

Joint-Stock Company
"Liepājas Metalurģs "
Reg.Nr. 40003014197

Quarterly Report
(non-audited)

For 6 months of the year 2012

CONTENT

Information About the Company _____	page 3
Management Statement _____	4
Statement Regarding the Management Responsibility _____	5
Statements of financial position _____	6
Statements of comprehensive income _____	8
Cash Flow Statement _____	9
Statement of Changes in Shareholders' Equity _____	10
Enclosures to the Quarterly Report:	
Enclosures to Statements of financial position _____	12
Enclosures to Statements of comprehensive income _____	18

INFORMATION ON THE COMPANY

1. Full name of the Company: Joint-Stock Company "Liepājas Metalurģs"
2. Legal status of the Company: Public Joint-Stock Company
3. Registration number of the State
Registration, place, date: 40003014197
The Republic of Latvia Commercial Register,
07-Aug-2003
4. Taxpayer registration number: LV40003014197
5. Legal address of the Company Brīvības street 93, Liepāja, LV-3401, LATVIA
6. Office address and phone number: Brīvības street 93, Liepāja, LV-3401, LATVIA
Phone: +371 634 55921
7. Type of business activity: Steel production
8. Accounting period: 2012, 6 months
9. Director: Leons Ptičkins
Position: Managing Director
10. Information on the major stockholders: The biggest stockholders are:
Sergejs Zaharjins
Proportion (%) of stocks (shares) 49%
Ilja Segals
Proportion (%) of stocks (shares) 21%
Kirovs Lipmans
Proportion (%) of stocks (shares) 23%
11. Council: Sergejs Zaharjins
Aleksejs Zaharjins
Kirovs Lipmans
Māris Pomerancis
Guntis Vilnītis
Andris Deniņš
12. Members of the Board: Valērijs Terentjevs
Ilja Segals
Leons Ptičkins
13. The name of the bank, code, operating
account number: AS SEB banka, UNLALV2X
LV96UNLA 0012002467028
14. Chief Accountant: Ligita Bērzupe
15. Average number of employees: 2311

**JOINT-STOCK COMPANY "LIEPĀJAS METALURĢS"
MANAGEMENT STATEMENT REGARDING
THE FINANCIAL STATEMENTS FOR 6 MONTHS OF 2011.**

The JSC "Liepājas Metalurģs" net turnover in the reporting period of 6 months of 2012 was LVL 144.4 million (EUR 205.5 mill.), which was by LVL 22.3 million (EUR 31.7 mill.) higher than in the same period of 2011. The turnover increase is attributed to the fact that after the completion of the meltshop revamping in 2012, the rolling production was resumed at 100% capacity.

The Company's profit in the first half of 2012 was LVL 725 974 (EUR 1.03 mill.), which was by LVL 1.5 million (EUR 2.1 mill.) less than in the same period of 2011. Profit decrease was associated with the production material cost increase by 3.7%, while the product sales price rose by 2.4%.

LVL 12.4 million (EUR 17.6 mill.) was put in investments during the reporting period. The Company continued mastering its skills in the steel production and applicable infrastructure modernization together with the new items development. The rolling mill "350" had a scheduled maintenance complemented by a few revamping elements taking place in the month of June.

In order to secure the materials supply to the production processes of the JSC "Liepājas Metalurģs", a daughter company SIA "LM Ressurss" (Ltd) was found in Estonia.

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V.Terentjevs

STATEMENT REGARDING THE MANAGEMENT RESPONSIBILITY

The JSC "Liepājas Metalurģs" (in this text – the Company) Council and Board are responsible for the preparation of the Company financial statement.

The Financial Statement represents the true picture for the Company financial position as of June 30, 2012 as well as the results of its operations and cash flow for 6 months of the year 2012. The above-mentioned financial statements are prepared in accordance with the requirements of the International Accounting Standards for the financial statements, which are acceptable in the European Union. During the preparation of the financial statements the management:

- has been using and applying the appropriate accounting methods
- has been issuing justified and conservative conclusions and estimates
- has been adhering in accordance with the principle of the business activity continuation.

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V. Terentjevs

STATEMENTS OF FINANCIAL POSITION

for 6 months of the year 2012

ASSETS	Enclosure Number	As of 30.06.2012.		As of 30.06.2011.	
		LVL	EUR	LVL	EUR
1.LONG-TERM INVESTMENTS					
I. Intangible investments					
1. Other intangible investments		46559	66247	35007	49810
2. Advance payments for intangible investments		0	0	0	0
I. TOTAL:		46559	66247	35007	49810
II. Fixed assets					
1. Land, buildings and constructions and long-term sites		67769627	96427492	49683720	70693565
2. Long-term investments in leased assets		472142	671798	0	0
3. Technological equipment and machinery		85069507	121043003	22480431	31986772
4. Other fixed assets and inventory		1254229	1784607	1435948	2043170
5. Fixed assets formation and costs of unfinished construction sites		1172517	1668341	56371384	80209253
6. Advance payments for fixed assets		107606	153110	439259	625009
II. TOTAL:		155845628	221748351	130410742	185557769
III. Investment properties					
1. Investment properties		5024000	7148508	4922000	7003375
IV. Long-term financial investments					
1. Share in the related companies (subsidiaries)		9086858	12929434	9071006	12906879
2. Loans to the related companies (subsidiaries)		8657	12318	41260	58708
3. Share in the capital of associated companies		1522959	2166975	1522959	2166975
4. Loans to the associated companies		81500	115964	0	0
IV. TOTAL:	1	10699974	15224691	10635225	15132562
Section 1 total amount:		171616161	244187798	146002974	207743516
2. CURRENT ASSETS					
I. Stock (Inventories)					
1. Raw materials, basic and auxiliary materials		21733358	30923782	13687441	19475474
2. Unfinished products, Work-in-Process		2835454	4034488	39574	56309
3. Finished products and goods for sales		44672301	63562958	36502345	51938158
4. Incompleted orders		197265	280683	287937	409697
5. Advance payments for goods		1090608	1551795	12004554	17080941
I. TOTAL:		70528986	100353706	62521851	88960579
II. Accounts receivable (Debtors)					
1. Trade accounts receivable		4404453	6266972	2111286	3004089
2. Debt of related companies (subsidiaries)		584852	832169	506652	720901
3. Debt of associated enterprises		332917	473698	56409	80263
4. Other debtors (accounts receivable)		1237883	1761349	898787	1278859
5. Prepaid expenses		43290	61596	59707	84955
II. TOTAL:	2	6603395	9395785	3632841	5169067
III. Short-term financial investments					
III. TOTAL:					
IV. Cash		1419433	2019671	986566	1403757
IV. TOTAL:		1419433	2019671	986566	1403757
Section 2 total amount		78551814	111769162	67141258	95533403
TOTAL ASSETS		250167975	355956960	213144232	303276919

LIABILITIES AND SHAREHOLDERS' EQUITY	Enclosure Number	As of 30.06.2012.		As of 30.06.2011.	
		LVL	EUR	LVL	EUR
1. SHAREHOLDERS' EQUITY					
1. Share capital (fixed capital)		16981033	24161833	16981033	24161833
2. Long-term investments revaluation reserve		40397889	57481017	44397145	63171446
3. Reserves: a) reserves stipulated by law		0	0	0	0
3. Reserves: b) other reserves		44524829	63353124	44524829	63353124
TOTAL:		44524829	63353124	44524829	63353124
4. Retained earnings					
a) undistributed profit from the previous years		-16656865	-23700584	-19123498	-27210286
4. Retained earnings					
b) undistributed profit of the reporting year		725974	1032968	2221303	3160629
section 1 total amount:		85972860	122328359	89000812	126636747
2. PROVISIONS					
1. Provisions for anticipated taxes		1295020	1842647	1470350	2092120
2. Other provisions		831400	1182976	821000	1168178
section 2 total amount:	3	2126420	3025623	2291350	3260297
3. LIABILITIES (Accounts Payable)					
1. Long-term Creditors (Accounts Payable).		51564847	73370167	47349522	67372300
2. Other loans		3577695	5090601	0	0
I. TOTAL:		55142542	78460769	47349522	67372300
II. Short-term Creditors (Accounts payable)					
1. Loans from credit institutions		26806913	38142801	15706263	22347999
2. Other loans		912205	1297951	33711	47966
3. Advance payments received from customers		41038693	58392799	29334517	41739257
4. Suppliers and contractors trade account payable		35171277	50044219	28066417	39934914
5. Accrued liabilities (Payable bills of exchange)		3752	5339	0	0
6. Payable (debt) to related companies (subsidiaries)		656246	933754	224659	319661
7. Payable (debt) to associated companies		672576	956989	0	0
8. Taxes and state social insurance payments		836365	1190040	576963	820944
9. Other liabilities		828126	1178317	560018	796834
II. TOTAL:	4	106926153	152142209	74502548	106007575
Section 3 total amount:		162068695	230602978	121852070	173379875
TOTAL LIABILITIES AND EQUITY		250167975	355956960	213144232	303276919

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V. Terentjevs

STATEMENTS OF COMPREHENSIVE INCOME

for 6 months of the year 2012

No.	Parameter designation	Enclosure Number	As of 30.06.2012.		As of 30.06.2011.	
			LVL	EUR	LVL	EUR
1	Net turnover	5, 6	144412055	205479842	122131435	173777376
2	Production costs of goods sold	7	-136481876	-194196214	-116076170	-165161510
3	Gross profit or loss (from turnover)		7930179	11283628	6055265	8615866
4	Sales costs	8	-5149620	-7327249	-2141599	-3047221
5	Administration costs	9	-2414812	-3435968	-2053556	-2921947
6	Other operating income	10	3811108	5422718	5401769	7686025
7	Other operating costs	11	-2738087	-3895947	-4677823	-6655942
8	Interest income and other similar income	12	1565	2227	33895	48228
9	Interest payments and similar expenses		-571039	-812515	-255462	-363490
10	Profit or loss before extraordinary items and taxes		869294	1236895	2362489	3361520
11	Profit or loss before taxes		869294	1236895	2362489	3361520
12	Other taxes		-143320	-203926	-141186	-200890
13	Reporting period profit or loss after taxes		725974	1032968	2221303	3160629

The JSC "Liepājas metalurģs" demonstrated profit at the rate of 0,043 LVL (EUR 0,061) per share.

In the Financial Statements the LVL amounts were converted into EUR by applying the Bank of Latvia exchange rate at EUR 0.702804 (divide).

In the name of the JSC "Liepājas Metalurģs"

Chairman of the Board _____ V. Terentjevs

CASH FLOW STATEMENT (by direct method) for 6 months of the year 2012

	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
OPERATING CASH FLOW				
Cash received from buyers	135603877	192946934	112369706	159887687
Cash received from other business activities	1848203	2629756	767257	1091708
VAT overpayment received	1840087	2618208	2638	3754
Bank interest received	1389	1976	33827	48131
Cash paid to suppliers and employees	-157937011	-224724121	-111708078	-158946275
Cash received from the core business activity	-18643455	-26527247	1465350	2085005
Interest payment	-569183	-809874	-315942	-449545
Other tax payments	-235266	-334753	-611116	-869540
Net cash flow from the core business activity	-19447904	-27671874	538292	765921
CASH FLOW FROM INVESTMENT ACTIVITIES				
Long-term credit for students of JSC "LM" and other loans	-24972	-35532	0	0
Acquisition of fixed assets	-2348428	-3341512	-3787579	-5389239
Sale of fixed assets and intangible assets	3660	5208	3744	5327
Investments in related companies	0	0	-522616	-743616
Net cash flow from investment operations	-2369740	-3371836	-4306451	-6127528
CASH FLOW FROM FINANCING ACTIVITIES				
Short-term borrowings in net value (credit line)	26835179	38183020	2215238	3152000
Long-term borrowings repayment	-4129206	-5875331	0	0
Repayment of loans and interests from related companies	268	381	0	0
Costs not associated with operating activities	-749852	-1066943	-701278	-997829
Net cash flow from financial activities	21956389	31241127	1513960	2154171
Result of foreign currency exchange rate fluctuations	-21114	-30043	-357938	-509300
Net growth of cash and its equivalents	117631	167374	-2612137	-3716736
Cash and its equivalents at the beginning of accounting period	1301802	1852297	3598703	5120493
Cash and its equivalents at the end of accounting period	1419433	2019671	986566	1403757

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, LVL

	Share capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous year	Equity capital TOTAL
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
As of 01.01.2011.	16981033	45916269	0	44524829	-6694016	-12429482	88298633
Previous year profit put in reserves					6694016	-6694016	0
Undistributed profit of the reporting period					2466633		2466633
Reserves distribution							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-5513804					-5513804
As of 31.12.2011.	16981033	40402465	0	44524829	2466633	-19123498	85251462
Previous year profit put in reserves					-2466633	2466633	0
Undistributed profit of the review period					725974		725974
Increase of fixed capital							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-4576					-4576
As of 30.06.2012.	16981033	40397889	0	44524829	725974	-16656865	85972860

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, EUR

	Share capital	Revaluation reserve of long-term investments	Reserves stated by Statute	Other reserves	Retained Earnings of the reporting year	Retained Earnings of the previous years	Equity capital TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 01.01.2011.	24161833.2	65332965	0	63353124	-9524727	-17685560	125637636
Previous year profit put in reserves					9524727	-9524727	0
Undistributed profit of the reporting period					3509703		3509703
Reserves distribution							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-7845436					-7845436
As at 31.12.2011.	24161833	57487529	0	63353124	3509703	0	121301902
Previous year profit put in reserves					-3509703	3509703	0
Undistributed profit of the review period					1032968		1032968
Increase of fixed capital							0
Increase of revaluation reserve							0
Written-off revaluation reserve		-6511					-6511
As of 30.06.2012.	24161833	57481017	0	63353124	1032968	3509703	122328359

ENCLOSURES TO THE 6 MONTH QUARTERLY REPORT ENCLOSURES TO FINANCIAL POSITION

1. Investment changes

Long-Term Financial Investment (LVL)

Company Name, Address, Registration Number	As of 30.06.2012.		
	Ownership in %	Ownership in LVL	The investment carrying value LVL
Related Companies (Subsidiaries)			
LSEZ JSC "Liepājas osta LM" (Liepāja's Port LM) Sliežu iela 7/1, Liepāja; 40003154754	91.6	7749206	7749206
"Sports Club Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003348213	95	1900	1900
"Ice-Hockey Hall "Liepājas metalurģs"", Ltd. Brīvības iela 93, Liepāja; 40003421648	95	1900	1900
"Rūķis LM", Ltd. Vānes iela 25, Liepāja; 42103038147	100	1316000	1316000
"Liepājas naglas" Ltd. Brīvības iela 93, Liepāja; 42103032888	100	14056	14056
"LM Resurss", Ltd. Brīvības iela 93, Liepāja; 42103055448	100	2000	2000
"LM Ressurss", Ltd. Vilimsi ,Tulbiaia iela 44, Igaunija, 12287567	100	1796	1796
Total Investments in Related Companies, LVL		9086858	9086858
Associated Companies			
"Elme Messer Metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003461570	13	952959	952959
JSC "Sātiņi Energo LM" Brīvības iela 93, Liepāja; 42103037207	50	450000	450000
"Metalurģs & Duna", Ltd. Spīķera iela 19/23, Liepāja; 42103019610	50	120000	120000
Total Investments in Associated Companies, LVL		1522959	1522959

All investments in related and associated companies are recorded in the balance sheet at their acquisition value.

Long-Term Financial Investment (EUR)

Company Name, Address, Registration Number	As of 30.06.2012.		
	Ownership in %	Ownership in EUR	The investment carrying value EUR
Related Companies (Subsidiaries)			
JSC "Liepājas osta LM" (Liepāja's Port LM) Sliežu iela 7/1, Liepāja; 40003154754	91.6	11026127	11026127
"Sports Club Liepājas metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003348213	95	2703	2703
"Ice-Hockey Hall "Liepājas metalurģs"", Ltd. Brīvības iela 93, Liepāja; 40003421648	95	2703	2703
"Rūķis LM", Ltd. Vānes iela 25, Liepāja; 42103038147	100	1872499	1872499
"Liepājas naglas" Ltd. Brīvības iela 93, Liepāja; 42103032888	100	20000	20000
"LM Resurss", Ltd. Brīvības iela 93, Liepāja; 42103055448	100	2846	2846
"LM Ressurss", Ltd. Vilimsi, Tulbiaia iela 44, Igaunija, 12287567	100	2556	2556
Total Investments in Related Companies, EUR		12929434	12929434
Associated Companies			
"Elme Messer Metalurģs", Ltd. Brīvības iela 93, Liepāja; 40003461570	13	1355938	1355938
JSC "Sātiņi Energo LM" Brīvības iela 93, Liepāja; 42103037207	50	640292	640292
"Metalurģs & Duna", Ltd. Spīķera iela 19/23, Liepāja; 42103019610	50	170745	170745
Total Investments in Associated Companies, EUR		2166975	2166975

All investments in related and associated companies are recorded in the balance sheet at their acquisition value.

Long-Term Financial Investments: 6 months 2012 Movement Report (LVL)

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans
Beginning value on 31.12.2011.	9085062	1522959	91204
Invested (loans provided)	1796	0	0
Moved to another item (or written-off)	0	0	-1047
The balance on 30.06.2012.	9086858	1522959	90157

Long-Term Financial Investments: 6 months 2012 Movement Report (EUR)

	Share in the capital of related companies (subsidiaries)	Share in the capital of associated companies	Long-Term Loans
Beginning value on 31.12.2011.	12926878	2166975	129772
Invested (loans provided)	2556	0	0
Moved to another item (or written-off)	0	0	-1490
The balance on 30.06.2012.	12929434	2166975	128282

2. Accounts receivable (debtors)

DEBTORS	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Customers and affiliated companies debts	5322222	7572840	2674347	3805253
Incl. Debts of buyers and customers	3494044	4971577	2077575	2956123
Incl. Debts of buyers with factoring activities	910409	1295395	33711	47966
Incl. Debts of related companies (subsidiaries)	584852	832169	506652	720901
Incl. Debts of associated enterprises (doubtful debtors debt)	332917	473698	56409	80263
	/293335/	/589864/	/386137/	/555298/
Other debtors	1237883	1761349	898787	1278859
Incl. Accrued and unpaid VAT	9247	13157	15336	21821
Incl. Advance payments	2870	4084	941	1339
Incl. VAT budget overpayments	968289	1377751	851926	1212181
Incl. Debt for caused damages to the enterprise	300	427	0	0
Incl. Various debtors	187806	267224	29412	41850
Incl. Overpaid salaries	4	6	245	349
Incl. Advance prepayment for services	21337	30360	0	0
Incl. Advance prepayment for Corporate income tax	0	0	825	1174
Incl. Overpaid taxes	8	11	102	145
Incl. Security deposit	48022	68329	0	0
Future periods payments	43290	61596	59707	84955
Incl. Press expenses	3705	5272	5283	7517
Incl. Miscellaneous	273	388	7719	10983
Incl. Property insurance	39312	55936	46705	66455
Total Debtors:	6603395	9395785	3632841	5169067

3. PROVISIONS

	Provisions for anticipated vacations (4318)		Provisions for doubtful debtors (4319)		Tax provisions	
	LVL	EUR	LVL	EUR	LVL	EUR
On 31.12.2011	831400	1182976	414559	589864	1295020	1842647
Written-off as bad debt	0	0	-121224	-172486	0	0
On 30.06.2012	831400	1182976	293335	417378	1295020	1842647

**

/293335/

**Doubtful debtors and provisions for doubtful debtors balance each other in the balance statement.

4. Accounts payable (creditors)

CREDITORS	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Long-term borrowings	51564847	73370167	47349522	67372300
Long-term obligations to legal entities	3577695	5090601	0	0
Short-term borrowing from credit institutions	22342841	31790999	15706263	22347999
Short-term borrowing from EU credit institutions	4464072	6351802	0	
Advance payments (residents)	80896	115105	96978	137987
Advance payments (non residents)	40957797	58277695	29237539	41601270
Other borrowing (individuals)	1796	2555	0	0
(factoring)	910409	1295395	33711	47966
Debts to suppliers and contractors	35171277	50044218	28066417	39934914
Incl. Materials and gas	16941653	24105800	21590069	30719901
Incl. Services	4412890	6278977	4418449	6286887
Incl. Scrap, various services related to scrap delivery, processing	13528277	19249004	1765595	2512215
Incl. Fixed assets	285495	406222	289511	411937
Incl. Medical department creditors	2962	4215	1837	2614
Incl. Other Creditors	0	0	956	1360
Debts to related enterprises (subsidiaries)	656246	933754	224659	319661
Debts to associated enterprises	672576	956989	0	0
Accrued liabilities	3752	5339	0	0
Taxes and social insurance payments	836365	1190041	576963	820944
Incl. State tax	593	844	549	781
Incl. Residents' Income tax	296560	421967	198545	282504
Incl. Social Security tax	528154	751496	374248	532507
Incl. Nature resources tax	11058	15734	3621	5152
Other creditors (liabilities)	828126	1178317	560018	796834
Incl. Payments for salaries	790616	1124945	527918	751160
Incl. Deductions from salaries	37510	53372	32100	45674
Total Creditors:	162068695	230602977	121852070	173379875

ENCLOSURES TO PROFIT AND LOSS STATEMENT

5. Net turnover (revenue) by products

Product Description	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Rolled steel	138271704	196742910	121096355	172304590
Castings	115589	164468	78199	111267
Wire	5337862	7595093	781	1111
Crushed slag	21199	30163	270446	384810
Services	151283	215256	164857	234570
Sold steam, gCal	5364	7632	4961	7059
Compressed Air	160	228	0	0
Medical department	459314	653545	449521	639611
Transportation services	49580	70546	66315	94358
TOTAL	144412055	205479842	122131435	173777376

6. Net turnover by geographic markets

Market	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
European Union countries	88589012	126050808	87745746	124850948
Other third countries	55823043	79429034	34385689	48926428
Total	144412055	205479842	122131435	173777376

7. Production costs of sold goods

Cost Description	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Materials	113714876	161801692	103666135	147503621
Salaries and wages	6411644	9122948	5402985	7687755
Social benefits deductions	1518782	2161032	1276930	1816908
Depreciation	2580708	3672017	2240760	3188314
Other costs	12255866	17438526	3489360	4964912
Total	136481876	194196214	116076170	165161510

8. Sales costs

Cost Description	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Packing materials	54520	77575	29134	41454
Transportation costs	1897130	2699373	1014455	1443439
Freight	1876536	2670070	143415	204061
Port handling charges	1142414	1625509	751062	1068665
Advertising and marketing costs	20880	29710	18690	26593
Other sales costs (insurance, storage/warehousing, depreciation, and other)	135208	192384	182263	259337
Costs related to factoring	22919	32610	861	1225
Costs related to L/C	13	18	1719	2446
Total	5149620	7327249	2141599	3047221

9. Administration costs

Costs Description	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Salaries and social costs	1400349	1992517	1246509	1773623
Communication costs	31442	44739	28573	40656
Office supplies and office maintenance costs	554597	789120	433371	616631
Legal and auditing fees	61906	88085	58233	82858
Presentation costs	88991	126622	81349	115749
Depreciation of fixed assets	126451	179924	113051	160857
Management traveling expenses	51044	72629	47752	67945
Management training	194	276	1925	2739
Costs for bank account services	36628	52116	33675	47915
Costs for bank account LC operations	53866	76644	0	0
Costs related to stockholders	9345	13297	9118	12974
Total	2414812	3435969	2053556	2921947

10. Other operating income

Income Description	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Sale of current assets	1181359	1680923	2009513	2859279
Sale of fixed assets and liquidation	3000 40959	4269 58279	922236 858646	1312224 1221743
Rent of fixed assets	4786	6810	0	0
Received fines	354436	504318	9761	13889
Written-off revaluation reserve of liquidated fixed assets	4575	6510	1519123	2161517
Intermediary services	622940	886363	0	0
Bad debt recovery	121234	172500	0	0
Other income from operating activity	1477819	2102746	32597	46381
Income due to a decrease in provisions	0	0	4126	5871
Received discounts	0	0	45767	65121
Total	3811108	5422719	5401769	7686025

11. Other operating costs

Costs Description	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Sales costs of current assets	737942	1049997	1989449	2830731
Costs related to the sale and liquidation of fixed assets	9084	12925	20787	29577
Currency exchange loss	31878	45358	336211	478385
Intermediary services costs	657822	935996	0	0
Doubtful debts write-off	0	0	4129	5875
Paid compensations and other benefits	35937	51134	29596	42111
Other costs	340572	484590	720466	1025131
Paid fines	4272	6078	609	867
Costs not associated with operating activities	842730	1199097	723084	1028856
Costs of infrastructure maintenance	9659	13744	10436	14849
Training costs of the new staff	35731	50841	22212	31605
Costs of previous period	514	731	18547	26390
Extraordinary costs (production site close for modernization)	0	0	733038	1043019
Costs of auto maintenance	22628	32197	23494	33429
Total	2738087	3895947	4677823	6655942

12. Interest income

Income	As of 30.06.2012.		As of 30.06.2011.	
	LVL	EUR	LVL	EUR
Income from loans to business persons	176	250	768	1093
Income from bank accounts	467	664	3413	4856
Income from deposit investments	922	1312	29714	42279
Total Interest Income	1565	2227	33895	48228