

**JSC „DITTON PIEVADKĒŽU RŪPNĪCA”**

**NON-AUDITED AND NON-CONSOLIDATED  
FINANCIAL REPORT**

**FOR 3 MONTHS OF YEAR 2014**

**(01.01.2014 – 31.03.2014)**

Prepared in accordance with Latvian statutory requirements  
and AS “NASDAQ OMX Riga” rules

Daugavpils

2014

JSC "DITTON PIEVADKEZU RUPNICA"  
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**INFORMATION ABOUT THE COMPANY**

Company name	Ditton pievadkezu rupnica
Legal status	Joint Stock Company
Registrations number	40003030187
Registration in Register of Enterprises	Riga, 03.10.1991
Registration in Commercial Register Office	Riga, 29.08.2003.
Legal address	Visku Str. 17, Daugavpils, LV-5410, Latvia
Mailing address	Visku Str. 17, Daugavpils, LV-5410, Latvia
Fixed capital	7 400 000.00 LVL
Public bearer shares	7 400 000
Nominal value of one public bearer share	1.00 LVL
Chief accountant	Valentina Krivoguzova
Reporting period	01.01.2014 – 31.03.2014

Persons in charge for drawing up of the financial report:

Mr. Boriss Matvejevs, phone +371 65402333,  
e-mail: [dpr@dpr.lv](mailto:dpr@dpr.lv)

Ms. Natalja Redzoba, phone +371 65402333,  
e-mail: [dpr@dpr.lv](mailto:dpr@dpr.lv)

## **INFORMATION ON MANAGEMENT BOARD AND COUNCIL MEMBERS**

### **THE MANAGEMENT BOARD**

#### Chairman of the Management Board

Rolands Zarans, elected 15.01.2014

Pjotrs Dorofejevs, elected 05.07.2010, till 15.01.2014

#### Members of the Management Board

Natalja Redzoba, elected 29.08.2003.

Raimonds Bruzevics, elected 11.03.2014.

Jevgenijs Sokolovskis, till 05.03.2014

### **Information on shares owned by Members of the Management Board**

#### **Members of the Management Board**

#### **Share ownership \***

	<b>Quantity of shares</b>	<b>%</b>
Rolands Zarans,	no shares	-
Pjotrs Dorofejevs, till 15.01.2014	no shares	-
Natalja Redzoba	no shares	-
Raimonds Bruzevics	1 900	0,03
Jevgenijs Sokolovskis, till 05.03.2014	1 900	0,03

### **THE COUNCIL**

#### Chairman of the Council

Boriss Matvejevs, elected 05.05.2005

#### Deputy Chairmen of the Council

Georgijs Sorokins, elected 06.11.2000

Inga Goldberga, elected 14.08.2009

#### Members of the Council

Anzelina Titkova, elected 14.08.2009

Vladimir Bagaev, elected 28.05.2012

### **Information on shares owned by Members of the Council**

#### **Members of the Management Board**

#### **Share ownership \***

	<b>Quantity of shares</b>	<b>%</b>
Boriss Matvejevs	no shares	-
Georgijs Sorokins	5 768	0,08
Inga Goldberga	no shares	-
Anzelina Titkova	no shares	-
Vladimir Bagaev	700 000	9,46

For more detailed information on professional background of the Management Board and Council members please refer to our website: [http://www.dpr.lv/web\\_ru/for-akcioner.htm](http://www.dpr.lv/web_ru/for-akcioner.htm) .

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\* As of 30.05.2014

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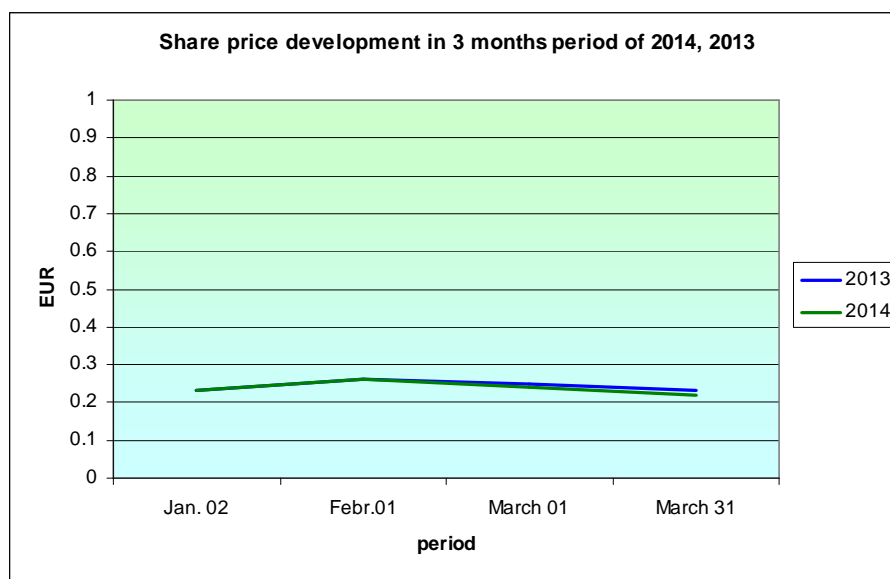
**INFORMATION ON SHAREHOLDERS AND SHARES**

**COMPANY SHAREHOLDERS (OVER 5%) \***

NAME	Ownership interest, %
Eduards Zavadskis	20,00
Vladislavs Driksne	19,92
MAX Invest Holding SIA	13,63
Maleks S SIA	13,32
Vladimir Bagaev	9,46

\* *Note:* Information is presented on the basis of the list of shareholders of JSC „Ditton pievadķēžu rūpnīca” dated 22.05.2014, taking into account the shareholders’ notifications on acquisition and disposal significant holding in the Issuer’s equity.

**SHARE PRICE DEVELOPMENT**



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**MANAGEMENT REPORT**

**Information on the results of the company in 3 months of year 2014**

In 3 months period of 2014 net-turnover was fulfilled in the amount of 3 124 thous.EUR, which compared to the forecast is by 224 thous.EUR or by 8% more. Compared to the level of previous year, net-turnover of the reporting period is by 881 thous.EUR more.

Profit before taxes amounted to 20 thous.EUR in 3 months period of 2014. Profit after taxes amounts to 4 thous.EUR.

Commodity output is estimated in the amount of 1 991 thous.EUR. The result of 3 months of 2014 is by 578 thous.EUR higher than in the relevant period of previous year.

At present the company exports 91% of its products to the East and West: among them 64% eastwards and 27% westwards; 9% of products are sold on domestic market.

The average statistical number of employees of JSC "Ditton pievadķēžu rūpnīca" was 302 employees in 3 months of year 2014.

The average salary amounted to 449 EUR in 3 months period of 2014, which is by 87 EUR more than in 3 months of 2013.

**Significant events. Market tendencies and development of the company. Risks.**

The above information has been provided by the Company in the Management Report of the Company's Annual Report for 2013 and it has been published on the website of JSC "NASDAQ OMX Riga" and in the CSRI-system on April 29, 2014. From the above moment there have been no significant changes and the Management Board believes the above information to be fully up to date and relevant to this quarterly report.

**STATEMENT ABOUT MANAGEMENT LIABILITY**

According to our information, the presented financial statements for 3 months of year 2014 ended 31 March 2014 have been prepared in accordance with the existing legislative requirements and give a true and fair view of the assets, liabilities, financial position and profits of the joint-stock company "Ditton pievadkezu rupnica". Management report contains truthful information.

Chairman of the Management Board of  
JSC "Ditton pievadkezu rupnica"

Rolands Zarans

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**BALANCE SHEET**

<b>ASSETS</b>	<b>31.03.2014. EUR</b>	<b>31.03.2013. EUR</b>
<b>1. Long-term investments</b>		
<b>I. Non-material investments</b>		
Concessions, patents, licenses, trade marks and similar rights	1 379	1 808
Other non-material investments	2 782 150	4 371 950
<b>Non-material investments total</b>	<b>2 783 529</b>	<b>4 373 758</b>
<b>II. Fixed assets</b>		
Plots of land, buildings and constructions	2 603 203	1 537 685
Technological equipment and machinery	5 675	22 365
Other fixed assets and stock	15 604	25 805
Formation of fixed assets and costs of unfinished construction objects	44 425	44 425
<b>Fixed assets total</b>	<b>2 668 907</b>	<b>1 630 280</b>
<b>III. Long-term financial investments</b>		
Participation in the capital of other companies	67 160	67 160
Other loans and other long-term debtors	4 076 674	-
Assets of deferred tax	329 651	275 678
<b>Long-term financial investments total</b>	<b>4 473 485</b>	<b>342 838</b>
<b>1. Long-term investments total</b>	<b>9 925 921</b>	<b>6 346 876</b>
<b>2. Current assets</b>		
<b>I. Reserves</b>		
Raw materials, basic materials and subsidiary materials	929 754	934 251
Unfinished products	371 252	329 692
Finished products and goods for sale	458 307	262 821
Advance payments for goods	959 187	47 919
<b>Reserves total</b>	<b>2 718 500</b>	<b>1 574 683</b>
<b>II. Debtors</b>		
Debts of buyers and customers	3 636 579	7 870 365
Other debtors	212 568	399 540
<b>Debtors total</b>	<b>3 849 147</b>	<b>8 269 905</b>
<b>IV. Cash and cash equivalents</b>	<b>78 245</b>	<b>151 112</b>
<b>2. Current assets total</b>	<b>6 645 892</b>	<b>9 995 700</b>
<b><u>TOTAL ASSETS</u></b>	<b><u>16 571 813</u></b>	<b><u>16 342 576</u></b>

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**BALANCE SHEET**

<b>LIABILITIES</b>	<b>31.03.2014. EUR</b>	<b>31.03.2013. EUR</b>
<b>1. Equity capital</b>		
Fixed capital	10 529 251	10 529 251
Retained earnings:		
a) retained earnings of previous years	1 543 379	1 539 496
b) profit / (loss) of reporting period)	3 617	-462 746
<b>1. Equity capital total</b>	<b>12 076 247</b>	<b>11 606 001</b>
 <b>2. Long-term creditors:</b>		
Loans from credit institutions	1 585 658	1 767 843
<b>2. Long-term creditors total</b>	<b>1 585 658</b>	<b>1 767 843</b>
 <b>3. Short-term creditors:</b>		
Loans from credit institutions	705 729	681 001
Other loans	245 336	166 096
Advance payments received from customers	161 727	12 375
Debts to suppliers and contractors	1 128 625	1 603 282
Taxes and compulsory social security contributions	328 110	258 586
Other creditors	269 064	153 502
Accumulated liabilities	71 317	93 890
<b>3. Short-term creditors total</b>	<b>2 909 908</b>	<b>2 968 732</b>
<b>Creditors total</b>	<b>4 495 566</b>	<b>4 736 575</b>
 <b><u>LIABILITIES TOTAL</u></b>	 <b><u>16 571 813</u></b>	 <b><u>16 342 576</u></b>



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**INCOME STATEMENT**

	<b>31.03.2014.</b>	<b>31.03.2013.</b>
	<b>EUR</b>	<b>EUR</b>
Net turnover	3 124 272	2 242 881
Production cost of sold products	-2 472 189	-2 089 207
<b>Gross profit</b>	<b>652 083</b>	<b>153 674</b>
Selling costs	-397 450	-397 451
Administration costs	-199 353	-191 077
Other operating income	4 125	40 970
Other operating expenses	-6 628	-25 959
Interest payment and similar expenses	-32 995	-27 720
<b>Profit / (loss) before taxes</b>	<b>19 782</b>	<b>-447 563</b>
Deferred tax income and losses	-16 165	-15 183
Other taxes	<b>3 617</b>	<b><u>-462 746</u></b>
<b>Profit / (loss) of reporting period</b>	<b>0.00</b>	<b>-0.063</b>

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**STATEMENT OF CASH FLOW**

	<b>31.03.2014.</b>	<b>31.03.2013.</b>
	<b>EUR</b>	<b>EUR</b>
<b>I. Cash flow of basic activity</b>		
1. Profit / (loss) before taxes	19 782	-447 563
<i>Corrections:</i>		
Depreciation of fixed assets	177 570	196 525
Amortization of non-material investments	108	107
Interest expense	32 995	27 720
Amortization share of other non-material investments	397 449	397 449
2. Profit / (loss) from economic activity in reporting period	627 904	174 238
<i>Corrections in current assets and short-term creditors:</i>		
In Debtors	64 885	-408 418
In Reserves	591 628	270 193
In Creditors	-1 178 880	41 124
3. Cash flow of basic activity	105 537	77 137
4. Expenses on tax payments (corporate income tax and tax on immovable property)	-16 165	-15 183
<b>Cash flow of basic activity</b>	<b><u>89 372</u></b>	<b><u>61 954</u></b>
<b>II. Cash flow of investing activity</b>		
Loans issued	-	-
Purchase of fixed assets	-	-
Income from sale of fixed assets	-	-
<b>Cash flow of investing activity</b>	<b>=</b>	<b>=</b>
<b>III. Cash flow of financing activity</b>		
(Loans (repaid) / received, net	-185 474	-30 797
Interest paid	-32 995	-27 720
<b>Cash flow of financing activity</b>	<b><u>-218 469</u></b>	<b><u>-58 517</u></b>

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**CONSOLIDATED DATA ON CASH INCOME AND EXPENSES**

	31.03.2014. EUR	31.03.2013. EUR
Cash flow of basic activity, net	89 372	61 954
Cash flow of investing activity, net	-	-
Cash flow of financing activity, net	-218 469	-58 517
Growth of cash and cash equivalents	-129 097	3 437
Balance of cash and cash equivalents at the beginning of reporting period	<u>207 342</u>	<u>147 675</u>
Balance of cash and cash equivalents at the end of reporting period	<u>78 245</u>	<u>151 112</u>

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**STATEMENT OF CHANGES IN EQUITY**  
**for the period from 01.01.2014 till 31.03.2014**

	Equity capital	Retained profit of previous periods	Profit of reporting period	Total
	EUR	EUR	EUR	EUR
<b>1 January 2014</b>	<b>10 529 251</b>	<b>1 543 379</b>	<b>-</b>	<b>12 072 630</b>
Profit for 3 months period 2014	-	-	3 617	<b>3 617</b>
<b>31 March 2014</b>	<b>10 529 251</b>	<b>1 543 379</b>	<b>3 617</b>	<b>12 076 247</b>
<b>1 January 2013</b>	<b>10 529 251</b>	<b>1 539 496</b>		<b>12 068 747</b>
Loss for 3 months period 2013	-	-	-462 746	<b>-462 746</b>
<b>31 March 2013</b>	<b>10 529 251</b>	<b>1 539 496</b>	<b>-462 746</b>	<b>11 606 001</b>

*Appendix*

**Explanatory notes**

Accounting policies and methods applied in present interim financial statement are consistent with those applied in the last Annual Report.

This financial statement of JSC "Ditton pievadkezu rupnica" has been prepared in accordance with the source documents and presents fairly the financial position of the JSC as of 31 March 2014 and the results of its operation and cash flows for the 3 months period ended 31 March 2014.

This financial report has been prepared in compliance with statutory regulations of the Republic of Latvia on a going concern basis. Appropriate accounting policies have been applied on a consistent base.

The interim financial report for 3 months of 2014 has not been audited by jury auditor.

The interim report has been prepared in Euro.

### **Explanations and analyses on separate items of financial reports**

#### Production of commodity products in the 3 months period of year 2014 (thous.EUR)

Output of commodity products is estimated in the amount 1 991 thous.EUR. The result of reporting period is by 578 thous.EUR or 41% more than in 3 months period of previous year.

#### Production of driving chains in 3 months of year 2014 (thous.meters)

Production of driving chains in natural units is by 160 thous.meters more than in 3 months period of previous year.

#### Production of driving chains in 3 months of year 2014 (thous.EUR)

In 3 months of this year there have been driving chains produced in money terms in the amount of 2 489 thous.EUR. The actual performance of reporting period is by 571 thous.EUR higher than in the relevant period of previous year.

#### Sales (net-turnover) in 3 months of year 2014 (thous.EUR)

In 3 months period of year 2014 net-turnover has been in fact fulfilled in the amount of 3 124 thous.EUR. The actual performance of the reporting period is by 881 thous.EUR or 39% more than the index of the same period of previous year.

#### Sales of main products in 3 months of year 2014 (thous.EUR)

Sales of main products in the reporting period amounted to 2 423 thous.EUR, and it is by 475 thous.EUR or 24% more than the result of the relevant period of prior year.