



***OVERVIEW OF THE FIRST QUARTER
OF JOINT STOCK COMPANY
“LATVIJAS ZOOVETAPGĀDE”
OF THE YEAR 2008***

CONTENT

	Page
Information about the company	3
Report of the management	4
Calculation of profit or losses	5
Balance	6
Overview of money flow	8
Overview of own capital changes	9
Appendix to the Annual report	10

Information about the company.

Name of the company	“LATVIJAS ZOOVETAPGĀDE”
Form of business	Joint stock company
Register number, date	Register of companies of the Republic of Latvia No.40003020174, June 21st, 1994; repeatedly in December 19th, 1997.
Address - legal and postal	10 Marijas Street, Riga, LV-1432 14 Pulkv. O. Kalpaka Street, Jelgava, LV-3001
Chairman of the board Director (position)	Atis Grundmanis Chairman of directors Aldis Taurītis
Members of the board	Andis Jaksis Ilona Baumane Māris Ūtēns Svetlana Zača
Members of directors	Vija Enkuzena Dina Kleimane
Time period of the Report	01.01.2008 - 31.03.2008
Auditor	Ingrīda Pētersone Certificate No. 163

Report of the management.

Activities of joint stock company “LATVIJAS ZOOVETAPGĀDE” during the time period of the Report

The mission of joint stock company “LATVIJAS ZOOVETAPGĀDE” – to serve the health of people and animals, to contribute to the agriculture of Latvia by providing veterinary medicine specialists, animal keepers with the highest quality zoo-veterinary resources, perform educating of animal keepers and veterinary doctors.

By comparing year 2008 with the year 2007 by the time period till March 31st, sales of the company have decreased by 33%. One of the main factors is entry of new competitor firms in the market of Latvia.

Grouping of the turnover by the fields of main activities

	2008.31.03 LVL	2008.31.03 EUR	2007.31.03. LVL	31.03.2007 EUR
Wholesale	460746	655582	721356	1026397
Retail trade	89305	127070	100662	143229
	550051	782652	822018	1169626

Grouping of the turnover by the main groups of goods

Name of the group of goods	2008.31.03 LVL	2008.31.03 EUR	2007.31.03. LVL	31.03.2007 EUR
Medicaments	322426	458771	468599	666756
Food, food additives	185669	264183	275444	391922
Tools, inventory	29555	42053	59113	84110
Deratisation, disinfection	12401	17645	18862	26838

Chairman of the directors _____ (Aldis Taurītis)

May 20th, 2008

Calculation of profit and losses of the 1st quarter of the year 2008

(by the method of turnover outlays)

No.	Indicator	No. of com.	Year 2008 31.03 LVL	Year 2008 31.03. EUR	Year 2007 31.03. LVL	Year 2007 31.03. EUR
1	Net turnover	1.	550051	782652	822018	1169626
2	Manufacturing expenses of sold production	2.	-388569	-552884	667729	950093
3	Gross profit or losses		161482	229768	154289	219533
4	Expenses of selling	3.	-59043	-84011	-68971	-98137
5	Expenses of administration	4.	-69399	-98746	-45543	-64802
6	Other earnings of economic activities of the company	5.	2428	3455	+1863	+2651
7	Other expenses of economic activities	6.	-6957	-9899	-6104	-8685
8	Other percents and similar earnings		6	9	+5	+7
9	Percent payments and similar expenses		-5168	-7353	-6275	-8929
10	Profit or losses before taxes		23349	33223	29264	41638
12	Other taxes	7.	-1949	-2773	-2035	-2896
13	Income tax of the company		0	0	0	0
14	Expenses or earnings of deferred taxation		0	0	0	0
15	Profit or losses of the annual year		21400	30450	27229	38742

31.03.2007 1 EUR=0.702804

31.03.2008 1 EUR=0.702804

**Balance on the 1st quarter
of the year 2008**

Asset	No. of Com.	Year 2008 31.03. LVL	Year 2008 31.03. EUR	Year 2007 31.03 LVL	Year 2007 31.03 EUR
1. Long-term investments					
I. Nonmaterial investments					
1. Other nonmaterial investments (computer programs).		1953	2779	3274	4658
Nonmaterial investments, Total:		1953	2779	3274	4658
II. Fixed assets					
1. Land, buildings, constructions and long-term plantations.		143814	204629	41081	58453
2. Long-term investments in rented fixed assets.		10068	14325	5996	8532
3. Equipment and machines.		28811	40994	75488	107410
4. Other fixed assets and inventory.		49175	69970	58667	83476
5. Establishment of fixed assets and costs of uncompleted construction objects.		50771	72241	50771	72241
6. Prepayments for fixed assets.		3944	5612	0	0
Fixed assets, Total:		286583	407771	232003	330111
Long-term investments, Total:	8.	288536	410550	235277	334769
2. Current assets					
I. Reserves.					
1. Complete production and goods for sale.		390430	555532	496739	706796
2. Prepayments for goods.		151321	215310	79322	112865
Reserves, Total:		541751	770842	576061	819661
II. Debtors.					
1. Debts of buyers and clients.	9.	582936	829443	479711	682567
2. Other debtors.	10.	148661	211526	84609	120388
3. Short-term loans to the members of company.		0	0	77077	109671
4. Expenses of next periods.	11.	13515	19230	2540	3614
Debtors, Total:		745112	1060199	643937	916240
IV. Money assets (total)	12.	28409	40422	23987	34130
Current assets, Total:		1315272	1871463	1243985	1770031
Total sum of assets:		1603808	2282013	1479262	2104800

**Balance on the 1st quarter
of the year 2008**

Liabilities	No.of Com.	Year 2008 31.03 LVL	Year 2008 31.03. EUR	Year 2007 31.12. LVL	Year 2007 31.12. EUR
1. Own capital					
1. Capital of stock or shares (fixed capital).	13.	451244	642062	451244	642062
2. Reserves:					
- Reserves set by the Law		67687	96310	67687	96310
3. Retained earnings:					
a) retained earnings of previous years;		-108912	-154968	-109073	-155197
b) retained earnings of the year of account.		21400	30449	27229	38743
Own capital, Total:		431419	613853	437087	621918
2. Reserves					
1. Other reserves		24202	34437	516	734
Reserves, Total:	14	24202	34437	516	734
3. Creditors					
I. Long-term debts					
1. Loans from credit societies		27909	39711	25957	36933
2. Other long-term loans		22959	32668	0	0
3. Liabilities of deferred taxation		5797	8248	0	0
Long-term debts, Total:		56665	56665	25957	36933
II. Short-term debts.					
1. Loans from credit societies.		193661	275555	197018	280331
2. Other loans		185762	264316	65677	93450
3. Prepayments received from buyers		0	0	1255	1786
4. Debts to suppliers and contractors.	15.	393241	559532	643670	915860
5. Debts to connected companies		208546	296734	0	0
6. Taxes and payments of social security.		83230	118426	86625	123257
7. Other creditors.	16.	27082	38534	21457	30531
8. Accrued liabilities		0	0	0	0
Short-term debts, Total:		1091522	1553096	1015702	1445215
Creditors, Total:		1148187	1633723	1041659	1482148
Total sum of liabilities:		1603808	2282013	1479262	2104800

Chairman of directors _____ (Aldis Taurītis)

Overview of money flow

On the 1st quartetr of the year 2008

(LVL, EUR)

(Overview prepared using indirect method)

Positions	Com.	Year 2008	Year 2008	Year 2007	Year 2007
I. Money flow of basic activities					
1. Profit or losses before extraordinary items and taxes		21400	30449	-72372	102976
Corrections:					
a) Depreciation of long-term investments (+)		0	0	49092	69852
b) Payments of interests and similar expenses (+)		5168	7353	23788	33847
c) Profit (-) or losses (+) from fluctuations of foreign exchange rate		0	0	34366	48898
d) Profit from selling fixed assets		0	0	-4750	-6759
e) Formation of reserves		0	0	26521	37736
2. Profit or losses before balance corrections of influence changes of current assets and short-term liabilities		26568	37802	56645	80599
Corrections:					
a) growth (-) or decrease (+) of balance of outstanding payments of debtors.		-28255	-40203	-43302	-61613
b) growth (-) or decrease (+) of balance of reserves		-37305	-53080	-7857	-11180
c) growth (-) or decrease (+) of balance of payable debts to suppliers, contractors and other creditors		66842	95108	44890	63873
3. Gross money flow of basic activity		27850	39627	50376	71679
4. Expenses for interest payments		-5168	-7353	-23788	-33847
5. Expenses for real estate tax		0	0	-7586	-10794
6. Net money flow of basic activity		22682	32274	19002	27037
II. Money flow of investment activities					
4. Purchase of fixed assets and nonmaterial investments		0	0	-22432	-31918
5. Takings from selling fixed assets and nonmaterial investments		0	0	7420	10558
6 Loans to the participants of company		0	0	0	0
7 Net money flow of investment activities		0	0	-15012	-21360
III Money flow of financing activities					
7. Received loans		0	0	+100000	+142287
8. Expenses for repayment of loans		-14051	-19993	-80286	-114237
9. Expenses for redemption of rented fixed assets		0	0	-17732	-25230
10. Paid to State joint stock Company "Privatizācijas Aģentūra"		-1500	-2134	-6192	-9835
10. Net money flow of financing activities		-15551	-22127	-4930	-7015
IV Result of foreign exchange rate fluctuations					
		0	0	1831	2605
V Net growth or decrease of money or its equivalents					
		7131	10146	891	1268
VI Balance of money or its equivalents in the beginning of the year of account					
		21278	30276	20387	29008
VII Balance of money or its equivalents in the end of the year of account					
		28409	40423	21278	30276

Overview of changes in own capital of the 1st quarter of 2008, LVL, EUR

	Currency	Capital of stocks or shares (fixed capital)	Reserve capital	Retained earnings of previous years	Retained earnings of the year of account	Own capital, Total
Balance on 01.01.2007.	LVL	451244	67687	-178407	105010	445534
	EUR	642062	96310	253850	149416	633938
Retained earnings of previous years	LVL	0	0	105010	-105010	0
	EUR	0	0	149416	-149416	0
Correction of mistake on the year 2004	LVL	0	0	57769	0	57769
	EUR	0	0	82198	0	82198
Profit of accounting period	LVL	0	0	0	-93284	-93284
	EUR	0	0	0	-132731	-132731
Balance on 31.12.2007.	LVL	451244	67687	-15628	-93284	410019
	EUR	642062	96310	-22237	-132731	1583404
Balance on 31.12.2007.	LVL	451244	67687	-15628	-93284	410019
	EUR	642062	96310	-22237	-132731	1583404
Profit of the previous period	LVL			-108912		
	EUR			-154968		
Profit of accounting period	LVL				21400	
	EUR				30449	
Balance on 31.03.2008	LVL	451244	67687	-108912	21400	431419
	EUR	642062	96310	-154968	30449	613853

Appendix to the Annual report

1. General principles in composing an annual report.

Justification of preparing a report

The annual report is prepared according to the Law “About accountancy” and Law “About Annual reports of companies”.

Calculation of profit and losses is prepared accordingly to the method turnover costs.

Financial report gives true and clear picture about the assets, liabilities, financial condition and profit of the company.

Politics of the accountancy secures, that financial report gives information, that is appropriate to the users of financial reports, in order to make a decision. It is believable, that reports correctly show results of actions and financial situation of the company – by reflecting not only the legal form of its deeds, but also their economical content, and they are complete in all significant aspects.

Positions of the annual report are evaluated according to following accounting principles:

- 1) by assuming, that the company will work in future;
- 2) by using the same evaluation methods, that were used in previous annual report;
- 3) evaluation is performed with adequate precaution, by following conditions:
 - a) there is included earned profit only till the data of balance in the report;
 - b) there are considered all the foreseeable risk amounts and losses, that appeared during the year of account or previous years, as well as then, if they are known in the time period between data of balance and the day of preparing annual report;
 - c) there is calculated and considered the decrease of all values and sums of wear apart from the fact, was the year of account closed with profit or losses;
- 4) there are included intakes and expenses connected with the year of account, apart from the date of payment and date of receiving or writing out the bill. Expenses are coordinated with earnings in accordant overview periods;
- 5) component parts of assets and passives are evaluated separately;
- 6) the balance of the beginning of the year of account matches with the closing balance of the previous year;
- 7) there are showed all the positions, that substantially influences the evaluation or decision making of users of the annual report.

Currency unit and revaluation of foreign currencies

There is used monetary unit of the Republic of Latvia – lats, as a currency unit and measure of value in the annual report and accountancy.

All the positions of monetary assets and passives are recalculated in lats after the rate set by the Bank of Latvia in the last day of the year of account.

Currency	31.03.2008	Currency	31.03.2008
LTL	0.204000	CHF	0.448000
EUR	0.702804	GBP	0.893000
USD	0.445000		

Earnings or loses in the result of foreign currency fluctuations are reflected in the calculation of profit and losses of the accordant period.

Long-term and short-term positions

Sums of assets showed in short-term assets:

- that are scheduled to realize or consume within ordinary cycle of the activities of the company;

- that are mostly kept for the means of trade or short-term and predict to realize during twelve months after the date of balance;
- that is money or its equivalent, that has unlimited usage possibilities.

Other assets are classified as long-term ones.

There are showed amounts of obligations in short-term liabilities:

- there is planned to pay with them within the cycle of normal activities of the company;
- they have to be paid for not later than twelve months after the date of balance.

Evaluation of reserves.

Reserves are evaluated by using FIFO.

Reserves are counted by considering the principle of the lowest value.

Remains of reserves are examined during annual inventories.

Reserves

There are included expenses for unused vacations and State obligatory social security payments in the accrued liabilities. They are calculated to every employee separately, that means, unused vacation days are multiplied with the average wage of the employee, by multiplying the sum with the rate of State obligatory social security payments till the next period of taxation.

Liabilities of deferred taxation

Company calculates deferred taxation, by considering all the temporary differences, which arise from recognizing expenses in calculated net profit of financial accountancy as well as in the earnings that are liable to a tax. Durable differences for calculating deferred taxation are not considered.

Current differences of the company are in the methods of calculating wearing-off fixed assets, that creates liabilities of deferred taxation and temporary differences in tax losses, which forms asset of deferred taxation.

The company admits liability of deferred taxation and net result of assets, that in total in the company forms liabilities of deferred taxation.

The company admits liabilities of deferred taxation in the content of long-term creditors. Earnings or expenses of deferred taxation are admitted in the calculation of profit or losses of the overview.

2. Explanations on the calculation positions of profit or losses

Comment No.1

Net turnover. LVL, EUR

Net turnover is earnings from selling goods in inland, from which is subtracted trade discount as well as VAT.

Earnings	2008.31.03		2007.31.03	
	LVL	EUR	LVL	EUR
Wholesale	460746	655582	721356	1026397
Retail	89305	127070	100662	143229
Total:	550051	782652	822018	1169626

Piezīme Nr.2

Pārdotās produkcijas ražošanas izmaksas. LVL

Neto apgrozījuma gūšanai izlieto preču izmaksas iegādes pašizmaksā.

Types of expenses	2008 .31.03		2007.31.03	
	LVL	EUR	LVL	EUR
Expenses of purchasing goods	379850	540478	657614	935700
Transport services, by supplying goods	8093	11515	9015	12827
Other external expenses	626	891	1100	1565
Total:	388569	552884	667729	950092

Comment Nr.3

Selling expenses. LVL, EUR

Types of expenses	2008.31.03.		2007 31.03	
	LVL	EUR	LVL	EUR
Personnel expenses	18508	26335	20165	28692
Insurance expenses	257	366	3544	5043
Advertisement expenses	911	1296	2343	3334
Communication expenses	5603	7972	4549	6473
Rent of premises	2505	3564	2352	3347
Electricity expenses	4866	6924	4205	5983
Heating, hot water, sewerage	4065	5784	2569	3655
Security services	2326	3310	2396	3409
Fuel expenses	5903	8399	7028	10000
Transport services	342	487	1461	2079
Transport repairs	3422	4869	8935	12713
Rental of land	0	0	115	164
Packaging material	823	1171	1211	1723
Economic expenses	1840	2618	2112	3005
Operating repairs of buildings	6124	8714	3891	5536
Other expenses	1548	2202	2095	2981
Total:	59043	84011	68971	98137

Comment Nr.4

Administration expenses. LVL, EUR

Types of expenses	2008 31.03.		2007. 31.03.	
	LVL	EUR	LVL	EUR
Personnel expenses	51725	73598	38778	55176
Expenses of business trips	5266	7493	502	714
Office expenses	2371	3374	1440	2049
Recruitment and training of workers	2398	3412	2044	2908
Other expenses of administration	7639	10869	2779	3954
Total:	69399	98746	45543	64801

Comment No.5

Other earnings of economic activities. LVL, EUR

	2008.31.03		2007.31.03.	
	LVL	EUR	LVL	EUR
Earnings from letting out fixed assets	0	0	1200	1707
Other earnings	2135	3038	663	943
Exchange rate fluctuations	293	417	0	0
Earnings from inventory of fixed assets	0	0	0	0
Total:	2428	3455	1863	2650

Comment No.6

Other expenses of economic activities. LVL, EUR

	2008.31.03.		2007 31.03.	
	LVL	EUR	LVL	EUR
Penalty fees	1600	2277	28	40
Representation expenses	2122	3019	5318	7567
Donations	7	10	0	0
Other expenses	3194	4545	758	1079
Losses from purchasing currency	34	48	0	0
Total:	6957	9899	6104	8686

Comment No.7

Other taxes LVL

	2008.31.03		2007.31.03.	
	LVL	EUR	LVL	EUR
Real estate tax for land	279	397	229	326
Real estate tax for buildings	1670	2376	1806	2570
Total:	1949	2773	2035	2896

3. Explanations to the positions of balance

Comment No.8

Long-term investments.

There has been used the method of calculation of linear wearing-off in the finance accountancy in 2008, by using following amortization rates:

- Buildings and constructions 5 %
- Transport means and other fixed assets 20 %
- Computers and equipment of data storage 35 %

There has not been changed method of calculating wearing-off or the rates of fixed assets during the period of overview.

Overview of movement of long-term investments

	Currency	Non-material investment	Buildings and constructions	Long-term investments in rented fixed assets	Technological equipment	Other fixed assets	Creation of fixed assets	Prepayments for fixed assets	Total
Acquisition cost									
31.12.2007	LVL	3786	208973	10068	126895	168290	50771	3944	572727

*Joint stock company „LATVIJAS ZOOVETAPGĀDE”
Annual report, time period – year 2008. Unit of measure LVL, EUR*

	EUR	5387	297342	14326	180555	239455	72241	5612	814917
Purchased in 2008	LVL								
	EUR								
Liquidated in 2008	LVL								
	EUR								
31.12.2008	LVL	3786	208973	10068	126895	168290	50771	3944	572727
	EUR	5387	297342	14326	180555	239455	72241	5612	814917
Wearing-off	LVL								
	EUR								
31.12.2007	LVL	1833	65159	0	98084	119115	0	0	28419
	EUR	2608	92713	0	139561	169485	0	0	404367
Calculated in 2008	LVL								
	EUR								
Excluded in 2008	LVL								
	EUR								
31.03.2008.	LVL	1833	65159	0	98084	119115	0	0	28419
	EUR	2608	92713	0	139561	169485	0	0	404367
Value of balance on 31.12.2007	LVL	1953	143814	10068	28811	49175	50771	3944	288536
	EUR	2779	204629	14325	40994	69970	72241	5612	410550
Value of balance on 31.03.2008	LVL	1953	143814	10068	28811	49175	50771	3944	288536
	EUR	2779	204629	14325	40994	69970	72241	5612	410550

Comment No.9

Debts of buyers and clients

	2008.31.03.		2007.31.03	
	LVL	EUR	LVL	EUR
Debts of buyers, Total	582936	829443	479711	682567
Net debts of buyers and clients	582936	829443	479711	682567

Comment No.10

Other debtors LVL, EUR

	2008.31.03		2007.31.03	
	LVL	EUR	LVL	EUR
Unpaid pretax	1222	1739	1222	1739
Overpayment of income tax of a company	0	0	407	576
Other debtors	143003	203475	75472	107387
Overpaid creditors	4436	6312	7510	10686
Total:	148661	211526	84609	120388

Separation of debtors by currencies	2008. 31.03.		2007. 31.03.	
	LVL	Currency	LVL	Currency
LVL	581047		477070	
EUR	1889	2682	2641	3758
Total:	582936	829443	479711	

Comment No.11

Expenses of next periods. LVL, EUR

	2008.31.03		2007.31.03	
	LVL	EUR	LVL	EUR
Insurance of automobiles	409	582	2400	3415
Subscription of the press	0	0	140	199
Other	13106	18648	0	0

Total:	13515	19230	2540	3614
---------------	--------------	--------------	-------------	-------------

Comment No.12

Money assets, LVL,EUR

	2008.31.03.		2007.31.03.	
	LVL	EUR	LVL	EUR
Money in cash-desk	3946	5615	9100	12948
Money in bank	22659	32241	10663	15172
Money on the way	1804	2566	4224	6010
Total:	28409	40422	23987	34130

Passive

Comment No.13

Fixed capital.

Share capital of the company is LVL 451 244. Nominal value of one share is LVL 1

Comment No.14

Other reserves

	2008.31.03		2007.31.03.	
	LVL	EUR	LVL	EUR
Reserves of the tax of natural resources	1636	2328	516	734
Reserves for not used vacations	22566	32109	0	0
Total:	24202	34437	516	734

Short-term debts

Comment No.15

Debts of suppliers.

Separation of creditors by currencies	2008. 31.03		2007. 31.03.	
	LVL	Currency	LVL	Currency
LVL	294254		296689	
GBP	5274	5906	11614	
USD	482	816	483	
EUR	301777	429390	333519	474555
Total:	601787		643670	

Comment No.16

Other creditors. LVL

	2008.31.03.		2007.31.03.	
	LVL	EUR	LVL	EUR
Short-term leasing	0	0	7009	9973
Wages	17409	24771	12546	17851
Overpayment of debtors	6323	8997	1902	2706
Other	3350	4766	0	0
Total:	27082	38534	21457	30530

4.2. Number of people employed by the company.

	2008.31.03.	2007.31.03.
Average number of people employed by the company during the year	97	89

4.3. Amounts paid out to directors and board

There have not been calculated payments to members of the board or directors for performing functions of management during the time period of the Report.

Chairman of the board _____ (Aldis Taurītis)

May 20th, 2008