

Joint-Stock Company
"NORDEKA"
NON-AUDITED FINANCIAL STATEMENT of 12 months of the
year 2007

S.I.No 40003022404

RIGA, 2008. Year

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INFORMATION ON THE COMPANY

<i>Company's name:</i>	Nordeka
<i>Company's legal status:</i>	Joint-Stock Company
<i>Identification No with the Register of Enterprises, date:</i>	000302240, 2 September 1991
<i>Identification No with the Commercial Register, date:</i>	40003022404, 8 August 2004
<i>Taxpayer Id. No.:</i>	LV40003022404
<i>Type of activity:</i>	Passenger traffic
<i>Company's legal address:</i>	Dzirčiema 121, Riga, LV-1050, Latvia
<i>Place of operation of executive body (if different from legal address)</i>	The same
<i>Accounting period:</i>	01.01.2007.-31.12.2007.
<i>Given name, surname, identity number, residence and position of members of the executive body, council (where a council has been established hereto). The said data shall be provided also on individuals having left those offices during the year of account.</i>	Chairman of the Council: J.Savickis; members of the Council: A.Pauniņš, E.Eisaks, V.Jefimovs, N.Savicka
<i>Board of Directors:</i>	Chairperson of the Board: Ē.Eisaks; members of the Board: G.Baubelis, U.Lapsiņš, D.Piņķis, A.Žodžiks
<i>Auditors:</i>	AS "BDO Invest Riga" Id. No 40003035771 License of a commercial company of certified auditors No 112 Pulkveza Brieva St. 19/1 Riga, LV-1010

Management Report of NORDEKA JSC

27th of Februar 2008 in Riga

In the 12 months of Year 2007, the principal business of NORDEKA JSC was concerned with passenger traffic on international, long-distance and regional routes. Net turnover for the first 12 months in 2007 was LVL 5 717 422 (with income from inland traffic at 80.28%, international traffic at 16.72%, and other business activities at 3.00%). At 11 361 537 km, the total commercial run was 6.12 percent less and the total number of passengers carried 7.88 percent less than in the corresponding period in Year 2006.

The commercial run was cut by reducing bus runs on international routes with low profitability. In an effort to improve its position on the passenger traffic market, traffic was started by NORDEKA JSC on route Jurmala – Snt.Petersburg in the 12 months of Year 2007.

Step-by-step renewal of bus fleet continued in 2007.

Despite the positive production indices, the unpredictable rise in fuel prices, the necessity to raise the wages of bus drivers and other employees in connection with an increase in industry wages does not facilitate making a forecast for profits in 2007. In view of the fact that starting from 2008, regular inland passenger traffic will be reorganised in line with EU regulations and regulations for a tender on transport quotas will become known shortly, the company will be faced with the necessity to carry out a series of measures before the end of Year 2007 to increase its conformity to the tender regulations, which may, in turn, affect the financial results for Year 2007. The pace of company development in 2008 and its future perspectives depend on the results of the tender and on the new terms for the compensation of losses (in the form of a state subsidy), effective from Year 2008.

Board of Directors of NORDEKA JSC

STATEMENT OF PROFIT OR LOSS

<i>Index denomination</i>	<i>Number of note</i>	<i>2007 LVL</i>	<i>2007 EUR</i>	<i>2006 LVL</i>	<i>2006 EUR</i>
<i>Net turnover</i>		5 717 422	8 135 205	5 234 585	7 448 186
<i>Production costs</i>		5 122 678	7 288 956	4 440 933	6 318 914
<i>Gross profit or losses</i>		594 744	846 249	793 652	1 129 272
<i>Sales expenditures</i>		277 824	395 310	258 686	368 079
<i>Administration costs</i>		84 173	119 768	273 351	388 946
<i>Other earnings from the company's business activities</i>		49 797	70 855	83 536	118 862
<i>Other expenditures of the company's business activities</i>		129 961	184 919	72 404	103 022
<i>Other earnings from interest and similar earnings</i>		241	343	144	205
<i>Interest payments and similar expenditures</i>		40 929	58 237	38 955	55 428
<i>Profits or losses before extraordinary items and taxes</i>		111 895	159 213	233 936	332 864
<i>Profits or losses before taxes</i>		111 895	159 213	233 936	332 864
<i>Corporate income tax for the accounting year</i>				26 891	38 263
<i>Deferred taxes</i>				71 045	101 088
<i>Other taxes</i>				5 364	7 632
<i>Profits or losses of the accounting year</i>		111 895	159 213	130 636	185 881
<i>Profits per share</i>		0.06	0.09	0.07	0.1

Currency rate 1 EUR=0.7028 LVL

BALANCE SHEET on December 31, 2007

	Note No	31.12.2007. LVL	31.12.2007. EUR	31.12.2006 LVL	31.12.2006. EUR
Assets					
Long-term investments					
Intangible investments:					
Concessions, patents, licenses, trade marks and similar rights.		1 936	2 755	1 587	2 258
Intangible investments in all:		1 936	2 755	1 587	2 258
Fixed assets:					
Plots of land, buildings and structures and long-term planting.		350 173	498 254	358 234	509 724
Equipment and machinery.		32 965	46 905	35 275	50 192
Other fixed assets and inventory.		1 755 325	2 497 617	1 831 731	2 606 333
Establishment of fixed assets and costs of incomplete objects of construction.		15 624	22 231	525	747
Fixed assets in all:		2 154 087	3 065 007	2 225 765	3 166 996
Long-term financial investments:					
Interest sharing in the capital of related companies.		14 000	19 920	8 750	12 450
Other securities and investments.		18 533	26 370	18 533	26 370
Loans to the company personnel		3 558	5 063	3 998	5 689
Long-term financial investments in all:		36 091	51 353	31 281	44 509
Long-term investments in all:		2 192 114	3 119 115	2 258 633	3 213 763
Current assets					
Stock:					
Raw materials, main materials and auxiliary materials.		245 103	348 752	284 840	405 293
Advance payments for products.		18 576	26 432	5 562	7 914
Total stock:		263 679	375 184	290 402	413 207
Debtors:					
Indebtedness of purchasers and customers.		178 981	254 668	175 570	249 815
Other debtors.		281 418	400 424	290 635	413 539
Costs of the following periods.		85 411	121 530	61 389	87 349
Debtors in all:		545 810	776 622	527 594	750 703
Cash.		104 408	148 560	68 762	97 840
Total current assets:		913 897	1 300 366	886 758	1 261 750
DEBET		3 106 011	4 419 481	3 145 391	4 475 513

Currency rate 1 EUR=0.7028 LVL

BALANCE SHEET on December 31, 2007

	Piez. Nr.	31.12.2007.	31.12.2007.	31.12.2006.	31.12.2006.
Liabilities		LVL	EUR	LVL	EUR
Equity capital:					
Stock or share capital (fixed capital).		1 906 588	2 712 846	1 906 588	2 712 846
Retained profits:		-356 200	-506 830	-468 095	-666 043
a) retained profits for the previous years;		-468 095	-666 043	-598 731	-851 922
b) retained profits for the accounting year .		111 895	159 213	130 636	185 879
Total equity capital:		1 550 388	2 206 016	1 438 493	2 046 803
Capital					
Other accumulations.		42 518	60 498	42 518	60 498
Total capital:		42 518	60 498	42 518	60 498
Long-term creditors:					
Leasing liabilities		329 217	468 436	471 394	670 737
Deffered tax liabilities		241 834	344 101	241 834	344 101
Long-term creditors in all:		571 051	812 537	713 228	1 014 838
Short-term creditors:					
Leasing liabilities		368 000	523 620	337 528	480 262
Other borrowings.		63 503	90 357	191 674	272 729
Prepayments received from purchasers.		0	0	844	1 201
Indebtedness to suppliers and contractors.		340 894	485 051	314 321	447 241
Taxes and mandatory payments of the state social insurance.		111 797	159 074	26 891	38 262
Other creditors.		57 860	82 328	79 894	113 679
Short-term creditors in all:		942 054	1 340 430	951 152	1 353 374
Creditors in all		1 513 105	2 152 967	1 664 380	2 368 212
CREDIT		3 106 011	4 419 481	3 145 391	4 475 513

Currency rate 1 EUR=0.7028 LVL

CASH FLOW REPORT

<i>Index</i>	<i>31.12.2007.</i>	<i>31.12.2007.</i>	<i>31.12.2006.</i>	<i>31.12.2006.</i>
<i>Names of variable expenditures and of earning positions</i>	<i>LVL</i>	<i>EUR</i>	<i>LVL</i>	<i>EUR</i>
<i>Cash balance at the period s (year) beginning</i>	<i>68 762</i>	<i>97 840</i>	<i>36 825</i>	<i>52 398</i>
<i>A. The asset s balance changes</i>	<i>75 026</i>	<i>106 753</i>	<i>-62 027</i>	<i>-88 257</i>
<i>1. Long-term investments</i>	<i>66 519</i>	<i>94 648</i>	<i>-203 101</i>	<i>-288 988</i>
<i>I. Intangible assets: gain(-), decrease(+)</i>	<i>-349</i>	<i>-497</i>	<i>37</i>	<i>53</i>
<i>II. Capital assets: gain(-), decrease(+)</i>	<i>71 678</i>	<i>101 989</i>	<i>-194 305</i>	<i>-276 473</i>
<i>III. Long-term cash investments: gain(-), decrease(+)</i>	<i>-4 810</i>	<i>-6 844</i>	<i>-8 833</i>	<i>-12 568</i>
<i>2. Current assets</i>	<i>8 507</i>	<i>12 105</i>	<i>141 074</i>	<i>200 731</i>
<i>I. Inventory: gain(-), decrease(+)</i>	<i>26 723</i>	<i>38 024</i>	<i>138 471</i>	<i>197 027</i>
<i>II. Debtors: gain(-), decrease(+)</i>	<i>-18 216</i>	<i>-25 919</i>	<i>2 603</i>	<i>3 704</i>
<i>B. Changes of balance liabilities</i>	<i>-39 380</i>	<i>-56 033</i>	<i>93 964</i>	<i>133 699</i>
<i>I. Equity capital: gain(+), decrease(-)</i>	<i>111 895</i>	<i>159 213</i>	<i>130 636</i>	<i>185 879</i>
<i>II. Provisions: gain(+), decrease(-)</i>	<i>0</i>	<i>0</i>	<i>803</i>	<i>1 142</i>
<i>III. Credit debts increase(+), decrease(-)</i>	<i>-151 275</i>	<i>-215 246</i>	<i>-37 475</i>	<i>-53 322</i>
<i>Cash balance at the period s (year) end</i>	<i>104 408</i>	<i>148 560</i>	<i>68 762</i>	<i>97 840</i>

Currency rate 1 EUR=0.7028 LVL

Review of changes in equity capital

	<i>Share capital</i>	<i>Retained profits/losses</i>	<i>Retained profits/losses of the accounting period</i>	<i>Total</i>
	<i>LVL</i>	<i>LVL</i>	<i>LVL</i>	<i>LVL</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
<i>The balance on 31 December 2006</i>	<i>1 906 588</i>	<i>-468 095</i>	<i>-598 731</i>	<i>1 438 493</i>
<i>Restricted retained earnings in the accounting years</i>			<i>130 636</i>	
<i>The balance on 31 December 2007</i>	<i>1 906 588</i>	<i>-356 200</i>	<i>-468 095</i>	<i>1 550 388</i>
<i>Restricted retained earnings in the accounting years</i>			<i>111 895</i>	

	<i>Share capital</i>	<i>Retained profits/losses</i>	<i>Retained profits/losses of the accounting period</i>	<i>Total</i>
	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
<i>The balance on 31 December 2006</i>	<i>2 712 846</i>	<i>-666 043</i>	<i>-851 922</i>	<i>2 046 803</i>
<i>Restricted retained earnings in the accounting years</i>			<i>185 879</i>	
<i>The balance on 31 December 2007</i>	<i>2 712 846</i>	<i>-506 830</i>	<i>-666 043</i>	<i>2 206 016</i>
<i>Restricted retained earnings in the accounting years</i>			<i>159 213</i>	

Currency rate 1 EUR=0.7028 LVL

**EXPLANATION CONCERNING THE PROFIT OR LOSS
CALCULATION**

		31.12.2007.	31.12.2007.	31.12.2006.	31.12.2006.
<i>No of the Note</i>	<i>Index designation</i>	LVL	EUR	LVL	EUR
	Net turnover.	5 717 422	8 135 205	5 234 585	7 448 186
	<i>Income from principal activities</i>	4 016 010	5 714 300	4 192 667	5 965 662
	<i>Special purpose subsidies</i>	1 577 156	2 244 104	946 495	1 346 749
	<i>Other incomes of the company</i>	124 256	176 801	95 495	135 878
<i>No of the Note</i>	<i>Index designation</i>				
	Production costs of the sold products.	5 122 678	7 288 956	4 440 933	6 318 914
	<i>Purchases</i>	2 116 835	3 012 002	2 068 108	2 942 669
	<i>Staff costs</i>	1 483 394	2 110 692	1 170 515	1 665 502
	<i>Social tax and costs</i>	348 789	496 285	280 073	398 510
	<i>Fixed assets depreciation</i>	588 410	837 237	482 944	687 171
	<i>Other costs of the company</i>	585 250	832 740	439 293	625 061
<i>No of the Note</i>	<i>Index designation</i>				
	Sales expenditures	277 824	395 310	258 686	368 079
<i>No of the Note</i>	<i>Index designation</i>				
	Administration costs.	84 173	119 768	273 351	388 946
<i>No of the Note</i>	<i>Index designation</i>				
	Other incomes of the company's business activities.	49 797	70 855	83 536	118 862
<i>No of the Note</i>	<i>Index designation</i>				
	Other expenditures of the company's business activities.	129 961	184 919	72 404	103 022
<i>No of the Note</i>	<i>Index designation</i>				
	Other interest income and similar income.	241	343	144	205
<i>No of the Note</i>	<i>Index designation</i>				
	Interest payments and similar expenditures.	40 929	58 237	38 955	55 428
	Currency rate 1 EUR=0.7028 LVL				

EXPLANATION FOR THE BALANCE SHEET DEBIT		31.12.2007. LVL	31.12.2007. EUR	31.12.2006. LVL	31.12.2006. EUR
No of the Note	Index designation				
	Debtors.	545 810	776 622	527 594	750 703
	Balance value of the purchaser and customer indebtedness	178 981	254 668	175 570	249 815
	Other debtors.	281 418	400 424	290 635	413 539
	VAT overpayment	272 211	387 324	269 251	383 112
	Other debtors.	9 207	13 100	21 384	30 427
	Defferede costs	85 411	121 530	61 389	87 349
	Reserves dubitative debtors	289 381	411 754	289 459	411 865
No of the Note	Index designation				
	Cash.	104 408	148 560	68 762	97 840
	Cash in paying office	5 239	7 454	6 361	9 051
	Cash in route	11 461	16 308	12 485	17 765
	Cash in bank	87 708	124 798	49 916	71 024
EXPLANATION FOR THE BALANCE SHEET. CREDIT.					
LONG-TERM CREDITORS					
No of the Note	Index designation				
	Long-term creditors	571 051	812 537	713 228	1 014 838
	HansaLeasing	329 217	468 436	471 394	670 737
	Deffered tax liabilities	241 834	344 101	241 834	344 101
SHORT-TERM CREDITORS					
No of the Note	Index designation				
	HansaLeasing	368 000	523 620	337 528	480 262
No of the Note	Index designation				
	Other borrowings.	63 503	90 357	191 674	272 729
	SIA "ELSSA"	43 493	61 885	80 493	114 532
	Juris Savickis	20 000	28 458	111 171	158 183
	Other borrowings.	10	14	10	14
No of the Note	Index designation				
	Prepayments received from purchasers.	0	0	844	1 201
No of the Note	Index designation				
	Indebtedness to suppliers and contractors	340 894	485 051	314 321	447 241

<i>No of the Note</i>	<i>Index designation</i>				
	Taxes and mandatory payments of the state social insurance.	111 797	159 074	26 891	38 262
<i>No of the Note</i>	<i>Index designation</i>				
	Other creditors.	57 860	82 328	79 894	113 679

Currency rate 1 EUR=0.7028 LVL

**The non-audited financial
statement for 1 quarter 2007 is
arrange according accountancy
standarts of Latvia Republic.**