



JSC VEF, Brīvības gatve 214, Rīga, LV-1039

JOINT STOCK COMPANY VEF
(Unified registration number 40003001328)

NON- AUDITED FINANCIAL STATEMENTS
For the period ended on September 30, 2014



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GENERAL INFORMATION

Title of enterprise	Joint stock company VEF
Legal type of enterprise	Public joint stock company
Registered:	On April 15, 1991 in the Register of Enterprises of the Republic of Latvia, re-registered on December 7, 2000 with Nbr. 000300132 On April 14, 2004 registered in the Commercial Register, Nbr. 40003001328
Taxpayers' Reg. Nbr.	LV 40003001328
Legal address	Brīvības gatve 214, Rīga, LV-1039, Republic of Latvia Phone: 7270618.
Equity capital ¹ :	EUR 2 766 969 paid and registered equity capital.
Core businesses:	*Power supply - distribution of power; *Letting and renting of real-estate property
Name of the holder of shares and share capital (%)	As on September 30, 2014: *VEF KOMUNIKĀCIJU SERVISS SIA - 45.52 % ; * Laila Līduma - 6.31 % ; * Tamāra Kampāne - 9.70 % ; * Gints Feņuks -24.49 % ; *Other shareholders - 13.98 %.
Chief executive officer:	Chairman of the Board of the Company: GINTS FENUKS
Members of the Board:	TAMĀRA KAMPĀNE MARTINS CAUNA MODRIS ZOMMERS
Members of the Supervisory Council:	ANDRIS DENINŠ INTS KALNINŠ GUNTIS LIPINŠ ARNIS ZEKUNDE
Period of account:	01.01.2014. - 30.09.2014.
Qualified auditor:	Aleksejs Litvinovs. Certificate Nbr.190

¹ Paid-up and registered equity capital 2 766 969 common shares
The company's capital consists of the 623 528 bearer shares and 1 321 109 registered shares
Nominal value of a common share is EUR 1.422872.



Report on the Management Board's responsibility to the non-audited financial statement of JSC „VEF” for the nine months of 2014.

Management Board of JSC „VEF” (hereinafter – the Company) is responsible for preparation of the middle-term financial statements of the Company. The middle-term financial statements are not audited.

Middle-term financial statements are prepared based on justifying documents and represent true and clear overview on the Company's Assets and Equity and Liabilities, its financial standing and results of activity as well as cash flows within the reporting period ended on September 30, 2014.

Accounting principles used in preparation of the middle-term financial statements have not been changed comparing to the previous reporting period. During preparation of the middle-term financial statements decisions taken by the Management Board and estimations made have been cautious and well-founded.

The Management Board of the Company is responsible for ensuring the corresponding accounting system, securing the assets of the Company, as well as for prevention and exposure of fraud and other violation within the Company.

On behalf of the Management Board of JSC „VEF”,

Gints Feņuks
Chairman of the Management Board



ASSETS		
	EUR	EUR
	30.09.2014	30.09.2013
LONG-TERM INVESTMENTS		
Intangible assets		
Concessions, patents, licences	590	1 003
Total intangible assets	590	1 003
Fixed Assets		
Land, buildings and other property	5 568 515	5 625 342
Equipment and machinery		
Other fixed assets and inventory	86 660	155 250
Advance payments for fixed assets		
Total fixed assets	5 655 175	5 780 592
Total long-term investments	5 655 765	5 781 595
Current assets		
Inventory		
Goods for sale	0	19
Total inventory	0	19
Debtors		
Customers and client debts	93 826	110 523
Other debtors	10 618	13 618
Future period expenses	1 934	1 836
Future period income	0	0
Total debtors	106 387	125 977
Cash	91 89	38 477
Total Current assets	197 476	164 473
TOTAL ASSETS	5 853 241	5 946 068



LIABILITIES		
	EUR	EUR
	30.09.2014	30.09.2013
Stockholder's Equity		
Common stock	2 766 969	2 766 969
Long-term investments revaluation reserve	801 562	801 562
Total accumulation		
Retained earnings from the previous years	-1 092 219	-1 093 685
Retained earnings of the financial years	8 563	12 352
Total stockholder's equity	2 484 875	2 478 198
PROVISIONS		
Other provisions	12 585	14 503
Total provisions	12 585	14 503
LIABILITIES		
Long-term liabilities		
Borrowings from credit institutions	2 993 984	3 060 765
Prepayments from buyers	32 106	35 434
Other liabilities	61 977	0
Deferred tax liability	148 066	70 324
Total long-term liabilities	3 236 133	3 166 523
Current liabilities		
Borrowings from credit institutions	35 086	30 000
Accounts payable	36 075	79 445
Taxes and social security payments	18 742	22 851
Other liabilities	10 553	11 340
Prepayments from buyers	14 513	49 159
Other loans	4 679	85 048
Total current liabilities	119 648	277 843
Total liabilities	3 355 781	3 444 366
TOTAL LIABILITIES&STOCKHOLDER'S EQUITY	5 853 241	5 946 068

**PROFIT AND LOSSES ACCOUNT FOR YEAR, WHICH ENDS ON SEPTEMBER
30.2014.**

		EUR 30.09.2014	EUR 30.09.2013
1	2	4	4
Net turnover	1	872 557	830 419
Cost of goods sold	2	-634 976	-582 320
Gross profit		237 581	248 099
Administrative expenses	3	-78 087	-76 202
Other income from operations	4	12 981	3 338
Other expenses from operations	5	-3 493	-16 282
Financial services income	6	0	0
Financial services expenses	7	-112 866	-120 648
Profit before taxes		56 116	38 305
Other taxes	8	-10 916	-6 787
Deferred tax		-36 637	-19 166
Net profit		8 563	12 352

Earnings per share (EPS)
on 30.09.2014-0.0031 EUR

Earnings per share (EPS)
on 30.09.2013- 0.0045 EUR

Chairman of the Board

G.Feņuks

Member of the Board

T.Kampane

**CASH FLOW STATEMENT FOR YEAR THAT ENDS ON SEPTEMBER 30, 2014**

	2014	2013
	30.09.	30.09.
	EUR	EUR
I. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before outstanding items and taxes (+)	56 116	38 305
<i>Adjustments:</i>		
fixed assets depreciation (+)	91 339	88 467
intangible assets depreciation (+)	308	316
increase/decrease in provisions	-1 918	13 044
profit or losses from exchange rates fluctuation (+/-)	0	674
financial service income		
financial services income	112 866	120 648
<i>Profit or losses before adjustments from current assets and liabilities</i>	258 711	261 454
<i>Adjustments:</i>		
debtors : increase (-); decrease (+)	19 590	-49 524
inventory: increase (-); decrease (+)	0	-3
liabilities: increase (-); decrease (+)	-56 465	-20 670
<i>Gross cash provide by operating activities</i>	221 855	191 257
Payments for financial	-112 866	-120 648
Income tax payments	-10 916	-6 787
<i>Net cash provided by operating activities before outstanding items:</i>	98 073	63 821
Cash flow from outstanding items (-/+)	129	
Net cash provided by operating activities :	98 202	63 821
II. CASH FLOWS FROM INVESTING ACTIVITIES :		
Fixed assets purchase	0	-1 175
Interest received	0	
Net cash used in investing activities :	0	62 646
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Expenses for borrowings repayment	-31 695	-90 000
Payment SEB Līzings, Swedlīzings	-13 895	-22 814
Net cash provided by financing activities :	52 612	-9 832
IV. Exchange rate fluctuation result :	0	-674
Net cash from	52 612	9 158
CASH AT BEGINNING OF YEAR	38 477	29 319
CASH AT END OF YEAR	91 089	38 477

**STATEMENT OF CHANGES IN EQUITY FOR YEAR THAT ENDS ON
SEPTEMBER 30, 2014**

	30.09.2014 EUR	30.09.2013 EUR
Stockholder's equity		
Balance at the beginning of the financial year	2 766 969	2 766 969
Increase from		
Decrease from		
Balance at the end of the financial year	2 766 969	2 766 969
Long-term investments revaluation reserve		
Balance at the beginning of the financial year	801 562	801 562
Increase from		
Decrease from		
Balance at the end of the financial year	801 562	801 562
Accumulations		
Balance at the beginning of the financial year		
Increase from		
Decrease from		
Balance at the end of the financial year		
Retained earnings		
Balance at the beginning of the financial year	-1 092 219	-1 093 685
Profit or losses of the financial year	8 563	12 352
Dividendes		
Included in accumulations		
Balance at the end of the financial year	-1 083 656	-1 081 333
Stockholder's equity (total)		
Balance at the beginning of the financial year	2 487 198	2 475 133
Balance at the end of the financial year	2 484 875	2 487 198

**(1) Net turnover**

Turnover consists of revenues that the Company gained in the first nine months of 2014 from its core business-service provision without VAT

Type of commercial operations	2014.09.30	2013.09.30
	EUR	EUR
power supply, distribution and servicing	223 891	181 405
office renting service	460 840	447 097
utility services	187 826	201 917
Total	872 557	830 419

Distribution of net turnover by geographical markets

Country	2014.09.30	2013.09.30
	EUR	EUR
Latvia	872 557	830 419
Total	872 557	830 419

(2) Cost of sales

	2014.09.30	2013.09.30
	EUR	EUR
labor and social payments	135 757	132 085
depreciation	91 339	88 467
transport	7 144	9 976
residential services (electricity, water)	311 691	268 878
personnel training	237	223
telecommunication service	1 140	1 002
other costs tied to commercial operations	77 511	72 781
insurance (buildings)	3 421	3 924
land rent to LPA	4 520	4 668
depreciation of license	308	316
travel expenses	1 908	0
Total	634 976	582 320



(3) Costs of administration	2014.09.30	2013.09.30
	EUR	EUR
labor and social payments	59 480	55 764
telecommunication service	1 140	1 002
office supplies	1 244	1 740
cash turnover expenses	193	216
transport expenses for administrative needs	7 144	9 976
representative expenses	21	33
legal assistance or raid	2 640	1 246
RFB annual fee	6 225	6 225
Total	78 087	76 202

(4) Other revenues from commercial operation	2014.09.30	2013.09.30
	EUR	EUR
finances	2 250	1 565
other revenues	10 283	
insurance recompense	448	1 773
Total	12 981	3 338

(5) Other costs of commercial operations	2014.09.30	2013.09.30
	EUR	EUR
60% of representative costs	39	60
donations to Latvian orphans fund	801	356
allowances and bonuses	991	1 015
provisions for doubtful debts	0	13 043
finances	1 662	1 134
exchange losses	0	674
Total	3 493	16 282



Payments of interest and similar expenses

(6)		2014.09.30	2013.09.30
		EUR	EUR
	credit interests	111 128	119 123
	Swedbank lizings	457	600
	SEB Lizings	1 281	925
	Total	112 866	120 648

(7)	Other taxes	2014.09.30	2013.09.30
		EUR	EUR
	real estate tax (buildings,land)	10 916	6 787
	Total	10 916	6 787