



**VENTSPILS NAFTA**

JSC VENTSPILS NAFTA  
**CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (EUR)**  
31 December 2013

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## Consolidated statement of income

for the year ended 31 December 2013

	Notes	2013 EUR thousand	2012 EUR thousand
Revenue	4	166 729	193 045
Cost of sales	5	(125 277)	(154 669)
<b>Gross profit</b>		<b>41 452</b>	<b>38 376</b>
General and administrative expense	6	(10 960)	(12 671)
Other operating income	7	1 689	23 470
Other operating expense	8	(6 683)	(2 450)
Impairment of other non-financial assets	10	(80 932)	(21 740)
Finance income	11	1 631	1 935
Finance costs	11	(12 437)	(15 122)
<b>(Loss)/ Profit before tax</b>		<b>(66 240)</b>	<b>11 798</b>
Corporate income tax	12	5 026	(6 293)
<b>(Loss)/ Profit for the year</b>		<b>(61 214)</b>	<b>5 505</b>
Attributable to:			
Parent company's shareholders		(39 874)	5 807
Non-controlling interest	25	(21 340)	(302)
		<b>(61 214)</b>	<b>5 505</b>
 (Loss)/ Earnings per share (EUR per share) attributable			
to the Parent company's shareholders:		(0.38)	0.06
(Loss)/ Earnings per share (EUR per share)		(0.59)	0.05

## Consolidated statement of comprehensive income

for the year ended 31 December 2013

	<b>2013</b>	<b>2012</b>
	<u>EUR thousand</u>	<u>EUR thousand</u>
<b>(Loss)/ Profit for the year</b>	<b>(61 214)</b>	<b>5 505</b>
<b>Other comprehensive income/ (loss)</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
- Foreign currency translation reserve	(3 832)	(3 961)
- Cash flow hedge reserve	536	653
<b>Other comprehensive loss for the year</b>	<b>(3 296)</b>	<b>(3 308)</b>
<b>Total comprehensive (loss)/ income for the year</b>	<b>(64 510)</b>	<b>2 197</b>
Attributable to:		
Parent company's shareholders	(41 520)	4 155
Non-controlling interests	(22 990)	(1 958)
	<b>(64 510)</b>	<b>2 197</b>

## Consolidated statement of financial position

as of 31 December 2013

	Notes	<b>31.12.2013.</b> EUR thousand	<b>31.12.2012.</b> EUR thousand
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	13	21 572	35 930
Property, plant and equipment	14	428 889	560 825
Investment properties	15	1 589	1 629
Investments in associated entities	17	10	10
Loans to affiliated companies	18	97 454	67 955
Other non-current financial assets	19 (a)	33 694	33 836
<b>Total non-current assets</b>		<b>583 208</b>	<b>700 185</b>
<b>Current assets</b>			
Inventories	20	3 469	4 341
Trade and other receivables	21	8 983	18 639
Short term deposits	22	44 443	46 260
Other current financial assets	19 (b)	24 239	23 162
Cash and cash equivalents	23	51 125	72 024
<b>Total current assets</b>		<b>132 259</b>	<b>164 426</b>
<b>Total assets</b>		<b>715 467</b>	<b>864 611</b>

## Consolidated statement of financial position (cont'd)

as of 31 December 2013

	Notes	31.12.2013. EUR thousand	31.12.2012. EUR thousand
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	25	148 660	148 660
Share premium		60 249	60 249
Foreign currency revaluation reserve	25	(11 084)	(9 170)
Cash flow hedge reserve	25	(445)	(713)
Retained earnings	25	176 166	170 359
(Loss)/ Profit for the year		(39 874)	5 807
<b>Equity attributable to equity holders of the parent</b>		<b>333 672</b>	<b>375 192</b>
Non-controlling interest	25	174 660	213 539
<b>Total equity</b>		<b>508 332</b>	<b>588 731</b>
<b>Non-current liabilities</b>			
Borrowings	26	157 981	200 948
Finance lease	28	-	18 405
Deferred tax liability	12	1 581	7 154
Deferred income	29	3 297	3 516
Derivative financial instruments	27	418	915
<b>Total non-current liabilities</b>		<b>163 277</b>	<b>230 938</b>
<b>Current liabilities</b>			
Borrowings	26	27 170	23 577
Finance lease	28	-	1 093
Trade and other payables	30	12 735	15 748
Taxes payable	31	421	588
Derivative financial instruments	27	740	571
Deferred income	29	1 483	2 050
Provisions	32	1 309	1 315
<b>Total current liabilities</b>		<b>43 858</b>	<b>44 942</b>
<b>Total liabilities</b>		<b>207 135</b>	<b>275 880</b>
<b>Total equity and liabilities</b>		<b>715 467</b>	<b>864 611</b>

## Consolidated statement of cash flows

for the year ended 31 December 2013

		2013	2012
	Notes	EUR thousand	EUR thousand
<b>Operating activities</b>			
(Loss)/ Profit before tax		(66 240)	11 798
Non-cash adjustments to reconcile (loss)/ profit before tax to net cash flows:			
Depreciation of property, plant and equipment	14	28 385	33 504
Amortisation of intangible assets	13	24	185
Depreciation of investment properties	15	40	20
Decrease in financial instruments		(303)	-
Loss on disposal of non-financial assets	8	3 265	415
Currency translation difference		992	906
Net profit from disposal of Group's subsidiary		(141)	-
Finance income	11	(1 631)	(1 935)
Finance costs	11	10 388	13 479
Recognized impairment of the fleet and assets classified as held for sale	10	17 627	21 740
Recognized impairment of the property, plant and equipment	10	48 944	-
Recognized impairment of the intangible assets	10	14 361	-
Impairment loss of goodwill at acquisition		27	-
		<b>55 738</b>	<b>80 112</b>
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		8 985	19 648
Decrease/ (Increase) in inventories		872	(145)
Decrease in trade and other payables		(5 324)	(8 608)
		<b>60 271</b>	<b>91 007</b>
Corporate income tax received/ (paid)		107	(1 204)
<b>Net cash flows from operating activities</b>		<b>60 378</b>	<b>89 803</b>
<b>Investing activities</b>			
Proceeds from sale of non-current assets		32 192	1 090
Purchase of non-current assets		(6 786)	(9 572)
Acquisition of Group's subsidiary	2.4	(9 169)	-
Loss from disposal of Group's subsidiary		(11)	-
Decrease/ (increase) in short term deposits		1 801	(20 583)
Loans issued		(32 060)	(400)
Interest received		1 431	2 003
<b>Net cash flows used in investing activities</b>		<b>(12 602)</b>	<b>(27 462)</b>
<b>Financing activities</b>			
Payment of finance lease liabilities		(1 009)	(1 125)
Dividends paid		(15 889)	-
Proceeds from borrowings		-	1 993
Repayment of borrowings		(42 591)	(25 239)
Interest paid		(8 856)	(12 450)
Prepaid financing expenses		(519)	(314)
<b>Net cash flows used in financing activities</b>		<b>(68 864)</b>	<b>(37 135)</b>
Net (decrease)/ increase in cash and cash equivalents		(21 088)	25 206
Cash and cash equivalents at 1 January		72 024	47 387
Exchange losses on cash and cash equivalents		189	(569)
<b>Cash and cash equivalents at 31 December</b>	<b>23</b>	<b>51 125</b>	<b>72 024</b>

*Ventspils nafta* and its subsidiaries  
Condensed Consolidated Financial Statements for 2013  
(All amounts in EUR thousand unless otherwise stated)

## Consolidated statement of changes in equity

for the year ended 31 December 2013

	Attributable to the equity holders of the parent						Non-controlling interest	Total	
	Share capital	Share premium	Legal reserve	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings			Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand			EUR thousand
<b>Balances as of 1 January 2012</b>	148 660	60 249	1 017	(7 191)	(1 040)	169 342	<b>371 037</b>	215 497	<b>586 534</b>
Profit/(Loss) for the year	-	-	-	-	-	5 807	<b>5 807</b>	(302)	<b>5 505</b>
Other comprehensive income/(loss)	-	-	-	(1 979)	327	-	<b>(1 652)</b>	(1 656)	<b>(3 308)</b>
Total comprehensive income/(loss)	-	-	-	(1 979)	327	5 807	4 155	(1 958)	<b>2 197</b>
Reclassification of legal reseves	-	-	(1 017)	-	-	1 017	-	-	-
<b>Balances as of 31 December 2012</b>	<b>148 660</b>	<b>60 249</b>	-	<b>(9 170)</b>	<b>(713)</b>	<b>176 166</b>	<b>375 192</b>	<b>213 539</b>	<b>588 731</b>
Loss for the year	-	-	-	-	-	(39 874)	<b>(39 874)</b>	(21 340)	<b>(61 214)</b>
Other comprehensive (loss)/ income	-	-	-	(1 914)	268	-	<b>(1 646)</b>	(1 650)	<b>(3 296)</b>
Total comprehensive income/(loss)	-	-	-	(1 914)	268	(39 874)	<b>(41 520)</b>	(22 990)	<b>(64 510)</b>
Dividends declared	-	-	-	-	-	-	-	(15 889)	<b>(15 889)</b>
<b>Balances as of 31 December 2013</b>	<b>148 660</b>	<b>60 249</b>	-	<b>(11 084)</b>	<b>(445)</b>	<b>136 292</b>	<b>333 672</b>	<b>174 660</b>	<b>508 332</b>

These financial statements should be read in conjunction with the audited consolidated financial statements of JSC "Ventspils nafta" and its subsidiaries for year 2013.

These financial statements are translated into Euros using the rate of exchange set by the Bank of Latvia prevailing at the 31.12.2013: 1 EUR = 0.702804 LVL, 31.12.2012: 1 EUR = 0.702804 LVL.