06.2008.)
(with a direct method)

	Annexes	2008		2007	
		LVL	EUR	LVL	EUR
I. Cash flow from basic activity					
1		710554	1011033	651729	927332
2		-675066	-960538	-584867	-832196
3		35488	50495	66862	95137
4		-539	-767		0
5				-900	-1281
6		34949	49728	65962	93856
		34949	49728	65962	93856
II. Investment operation cash flow					
1	18	-32227	-45855	-34028	-48418
2					
3				-572782	-815000
4				238336	339124
5		8321	11840	374	532
		-23906	-34015	-368100	-523762

SUMMARY OF CASH INCOME AND EXPENSES

I	Result of basic activity	34949	49728	65962	93856
II	Result of investment operation	-23906	-34015	-368100	-523762
III	Result of fluctuation of foreign currency rates	-95	-135	-51	-73
IV	Net increase or decrease of cash and its equivalents	10948	15578	-302189	-429979
V	Residual of cash and its equivalents at the beginning of the reporting period	415308	590933	426215	606453
VI	Residual of cash and its equivalents at the end of the reporting period	426256	606511	124026	176474

Chairman of Board _____

Name of the company

JSC "Olaines kūdra"

STATEMENT OF LONG-TERM INVESTMENT MOVEMENT FOR 2008

(reporting period: 01.01.2008.-30.06.2008.)

LVL

N.p.k.	Type of Long-Term investments	Initial value			Depreciation (write-off of value)				Residual value		
		On 01.01. 2008.g.	purchase and manufacturing (+)	movement and exemption from operation (+,-)	On 30.06. 2008.g.	On 01.01. 2008.g.	calculated in the reporting year (+,-)	excluded due to the exemption from operation (-)	On 30.06. 2008.g.	On 01.01. 2008.g.	On 30.06. 2008.g.
	I. Intangible investments total)	6 187	-	-	6 187	5 625	-	-	5 625	562	562
	incl.:										
1	Licences	1 470			1 470	1 278			1 278	192	192
2	Trademarks	867			867	867			867	-	-
3	Peat amount determine	2 000			2 000	2 000			2 000	-	-
4	Accounting software	1 850			1 850	1 480			1 480	370	370
	II. Fixed assets (total)	2 043 993	67 151	-107	2 111 037	1 229 625	52 992	-	1 282 617	814 368	828 420
	incl.:										
1	Land plots, buildings, structures and perennial plants	1 028 058			1 028 058	460 318	22047		482 365	567 740	545 693
2	Equipment and machinery	967 067	63 430		1 030 497	738 922	29 498		768 420	228 145	262 077
3	Other fixed assets and inventory	39 894	3 721	-107	43 508	30 385	1 447		31 832	9 509	11 676
4	Placement of fixed assets and costs of incomplete construction objects	8 974			8 974				-	8 974	8 974
	Total long-term investments	2 050 180	67 151	-107	2 117 224	1 235 250	52 992	-	1 288 242	814 930	828 982

EUR

N.p.k.	Type of Long-Term investments	Initial value			Depreciation (write-off of value)				Residual value		
		On 01.01. 2008.g.	purchase and manufacturing (+)	movement and exemption from operation (+,-)	On 30.06. 2008.g.	On 01.01. 2008.g.	calculated in the reporting year (+,-)	excluded due to the exemption from operation (-)	On 30.06. 2008.g.	On 01.01. 2008.g.	On 30.06. 2008.g.
	I. Intangible investments total)	8 803	-		8 803	8 003	-		8 003	800	800
	incl.:										
1	Licences	2 091			2 091	1 818			1 818	273	273
2	Trademarks	1 234			1 234	1 234			1 234	-	-
3	Peat amount determine	2 846			2 846	2 846			2 846	-	-
4	Accounting software	2 632			2 632	2 105			2 105	527	527
	II. Fixed assets (total)	2 908 357	95 548	-153	3 003 752	1 749 609	75 401	-	1 825 010	1 158 748	1 178 742
	incl.:										
1	Land plots, buildings, structures and perennial plants	1 462 804			1 462 804	654 977	31372		686 349	807 827	776 455
2	Equipment and machinery	1 376 020	90 253		1 466 273	1 051 398	41 971		1 093 369	324 622	372 904
3	Other fixed assets and inventory	56 764	5 295	-153	61 906	43 234	2 058		45 292	13 530	16 614
4	Placement of fixed assets and costs of incomplete construction objects	12 769			12 769				-	12 769	12 769
	Total long-term investments	2 917 160	95 548	-153	3 012 555	1 757 612	75 401	-	1 833 013	1 159 548	1 179 542

Chairman of Board

(name, surname, signature)

Annexes to the balance-sheet

1 Raw materials, basic materials and auxiliary materials

No	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Materials	139160	198008	145636	207223
2	Spare parts	7648	10882	3722	5296
3	Fuel	58312	82971	61079	86908
4	Low-value inventory	343	488	305	434
Residual value		205463	292349	210742	299861

2 Advance payments for goods

No	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Advance payments for materials	7121	10132	8771	12480
2	Advance payments for services	220	313	1454	2069
Residual value		7341	10445	10225	14549

3 Debts of clients and customers

No.	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Debts of Latvian companies	45331	64501	56043	79742
2	Debts of foreign companies	140387	199753	114065	162301
Residual value		185718	264254	170108	242043

4 Other debtors

No.	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Overpayment of the company's income tax	9246	13156	10265	14605
2	Overpayment of residents' income tax			1689	2403
3	Overpayment of VAT	38881	55323	6972	9920
4	Overpayment of Real Estate tax	220	313		
5	Overpayment of State social insurance obligatory contributions			6705	9540
6	Other	21635	30784	20682	29429
Residual value		69982	99576	46313	65897

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Expenses of next periods

No	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Insurance costs	930	1323	763	1086
2	Newspapers	122	86	305	434
3	Services	5051	7275	2048	2914
Residual value		6103	8684	3116	4434

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Cash funds (TOTAL)

No	Type of cash deposition	Cash unit	Residuals in currency	Rate of the Banl of Latvia	Residual at the end of the year		
					LVL	EUR	
1	Latvian banks 01.01.08	LVL	266302	1,0000	266302	378916	
2	Latvian banks 30.06.08	LVL	16359	1,0000	16359	23277	
3	Latvian banks 01.01.08	EUR	208763	0,7028	146719	208763	
4	Latvian banks 30.06.08	EUR	577886	0,7028	406138	577886	
5	Latvian banks 01.01.08	USD	2570	0,4840	1244	1771	
6	Latvian banks 30.06.08	USD	2586	0,4470	1156	1645	
7	The company's cash box 01.01.08	LVL	960	1,0000	960	1366	
8	The company's cash box 30.06.08	LVL	2520	1,0000	2520	3586	
9	The company's cash box 01.01.08	EUR	117	0,7028	83	117	
10	The company's cash box 30.06.08.	EUR	117	0,7028	83	117	
					kopā 30.06.08	426256	606511
					kopā 01.01.08	415308	590933

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Debts to suppliers and contractors

No	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Debts to Latvian companies	31737	45158	4128	5874
2	Debts to foreign companies	-	-	-	-
Residual value		31737	45158	4128	5874

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Taxes and social security payments

No	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Nature resources' tax	2113	3007	68	96
2	State risk duty	32	46	24	34
3	Residents income tax	8772	12481		
4	State social obligatory payment	14755	20994		
Residual value		25672	36528	92	130

Other creditors

No	Name	Residual on 30.06.08.		Residual on 01.01.08	
		LVL	EUR	LVL	EUR
1	Unpaid salary	24267	34529	11513	16382
2	Other	257	366	234	333
Residual value		24524	34895	11747	16715

Annexes to Profit and Loss Statement

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Net turn-over

No	Name	Amount for 01.01.-30.06.08		Amount for 01.01.-30.06.07	
		LVL	EUR	LVL	EUR
1	Transactions with Latvian companies	200492	285277	187040	266135
2	Transactions with foreign companies.	438712	624234	443970	631716
Total		639204	909511	631010	897851

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Production costs of sold products

No	Name	Amount for 01.01.-30.06.08		Amount for 01.01.-30.06.07	
		LVL	EUR	LVL	EUR
1	Material costs	269554	383543	239163	340300
2	Staff costs (salary and State obligatory social payments)	239910	341363	175956	250364
3	Depreciation of fixed assets	49026	69758	40256	57279
4	Other operational costs	11918	16958	12744	18134
5	Changes of tailings of the prepared products	789	1123	36372	51753
Total		571197	812745	504491	717830

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Sales costs

No	Name	Amount for 01.01.-30.06.08		Amount for 01.01.-30.06.07	
		LVL	EUR	LVL	EUR
1	Staff costs (salary and State obligatory social payments)	8729	12420	5472	7786
2	Depreciation of fixed assets	2243	3192	1414	2012
3	Transportation costs	44355	63112	66650	94835
4	Other expenses	2116	3011	7587	10795
Total		57443	81735	81123	115428

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Administrative expenses

No	Name	Amount for 01.01.-30.06.08		Amount for 01.01.-30.06.07	
		LVL	EUR	LVL	EUR
1	Staff costs (salary and State obligatory social payments)	23765	33815	17656	25122
2	Depreciation of fixed assets	2274	3235	1839	2617
3	Transportation and business trip costs	2324	3307	2536	3608
4	Other administrative expenses	12445	17708	12146	17283
Total		40808	58065	34177	48630

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Other operational income and expenses

No	Name	Income	Expenses	Income	Expenses
		01.01.- 30.06.08	01.01.- 30.06.08	01.01.- 30.06.07	01.01.- 30.06.07
		LVL	LVL	LVL	LVL
1	Sales of purchased goods and services	40115	33775	17791	18591
2	Lease of fixed assets	4475	427	2159	207
3	Differences in currency rates	32	127	52	103
4	Currency exchange		459		704
5	Supports and social targets				3611
6	Other income	288	4685	8707	5296
7	Income from interest payment	8033			
Total		52943	39473	28709	28512
		EUR	EUR	EUR	EUR
1	Sales of purchased goods and services	57079	48058	25314	26453
2	Lease of fixed assets	6367	608	3072	294
3	Differences in currency rates	46	181	74	147
4	Currency exchange		653		1001
5	Supports and social targets				5138
6	Other income	410	6665	12389	7536
7	Income from interest payment	11430			
Total		75332	56165	40849	40569

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Other interest income and similar income

No	Name	Amount for		Amount for	
		01.01.- 30.06.08		01.01.- 30.06.07	
		LVL	EUR	LVL	EUR
1	Bank interest calculated for the residual of a current account	288	410	374	532
Summa kopā		288	410	374	532

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Profit tax for the reporting period

No	Name	Amount for		Amount for	
		01.01.- 30.06.08		01.01.- 30.06.07	
		LVL	EUR	LVL	EUR
1	Company's income tax	5161	7343	8747	12446
Total		5161	7343	8747	12446

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Profit or Loss after taxes in the reporting period

No	Name	Amount for		Amount for	
		01.01.- 30.06.08		01.01.- 30.06.07	
		LVL	EUR	LVL	EUR
1	Profit after taxation in the reporting period	-28958	-41203	-5344	-7604
Summa kopā		-28958	-41203	-5344	-7604

Annexes to Cash Flow Statement

No	Name	Amount for 01.01.- 30.06.08		Amount for 01.01.- 30.06.07	
		LVL	EUR	LVL	EUR
1	Industrial structures and buildings			26365	37514
2	Technical equipment	27549	39199	5957	8476
3	Production inventory	2728	3882	1392	1981
4	Peat licences			75	107
5	Motor coach	1450	2063		
6	Computers, computing equipment	500	711	239	340
Total		32227	45855	34028	48418

General information

1. Taxes

Type of taxes	Residual on 01.01.08		Calculated		Paid or moved		Residual on 31.06.2008	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
Company's income tax*	-10265	-14605	5161	7343	4142	5894	-9246	-13156
State social obligatory contributions	-6705	-9540	70508	100324	49048	69790	14755	20994
VAT	-6972	-9920	-31909	-45403			-38881	-55323
Residents' income tax	-1689	-2403	40009	56928	29548	42044	8772	12481
Nature resource tax	68	96	2144	3051	99	140	2113	3007
Real Estate tax	0	0	7310	10401	7530	10714	-220	-313
Risk duty	24	34	188	268	180	256	32	46
Total	-25539	-36338	93411	132912	90547	128838	-22675	-32264

2. The average number of employees

	2008	2007
The average number of employees per year	120	111
Fund of labour payment LVL	272404	199084
(salary +SSO contributions) EUR	387598	283272

3. Information about the off-balance liabilities

There were no off-balance liabilities and mortgages, no guarantees and pledges issued.

4. Cadastre value

Name of the object	LVL	EUR
Buildings, Olaine, Rīgas ielā 21	724267	1030545
Building and Land, Olaine, Veselības 2a	3175	4518
Buildings and land in Olaine civil parish "Gaisma"	356263	506919
Total:	1083705	1541982

5. Significant lease agreements:

For facilitation of the company's operation the following lease agreements are significant and in force:

1. With Riga Municipal Agency "Rīgas meža aģentūra" dated December 19, 2003 on the lease of land and peat fields, No. RPA-RMA-1.5.4.-245 for the lease of 1391,7 ha, the term of the agreement - 5 years.
2. SJSC "Privatizācijas aģentūra", dated August 6, 2003, the agreement on land lease No.4759-Z about the lease of 24,4332 ha in Olaine, Rīgas ielā 21, the term of the agreement - 10 years.
3. WITH SJSC "Latvijas valsts meži" dated Juli 4, 2007, the land lease agreement No.5.7-9.1./0006/150/07.06/about the lease of 169,5 ha
The terms of the agreement-5 years.

6. Payment to members of advice and management.

Members of advice and board have not received a payment.

7. Famous reident did not check review between periods.

Chairman of Board

Sergejs Šakuns

Members of Board

Brigita Kraule

Mihails Zeņkovs