



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

CONSOLIDATED REPORT FOR THE YEAR 2008

**PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

AND INDEPENDENT AUDITOR'S REPORT

(Translation of the Latvian original)

**AUDITED ORIGINAL OF CONSOLIDATED ANNUAL REPORT IN LVL EXPRESSED IN EUR.
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LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
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LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
INFORMATION ABOUT PARENT COMPANY

COMPANY NAME: LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY

LEGAL STATUS: STOCK COMPANY

REGISTRATION: Registered in Latvian Register of Enterprises at 27.08.2004.
Registration Number: 40003306807

LEGAL ADDRESS: 23, PATVERSMES STREET, RIGA, LV - 1005, LATVIA

SHARES 800 000 shares with face value 1,00 LVL, int. al.:
798 800 public registered shares. ISIN code:LV0000100741
1 200 registered shares listed in the register of the Board

MAJOR SHAREHOLDERS: JANIS BIRKS 39%
ILZE AIZSILNIECE 10,1%
GUNA SHVARCBERGA 10,4%
STATE SOCIAL INSURANCE AGENCY 5%

CEO: MARTA AIZSILNIECE

REPORTING PERIOD: 1 JANUARY 2008 - 31 DECEMBER 2008

AUDITORS NAME AND ADDRESS: SYSTEM AUDIT LTD.
LICENCE No.53
MATISA STREET 19-6
RIGA, LV 1001
LATVIA

**LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
COUNCIL AND BOARD OF THE GROUP**

Council of the Group

**Number of shares owned at
31.12.2008**

From December 20, 2007 till April 30, 2008

<u>Name</u>	<u>Position</u>	
Austris Adumans	Vice-Chairman of the Council	-
Antons Vjaters	Member of the Council	-
Vladislavs Skrebelis	Member of the Council	-
Martins Birks	Member of the Council	-

From April 30, 2008 till the consolidated financial statements signing day

<u>Name</u>	<u>Position</u>	
Martins Birks	Chairman of the Council	-
Austris Adumans	Vice-Chairman of the Council	-
Antons Vjaters	Member of the Council	-
Vladislavs Skrebelis	Member of the Council	-
Viesturs Shilinsh	Member of the Council	3 038

Board of the Group

From April 28, 2005 till the consolidated financial statements signing day

<u>Name</u>	<u>Position</u>	
Marta Aizsilniece	Chairperson of the Board	1 066
Marika Baumgarte	Member of the Board	12 071
Andris Vigants	Member of the Board	-

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY MANAGEMENT REPORT

In accordance with the paragraph 1 of Section 4 of the law "On Consolidated Annual Reports" the joint stock company is under an obligation to prepare the consolidated annual report.

The consolidated financial report contains information concerning the current situation and future development of parent company JSC "Latvijas Juras medicinas centrs" (hereinafter referred to as LJMC) and its subsidiary company SIA "Juras medicina" (hereinafter referred to as JM).

This audited consolidated financial report is prepared in accordance with International Financial Reporting Standards (IFRS) and is based on business continuation principle. The financial statements were drawn up in Latvian lats (LVL) and euros (EUR). The applied currency exchange rate is EUR/LVL 0.702804.

The current financial condition of the Group of companies and its development

The share of the parent company constitutes the dominant part of the group's assets, turnover and profits.

The profit before taxes of the parent company was 175 595 EUR.

The profit before taxes of subsidiary company was 18 830 EUR.

The Group financial indexes

	2008	2007	2006
Net sales (mil. LVL)	5,89	5,24	3,98
Assets at the end of year (mil. LVL)	6,05	6,04	5,5
Profit after taxes (LVL)	498	226 847	222 494
EBITDA (LVL)	499 745	716 444	369 904
Profit after taxes on shareholders' equity (ROE) (%)	0,0%	4,8%	4,9%
Profit after taxes on share (LVL)	0,00	0,28	0,28
LJMC share market price at the end of the year (LVL)	2,38	2,80	1,85
LJMC dividends on share (LVL)	0,00	0,05	0,04

Important events that affected results of the Group's activities in reporting period

Employees' salaries were raised on 1 January 2008 as per the requirement of relevant regulation passed by the Cabinet of Ministers, and stipulated in the agreement with HCISA.

To put into effect the decision of the current shareholders meeting in the year 2007 "Latvijas Juras medicinas centrs stock company" purchased from its daughter company "SIA Juras medicina" 6164/13134 supposed parts of the whole real estate (buildings and land) and has right to use the 2-stairs building and land. The price based on valuation of the real estate company "Eiroexpert" is LVL 183 000. "Latvijas Juras medicinas centrs stock company" was the tenant of 75% of this building since year 2000 and there is dislocated the medical diagnostic center.

In reporting period LVL 420 0000 was invested in medical equipments and LVL 50 000 in IT. In September, new GE 16 layer CT and Vivid 7 sonograf were purchased.

Primary health care centre and therapy departments were renovated for LVL 160 000 to improve patient care services and work conditions of medical staff.

The share price at the 03.01.08 was LVL 2,80; at 31.03.2008 - LVL 3,45; at 30.06.08 - LVL 3,90; at 30.09.08 - LVL 2,80; at 31.12.08 - LVL 2,38

Important Events after the Balance Sheet Date

Due to the financial crisis, state government orders for a number of medical services during January - February 2009 were decreased from 4% to 20% compared to 2008 average monthly orders (income) and for some services up to 27%. To compensate the drop of government orders during January-March 2009, the volume of paid medical services from patients was increased twice compared to the corresponding period of 2008. Accordingly, the staff salaries and wages calculation and conditions were revised. The percentage of wages related to the quantity and the quality of the services were increased.

Rules published on 13.02.2009 by the Cabinet of Ministers have changed the conditions for financing of medical services; government orders are partly replaced by patients payments.

HCISA decreased the quota on hospital services for the second quarter of 2009. The decrease of financing was partially covered by the increase of patients payments, resulting 53% of average monthly income compared to 2008 average monthly income. State government orders for the hospital services of LJMC are undefined. LJMC Board had worked out optimization plan based on the possible financing to be discussed in the up-coming shareholders meeting.

LJMC share stock price as of 31.03.09 was LVL 2,38.

Future Development of the Group

In order to maintain high quality services, improvements in the control system and risk management are in process. X-ray equipments of the surgery clinic located at Patversmes st.23 will be upgraded. Installation of a new elevator to facilitate therapy and purulent surgery departments is in the process to render substantially improved services for patients, particularly for aged patients and patients with motions injuries. Further plans are initiated to develop patients care sectors, improve other hospital, ambulatory and paid services to increase income.

Risk Management

Alternative organizational plans are in place to maintain sufficient liquidity for the different scenarios during the crisis period.

Related party transactions effect

Recovery of JM bad debt, resulted in LJMC profit for LVL 47 000 and JM profit from real estate sale to LJMC for LVL 40 000 were eliminated in the consolidated financial statements. The total effect of consolidation is decrease of profit LVL 87 000/-.

On behalf of the Group:

Chairperson of the Board

Member of the Board

Member of the Board

Riga, 16 April, 2009.



Marta Aizsilniece

Andris Vigants

Marika Baumgarte

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
DECLARATION OF MANAGEMENT RESPONSIBILITY

Consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by EU. These financial statements gives a true and fair view of the state of activities of the Group and of the results of the Group for the period ended 31 December 2008 in all essential aspects. In preparing those financial statements, management:

- selected suitable accounting policies and then apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements on the going concern basis to presume that the Group will continue in

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairperson of the Board

Marta Aizsilniece

Member of the Board

Andris Vigants

Member of the Board

Marika Baumgarte

Riga, 16 April, 2009.



LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007

	December 31, 2008	December 31, 2007	Note
ASSETS	EUR	EUR	
Current assets:			
Stocks			
Raw materials	124 454	91 058	4
Total stocks	124 454	91 058	
Debtors:			
Trade debtors	329 829	256 308	5
Other debtors	106 624	13 034	6
Accruals	9 269	19 744	7
Total debtors	445 722	289 085	
Cash funds	1 476 210	1 752 493	8
Total current assets	2 046 386	2 132 636	
Long-term investments:			
Intangible assets:			
Other intangible (fixed) assets	18 065	3 372	2
Total intangible assets	18 065	3 372	
Fixed assets:			
Land and buildings	5 036 135	5 161 641	
Technological equipment and machines	920 618	547 148	
Other fixed assets and inventory	129 747	109 353	
Long term investments in rented fixed assets	-	20 442	
Unfinished building objects	250 201	250 201	
Advance payments for fixed assets	18 852	-	
Total fixed assets:	6 355 553	6 088 786	2
Long-term financial assets:			
Investment assets	-	188 659	2
Participating interests in associated enterprises	189 764	178 595	3
Total financial assets:	189 764	367 253	
Total long-term investments:	6 563 382	6 459 411	
TOTAL ASSETS	8 609 767	8 592 047	

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007

	December 31, 2008	December 31, 2007	Note
LIABILITIES	EUR	EUR	
Liabilities:			
Liabilities:			
Received advance payments	261 222	530 023	10
Due to customers and suppliers	430 518	70 890	11
Taxes and social security payments	161 833	197 025	12
Other payables	213 311	228 370	13
Recognized deferred tax liabilities	637 393	656 125	22
Total liabilities	1 704 277	1 682 432	
Provisions for liabilities and charges:			
Provisions for vacations	186 501	180 982	
Total provisions	186 501	180 982	
Total liabilities	1 890 779	1 863 414	
Equity capital:			
Share equity	1 138 297	1 138 297	9
Reserves:			
c) reserves provided by the Articles of Association	45 522	45 522	
d) fixed asset's revaluation reserve	3 892 020	4 155 208	
Retained earnings:			
a) brought forward from previous years	1 640 284	1 064 790	
b) current year profit or loss	709	322 774	
Total shareholders' equity	6 716 831	6 726 592	
Minority interest	2 157	2 040	
Total equity capital	6 718 989	6 728 633	
TOTAL EQUITY, PROVISIONS AND LIABILITIES	8 609 767	8 592 047	
Current Ratio	1,20	1,27	
Debt Ratio	0,22	0,22	

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

	2008	2007	Note
	EUR	EUR	
Net sales	8 386 606	7 459 845	14
Cost of goods sold	(7 771 063)	(6 622 913)	15
Gross profit or loss	615 543	836 932	
Administrative expenses	(710 249)	(561 087)	16
Other operating income	135 486	156 563	17
Other operating expenses	(19 883)	(24 949)	18
Income from investment in associates	11 113	2 245	19
Interest income and similar income	49 120	37 698	20
Profit before taxes	81 129	447 402	
Corporate income tax	(80 304)	(124 757)	21
Minority interest	(117)	129	
NET PROFIT OR LOSS	709	322 774	
Number of shares	800 000	800 000	
Earnings per Share (EPS) (EUR)	-	0,40	

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR)
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

	Share capital	Reserves provided by the Articles of Association	Investment evaluation reserve	Previous years retained earnings	Current year profit	Minority interest	Total
At 31 December 2006	1 138 297	45 522	4 418 397	484 108	316 580	2 170	6 405 075
Transfers to reserves	-	-	-	316 580	(316 580)	-	-
Dividends paid	-	-	-	(45 532)	-	-	(45 532)
Profit for the year	-	-	-	-	322 774	-	322 774
Depriciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Minority interest changes	-	-	46 445	-	-	(129)	46 316
At 31 December 2007	1 138 297	45 522	4 155 208	1 064 790	322 774	2 040	6 728 633
Previous years retained earnings	-	-	-	322 774	(322 774)	-	-
Dividends paid	-	-	-	(56 915)	-	-	(56 915)
Depriciation of revaluation surplus	-	-	(309 634)	309 634	-	-	-
Deffered tax on revaluation surplus	-	-	46 445	-	-	-	46 445
Profit for the year	-	-	-	-	709	-	709
Minority interest changes	-	-	-	-	-	117	117
At 31 December 2008	1 138 297	45 522	3 892 020	1 640 284	709	2 157	6 718 989

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

	2008	2007	Note
	EUR	EUR	
Cash flows used in operating activities			
Net income before tax	81 129	447 402	
Adjustments:			
a) depreciation of tangibles	626 825	572 006	2
b) depreciation of goodwill	3 119	2 607	2
c) provisions	5 519	(25 802)	15
d) loss (gain) on sale of tangibles	2 773	13 534	2
e) interest income	(49 120)	(53 639)	20
f) gain (loss) from investments in associates	(11 113)	(2 245)	19
2. Gain (loss) before changes in current assets and liabilities	659 133	953 863	
Changes in operating assets and liabilities:			
a) receivables.	(75 991)	(127 330)	
b) inventory.	(33 396)	(5 502)	
c) current liabilities.	99 227	447 542	
3. Gross operating cash flow	648 972	1 268 572	
4. Paid corporate income tax.	(191 886)	(34 540)	12
6. Net cash used in operating activities	457 086	1 234 032	
II. Cash flow used in investment activities			
1. Purchase of shares of associates.	(57)	-	3
2. Purchase of fixed assets.	(725 518)	(357 398)	2
3. Selling of fixed assets.	-	472	
4. Received interest.	49 120	53 639	20
5. Net cash from investment activities	(676 455)	(303 287)	
III. Cash flows used in financing activities			
1. Paid dividends.	(56 915)	(45 532)	
3. Net cash from financing activities	(56 915)	(45 532)	
IV. Net increase (decrease) in cash	(276 283)	885 213	
V. Cash at the beginning of the period	1 752 493	867 280	
VI. Cash at the end of the period	1 476 210	1 752 493	

The notes on pages 13-21 form an integral part of these financial statements.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

GENERAL INFORMATION

“Latvijas Juras Medicinas Centrs” is a joint-stock company (the Company) incorporated in the Republic of Latvia on 27 August 1996. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary - "Juras medicina" Ltd. (the Group).

The Company's main activity is health care services.

1. ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements have been prepared in accordance with the International Financial reporting Standards. Enclosed financial statements are reflected in the national currency of Latvia, the lats (LVL).

There is no difference in balance sheet dates of the Company and its subsidiary.

The interest of minority shareholders is stated at the minority proportion of the assets and liabilities recognized.

All significant intercompany transactions and balances among Group companies are eliminated on consolidation.

The portion attributed to the parent company of the net assets are offset with the investment and have been eliminated. The portion attributed to the parent company of the retained earnings earned after the acquisition date of shares are included in the consolidated retained earnings.

Foreign currency

Transactions denominated in foreign currencies are converted into Lats at the official exchange rate of the Bank of Latvia at the date of transaction. Monetary assets and liabilities are converted at the Bank of Latvia rate at the balance sheet date.

The applicable rate used for the principal currencies were the follows:

	December 31, 2008	December 31, 2007
EUR	0,702804	0,702804
USD	0,495	0,484

Gains or losses on converted are posted to the profit or loss account at the Bank of Latvia official exchange rate as of the balance sheet date and recognized in the period when they incurred.

Exchange differences rising on the settlement of monetary items are recognised in the period in which they arise.

Cash and cash equivalents

Cash includes cash on hand and demand deposits within credit institutions. The statement on cash flow is prepared using indirect method, making adjustments affecting the net profit reconciling with the changes in cash during the year.

Trade receivables

Trade receivables are stated at their net realizable value. Trade receivables represent the gross balance due from customers less provision, if any, for doubtful accounts receivable. Provision for doubtful accounts receivable at the balance sheet date represents the estimated amounts of probable losses that might have been incurred at the balance sheet date based on individual evaluation of each debtor.

Inventory

Inventories are stated at the lower of cost or market, using FIFO method.

Fixed assets

Fixed assets excluding real estate are stated at historical cost, less accumulated depreciation. The cost of the item comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to working condition for intended use. The cost of self-constructed asset is determined using the same principles as for an acquired asset. Only assets with its useful life more than one year are capitalized. Depreciation is calculated based on the historical cost.

Repair and maintenance costs are expensed when incurred. Capital expenditures such as refurbishment of buildings and improvements to structural elements are recognized as an asset if the expenditures improve the condition of the asset beyond its original estimated life.

Land and buildings (real estate) are accounted according to the revaluation model, recognized at the fair value determined from market-based evidence, appraised by professionally qualified valuers as of 31 December, 2006. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Depreciation is calculated based on the revalued amount. The depreciation charge for each period is recognised in the statement of income.

Depreciation is provided on all fixed assets based on historical cost. Depreciation on fixed assets are computed using the straight-line method over the estimated average useful lives:

Buildings:	20 years
Revaluated part of the buildings	15 years
Machinery and equipment:	3 years
Other fixed assets:	5 years

For tax purposes, depreciation on tangible fixed assets is calculated under the double declining balance method over the period established in accordance with prevailing tax legislation.

Investments in associates

Investments in associates are initially recognized at the cost and then accounted under the equity method.

Revenue recognition

Sales of goods are recognized when goods are delivered and title has passed.

Dividends

Dividends are recognized as liabilities in the Group financial statements after the Group shareholders made a decision to pay.

Property revaluation surplus

The revaluation surplus is included in equity under the heading "Investment revaluation reserve". According to IASs 16, p.41, the revaluation surplus included in equity is transferred directly to retained earnings. The surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Taxation

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in opinion of management, it is more likely than not that some proportion or all deferred tax assets will not be realized.

Deferred tax on revaluation surplus is charged or credited directly to equity in the same or a different period according to IAS 12 p.61.

LATVIJAS JURAS MEDICINAS CENTRS STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

2 TOTAL FIXED ASSETS: AND OTHER INTANGIBLE (FIXED) ASSETS

As of 31 December 2008 and 31 December 2007
fixed assets are composed as follows: (EUR)

EUR	Intangible assets	Land & buildings	Investment assets	Machinery and equipment	Other fixed assets	Long-term investments in rented fixed assets	Advance payment s for fixed assets	Unfinishe d building objects	Total
Historical cost									
At 31 December 2006	18 035	5 971 264	188 659	2 469 250	452 832	50 757	8 729	250 201	9 409 726
Additions	1 374	-	-	292 271	63 753	-	-	-	357 398
Transfers	-	-	-	-	3 197	-	(3 197)	-	-
Disposals	-	-	-	(83 110)	(23 465)	-	(5 532)	-	(112 107)
At 31 December 2007	19 409	5 971 264	188 659	2 678 411	496 318	50 757	-	250 201	9 655 018
Additions	17 931	20 299	-	598 150	70 287	-	18 852	-	725 518
Transfers	-	200 642	(188 659)	-	-	(11 983)	-	-	0
Pārvērtēšana	-	-	-	-	-	-	-	-	-
Disposals or change of classific	(443)	(717)	-	(492 180)	(11 771)	(38 773)	-	-	(543 884)
At 31 December 2008	36 898	6 191 487	-	2 784 381	554 833	-	18 852	250 201	9 836 651
Accumulated depreciation									
At 31 December 2006	12 591	469 717	-	2 035 533	369 059	13 395	-	-	2 900 295
Charge for the year	3 446	30 272	-	171 287	40 448	16 919	-	-	262 372
Charge for the period for revaluated fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals	-	-	-	(75 557)	(22 543)	-	-	-	(98 100)
At 31 December 2007	16 037	809 623	-	2 131 263	386 964	30 314	-	-	3 374 201
Charge for the period	3 119	36 406	-	222 948	49 378	8 459	-	-	320 310
Charge for the period for revaluated fixed assets	-	309 634	-	-	-	-	-	-	309 634
Disposals or change of classifi	(323)	(310)	-	(490 448)	(11 256)	(38 773)	-	-	(541 111)
At 31 December 2008	18 833	1 155 352	-	1 863 763	425 086	-	-	-	3 463 034
Net book value									
At 31 December 2006	5 444	5 501 547	188 659	433 717	83 773	37 362	8 729	250 201	6 509 431
At 31 December 2007	3 372	5 161 641	188 659	547 148	109 353	20 442	-	250 201	6 280 817
At 31 December 2008	18 065	5 036 135	-	920 618	129 747	-	18 852	250 201	6 373 618

3 PARTICIPATING INTERESTS IN ASSOCIATED ENTERPRISES

	Capital share (%)	Amount of investment 2008 EUR	Capital share (%)	Amount of investment 2007 EUR
Participating interests in associated enterprises				
Participation in "Neirozu klinika" Ltd.	45	189 764	45	178 595
Total participating interests in associated enterprises		189 764		178 595

SIA "Neirozu klinika" 33 shares have been bought for 40 LVL.

4 RAW MATERIALS

	2008 EUR	2007 EUR
Pharmaceutical	107 939	76 848
Stock in warehouse	8 113	4 774
Inventory	3 369	3 147
Products	1 752	2 008
Furniture	572	986
Other materials	2 186	2 827
Advance payments to supplier of goods	524	468
Total	124 454	91 058

5 DUE FROM CUSTOMERS

	2008	2007
	EUR	EUR
VOVAA Rigas department	106 392	76 704
Ergo Latvija AAS	81 226	26 017
BTA AAS	35 728	21 818
Riga slimokase AAS	31 788	50 172
Balta AAS	14 673	9 370
Other customers	12 124	6 776
NBS militaras medicinas centrs	5 738	6 682
Merck sharp	4 306	-
SEESAM Life Latvija	3 809	4 260
LMRIH	-	19 704
Riga 1.hospital	-	2 392
Total	<u>329 829</u>	<u>256 308</u>

6 OTHER RECEIVABLES

	2008	2007
	EUR	EUR
Taxes overpayment (note No.13)	87 149	2 312
VAT for unpaid invoices	6 275	726
Parex bank	-	3 566
Riga Latvian association	-	2 348
LBM GROUP AS	-	1 423
Other debtors	13 200	2 659
Total	<u>106 624</u>	<u>13 034</u>

7 DIFFERED EXPENSES

	2008	2007
	EUR	EUR
Assurance expense	3 722	3 281
Riga Stock Exchange, shares quotation	3 557	-
Other expense	1 989	16 463
Total	<u>9 269</u>	<u>19 744</u>

8 CASH

	2008	2007
	EUR	EUR
Cash in banks	1 433 935	1 713 609
Deposit	40 146	34 433
Cash on hands	2 129	4 451
Total	<u>1 476 210</u>	<u>1 752 493</u>

9 SHARE CAPITAL

	2008	2008	2007	2007
	Number	Share %	Number of	Share %
	of shares		shares	
Shareholders:				
Janis Birks	311 583	39,0	309 509	38,7
Ilze Aizsilniece	80 766	10,1	80 766	10,1
Agris Shvarcbergs		0,0	80 917	10,1
State social insurance agency	40 000	5,0	40 000	5,0
Other shareholders (shares less than 5%)	284 734	35,6	288 808	36,1
Total	<u>717 083</u>	<u>89,7</u>	<u>800 000</u>	<u>100,0</u>

10 DUE TO RECEIVED ADVANCE PAYMENTS

	2008 EUR	2007 EUR
VOAVA advance payment for 2009	261 192	529 953
Other advances	30	70
Total	<u>261 222</u>	<u>530 023</u>

11 DUE TO SUPPLIERS AND CONTRACTORS

	2008 EUR	2007 EUR
Tradintek SIA	361 118	-
Amerilat MD	16 313	15 700
Latvijas Gaze	11 850	9 442
Latvenergo Rīgas elektrotīkls	8 052	5 354
Rīgas Ūdens	1 769	1 814
Invitros SIA	1 177	-
Lattelekom	1 133	1 147
Recipe Plus SIA	687	-
AB Medical Group Riga	664	110
B.Braun Medical SIA	267	-
Veselības centrs-4	-	16 851
Rīgas Stradiņu Universitāte	-	2 116
VPVD national diagnostic center	-	2 123
Hemis SIA	-	2 689
Sistēmu Audits SIA	-	5 876
Other suppliers	27 488	7 668
Total	<u>430 518</u>	<u>70 890</u>

12 TAXES

	As of 31-12- 2007	Calculated	Paid	As of 31-12- 2008
Value added tax	1 776	11 892	(20 112)	(6 444)
Social insurance	81 058	1 250 855	(1 232 877)	99 036
Personal income tax	55 287	773 759	(766 687)	62 359
Corporate income tax	58 649	52 591	(191 886)	(80 646)
Unemployment duty	155	2 131	(2 113)	174
Natural resources tax	100	265	(100)	265
Real estate tax	(2 312)	3 365	(1 113)	(60)
Total, including	<u>194 713</u>	<u>2 094 859</u>	<u>-2 214 888</u>	<u>74 684</u>
due to the budget	197 025			161 833
overpayment	(2 312)			(87 149)

13 DUE TO OTHER COMPANIES

	2008 EUR	2007 EUR
Salaries	210 724	175 023
Trade union	1 638	1 362
Deposited salary	949	1 131
Accrued liabilities	-	50 853
Total	<u>213 311</u>	<u>228 370</u>

14 NET SALES

	2008	2007
	EUR	EUR
Medical hospital services	4 284 119	3 894 846
Medical ambulant services	2 793 644	2 439 676
Insurance payments	518 300	372 680
Services - minimum fixed part	273 230	291 401
VS ZDC ambulant services	216 888	207 433
Residents training	157 233	129 615
Stomatology services	61 189	52 998
Family doctors	53 187	42 807
Other income	28 816	28 389
Total	<u>8 386 606</u>	<u>7 459 845</u>

15 COST OF GOODS SOLD

	2008	2007
	EUR	EUR
Salaries and wages	3 443 705	2 886 738
Medical goods	1 076 555	961 323
Social tax	804 496	667 758
Fixed assets depreciation	629 944	571 987
Repair expenses	402 954	334 004
VAT - expenses	307 991	249 553
Rent of equipment	223 651	181 992
Public utilities	206 988	139 668
Current assets write-off	149 431	104 517
Household goods	91 567	78 604
Feeding expenses	88 773	85 546
Employees trainings	67 209	36 312
Medical researches	62 353	108 606
Gifts to employees	26 838	37 375
Office expenses	19 391	20 647
Transport expense	8 951	12 718
Insurance expenses	5 807	2 994
Accruals for vacations	5 519	(24 315)
Allowances to employees	3 159	4 354
Advertising	2 684	3 678
Unemployment duty	2 131	2 150
Received discounts	(24 172)	(30 703)
Saņemtās atlaides	165 136	187 408
Total	<u>7 771 063</u>	<u>6 622 913</u>

16 ADMINISTRATIVE EXPENSES

	2008	2007
	EUR	EUR
Salaries and wages	375 174	307 525
Social tax	81 442	67 086
Board chairperson remuneration	50 579	40 461
Board remuneration	46 095	39 244
Council members remuneration	33 181	13 534
Communication expenses	30 330	27 325
Sakaru izdevumi	19 826	5 481
Office expenses	11 335	12 587
Board members social tax	11 106	9 454
Other administrative expenses	10 649	2 025
Chairperson of the Board social tax	10 404	7 066
Council chairperson remuneration	10 198	12 662
Council members social tax	7 571	3 127
Audit expenses	7 114	8 110
Chairperson of the Council social tax	2 456	3 672
Bank expenses	1 779	1 585
Legal services	1 010	142
Total	<u>710 249</u>	<u>561 087</u>

17 OTHER OPERATING INCOME

	2008	2007
	EUR	EUR
Rent income	100 661	103 150
Press goods	8 534	9 590
Feeding income	8 448	15 303
Solarium income	3 758	3 551
Laundry income	1 908	2 742
Received donations	-	14 634
Other income	12 177	7 592
Total	<u>135 486</u>	<u>156 563</u>

18 OTHER OPERATING EXPENSES

	2008	2007
	EUR	EUR
Loss from fixed assets disposals	3 598	13 534
Real estate tax	3 365	1 715
Penalties	899	1 754
Currency exchange loss	-	4 031
Other expenses	12 020	3 914
Total	<u>19 883</u>	<u>24 949</u>

19 INCOME FROM INVESTMENT IN ASSOCIATES

	2008	2007
	EUR	EUR
Psihiskas Veselibas centrs "Dzintari"	11 113	2 245
Total	<u>11 113</u>	<u>2 245</u>

20 INTEREST INCOME AND SIMILAR INCOME

	2008 EUR	2007 EUR
Interest income	49 120	37 698
Total	<u>49 120</u>	<u>37 698</u>

21 CORPORATE INCOME TAX

	2008 EUR	2007 EUR
Calculated Corporate income tax	52 591	112 006
Deferred Corporate income tax	27 713	12 752
Total	<u>80 304</u>	<u>124 757</u>

23 CORPORATE INCOME TAX (CONTINUED ...)

	2008 EUR	2007 EUR
Profit before tax	115 437	636 596
Theoretically calculated corporate income tax, rate 15%	17 315	95 489
Permanent differences	40 421	44 896
Calculated corporate income tax	<u>40 577</u>	<u>98 663</u>

Deferred tax

Temporary difference between financial statement depreciation and depreciation for tax purposes	(410 157)	(220 070)
Temporary difference of fixed assets revaluation	(4 025 240)	(4 334 874)
Accruals for vacations	186 112	180 776
Accrued liabilities	-	-
Total temporary differences	<u>(4 249 286)</u>	<u>(4 374 168)</u>
Tax rate applied	15%	15%
Deferred tax liabilities	<u>637 393</u>	<u>656 125</u>
Recognized deferred tax liabilities	<u>637 393</u>	<u>656 125</u>

Translation from Latvian**INDEPENDENT AUDITORS' REPORT****To the Shareholders of JSC Latvijas Juras Medicinas Centrs****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements on pages 8 to 21 of JSC Latvijas Juras Medicinas Centrs (Group) which comprise the consolidated balance sheet as of 31 December 2008 and the consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the requirements of the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Latvian Association of certified auditors. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with the requirements of the International Financial Reporting Standards.

Report on the Management Report

We have read the Management Report set out on pages 5-6 and did not identify material inconsistencies between the financial information contained in the Management Report and that contained in the consolidated financial statements for 2008.

Certified auditors' company System audit Ltd.
Audit company licence No. 53


Irina Sakšaganska
Certified auditor
Certificate No. 41

Member of the Board

Riga, Latvia
April 16, 2009.