

Joint Stock Company LODE
non – audited consolidated and
parent financial statements
for the period ended 01.01.2007.-31.03.2007.
prepared in accordance with IAS

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Company Information

Company name	<i>JSC LODE</i>
Legal status of the company	<i>Joint Stock Company</i>
Number, place and date of registration	<i>50003032071, Rīga, October 01, 1991</i>
Legal address	<i>Lodes Street 1, Liepa Parish, Cēsis District, LV-4128</i>
Postal address	<i>Lodes Street 1, Liepa Parish, Cēsis District, LV-4128</i>
Chief executive	<i>Jānis Slesars</i>
Members of the Council and their positions	<i>Edvīns Samulis, Chairman of the Council</i> <i>Andris Bērziņš, Council member (until 11 January 2007)</i> <i>Mārtiņš Mīlgrāvis, Council member</i> <i>Pēteris Zavadskis, Council member</i> <i>Gunārs Vīksna, Council member (until 27 April 2007)</i> <i>Armands Grīnbergs, Council member (from 27 April 2007)</i> <i>Aigars Bērziņš, Council member (from 27 April 2007)</i>
Members of the Board and their positions	<i>Jānis Slesars, Chairman of the Board</i> <i>Valdis Kokle, Board Member</i> <i>Jānis Garkalns, Board Member</i>
Report period	<i>01.01.2007 – 31.03.2007</i>
Details of the daughter companies	<i>1. SIA „Lodes ķieģelis”</i> <i>Lodes Street 1, Liepa Parish, Cēsis District, LV-4128</i> <i>Ownership interest: 100 %</i> <i>2. SIA „Latvijas māli”</i> <i>Lodes Street 1, Liepa Parish, Cēsis District, LV-4128</i> <i>Ownership interest: 100 %</i> <i>2. SIA „Līvānu ķieģelis”</i> <i>”Iesalnieki”, Jersika Parish, Preiļi District, LV-5316</i> <i>Ownership interest: 100 %</i> <i>4. SIA „Kalnciema ķieģelis”</i> <i>Jelgavas 17, Kalnciems, Jelgava District, LV-3016</i> <i>Ownership interest: 100 %</i>

Declaration of management responsibility

According to the information available to the responsible persons the summarized financial statements were drawn up in line with requirements provided by the effective normative acts and deliver true information and clear presentation of the capital company's and the consolidated group's assets, liabilities, financial situation and profit or losses.

The accompanying notes on pages 12 to 22 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

28 May 2007

Consolidated and Parent income statement for the period ended 31 March 2007

	Number of note	Consolidated		Parent company	
		01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Net turnover	2	2 408 068	1 092 070	2 317 763	1 084 787
Costs of goods sold	3	(1 652 843)	(703 650)	(1 604 358)	(746 149)
Gross profit or loss		755 225	388 420	713 405	338 638
Distribution expenses	4	(228 545)	(180 310)	(228 545)	(179 627)
Administration expenses	5	(253 470)	(240 064)	(190 228)	(189 139)
Other operating income	6	68 024	456 735	43 809	33 377
Other operating expenses	7	(8 454)	(14 733)	(14 266)	(30 166)
Interest income and other income	8	1 849	56	9 402	39
Interest expenses and other expenses	9	(12 724)	(31 512)	(16 866)	(21 226)
Profit or loss before taxes		321 905	378 592	316 711	(48 104)
Other taxes	10	(9 987)	(4 651)	(6 421)	(4 312)
Profit or loss of the report period		311 918	373 941	310 290	(52 416)
Profit per share (EPS)		0,140	0,168	0,139	(0,024)

The accompanying notes on pages 12 to 22 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

28 May 2007

Consolidated and Parent Balance Sheet as at 31 March 2007

Assets	Number of note	Consolidated		Parent company	
		01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Long term investments					
Intangible investments					
Other intangible investments		36 530	2 633	36 530	2 633
Total intangible investment	11	36 530	2 633	36 530	2 633
Fixed assets					
Land, buildings and constructions and perennial plantations		1 714 532	1 747 164	1 016 195	1 624 938
Equipment and machinery		2 354 613	2 054 457	358 340	1 269 488
Other fixed assets and inventory		248 277	148 330	86 277	130 219
Fixed assets under construction		1 676 674	304 167	12 455	180 396
Advance payments for fixed assets		3 895 791	177 197	-	84 076
Total fixed assets	12	9 889 887	4 431 315	1 473 267	3 289 117
Long term financial investments					
Investments in subsidiaries	13	-	-	3 672 903	1 297 258
Total long term financial investments		-	-	3 672 903	1 297 258
Total long term investments		9 926 417	4 433 948	5 182 700	4 589 008
Current assets					
Stock					
Raw materials, basic materials and subsidiary materials		484 417	482 237	47 009	80 518
Unfinished output		40 256	70 132	-	-
Finished output and goods for sale	14	700 847	1 476 186	110 638	161 416
Advance payments for goods		9 636	133 282	2 754	113 113
Total stock		1 235 156	2 161 837	160 401	355 047
Debtors					
Debts of customers and clients	15	1 297 674	824 008	1 272 860	816 618
Debts of related parties	16	-	-	625 275	486 927
Loans to related parties	17	-	-	800 000	177 000
Other debtors	18	308 327	84 566	107 525	39 431
Prepayments	19	54 852	42 339	41 107	33 324
Total debtors		1 660 853	950 913	2 846 767	1 553 300
Cash and cash equivalents	20	784 503	181 603	105 599	64 430
Total current assets		3 680 512	3 294 353	3 112 767	1 972 776
Total assets		13 606 929	7 728 301	8 295 467	6 561 785

The accompanying notes on pages 12 to 22 form an integral part of these Financial Statements.

Consolidated and Parent Balance Sheet as at 31 March 2007

Liabilities	Number of note	Consolidated		Parent company	
		01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Equity capital					
Share capital	21	2 225 138	2 225 138	2 225 138	2 225 138
Retained earnings of previous years		3 963 175	2 188 331	3 181 524	2 117 726
Retained earnings of the year		311 918	373 941	310 290	(52 417)
Total equity		6 500 231	4 787 410	5 716 952	4 290 447
Provisions					
Other provisions	22	283 180	256 229	179 709	168 851
Total provisions		283 180	256 229	179 709	168 851
Creditors					
Long term liabilities					
Deferred tax liabilities	23	199 593	205 560	104 514	193 575
Loans from credit institutions	25	3 462 881	41 006	-	24 000
Other loans	24	112 382	114 813	32 384	95 242
Total long term liabilities		3 774 856	361 379	136 898	312 817
Short term liabilities					
Loans from credit institutions	25	2 215 489	1 842 668	1 348 990	1 320 884
Other loans	24	36 223	32 457	16 896	27 822
Advance payments from customers		119 220	43 507	119 220	41 708
Trade accounts payable		254 820	140 184	92 266	90 297
Trade payables to related parties	26	-	-	519 649	196 446
Taxes and social security payments	27	316 067	173 336	138 402	84 490
Other creditors	28	106 843	91 131	26 485	28 023
Total short term liabilities		3 048 662	2 323 283	2 261 908	1 789 670
Total liabilities		6 823 518	2 684 662	2 398 806	2 102 487
Total liabilities		13 606 929	7 728 301	8 295 467	6 561 785

The accompanying notes on pages 12 to 22 form an integral part of these Financial Statements.

 Jānis Slesars
 Chairman of the Board

28 May 2007

Consolidated and Parent Statement of Cash Flows for the period ended 31 March 2007

	Number of note	Consolidated		Parent company	
		01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Cash flow from basic activities					
1. Profit or loss before taxes		311 918	373 941	310 290	(52 416)
Corrections:					
Depreciation of fixed assets and amortisation of intangible investments;		89 521	63 820	24 303	35 816
(Gain) / loss on disposal of fixed assets and intangible investments;		(1 412)	9 644	(1 412)	1 311
Increase / (decrease) in provisions		(51 887)	35 180	(34 007)	17 311
Interest payments		9 041	24 055	13 811	16 746
Interest income		(1 849)	(56)	(73)	(39)
2. Profit or loss before corrections influenced by changes in balance of the floating assets and short term liabilities		355 332	506 584	312 912	18 729
Corrections:					
(Increase) / decrease in trade and other accounts receivable;		(403 808)	(2 476)	78 899	96 965
(Increase) / decrease in inventories		253 707	(363 679)	(52 664)	73 003
Increase / (decrease) in trade and other accounts payable		71 563	14 289	352 679	(45 881)
Unrealized profit of the previous year		13 648	77 632	-	-
3. Net cash flow from basic activities		290 442	232 350	691 826	142 816
4. Expenses on interest payments		(4 967)	(24 055)	(9 737)	(16 746)
5. Paid income tax		(40 856)	(15 613)	(36 443)	(12 994)
<i>Net cash flow from basic activities</i>		244 619	192 682	645 646	113 076
Cash flow from investing activities					
Purchase of fixed assets and intangible investments		(3 266 162)	(314 633)	(15 305)	(128 900)
Investments in subsidiaries		-	-	(1 231 773)	-
Income from sale of fixed assets and intangible investments		18 776	-	526 898	-
Loans issued		-	-	(300 000)	(131 800)
Received interest		1 849	56	73	39
<i>Net cash flow from investing activities</i>		(3 245 537)	(314 577)	(1 020 107)	(260 661)

Consolidated and Parent Statement of Cash Flows for the period ended 31 March 2007

	Number of note	Consolidated		Parent company	
		01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Cash flow from financing activities					
Payment of obligations under finance lease		(11 000)	(12 692)	(6 338)	(11 148)
Repayment of loans and borrowings		-	(24 000)	-	(24 000)
Received loans		2 854 696			
Using of credit line		107 919	254 482	122 094	166 832
Net cash flow from financing activities		2 951 615	217 790	115 756	131 684
Net increase/(decrease) in money and its equivalents		(49 303)	95 895	(258 705)	(15 901)
Money and its equivalents in the beginning of the period		833 806	85 708	364 304	80 331
Money and its equivalents at the end of the period	20	784 503	181 603	105 599	64 430

The accompanying notes on pages 12 to 22 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

28 May 2007

Consolidated and the Parent Statement of Changes in Shareholder's Equity for the period ended 31 March 2007**Consolidated**

	Share capital	Retained earnings of the previous years	Retained earnings of the current year	Total equity
	LVL	LVL	LVL	LVL
31.12.2005	2 225 138	1 228 266	882 433	4 335 837
Profit of 2005 moved to retained earnings of the previous years	-	882 433	(882 433)	-
Corrections for unrealised profit of 2005	-	77 632	-	77 632
Retained earnings of the period 01.01.-31.03.2006	-	-	373 941	373 941
31.03.2006	2 225 138	2 188 331	373 941	4 787 410
Retained earnings of the period 01.04.-31.12.2006	-	-	1 498 512	1 498 512
Corrections for unrealised profit of 2005	-	(77 632)	77 632	-
Dividends paid	-	(111 257)	-	(111 257)
31.12.2006	2 225 138	1 999 442	1 950 085	6 174 665
Profit of the year 2005 moved to retained earnings of previous periods	-	1 950 085	(1 950 085)	-
Retained earnings of the report period	-	-	311 918	311 918
Corrections for unrealised profit of 2006	-	13 648	-	13 648
31.03.2007	2 225 138	3 963 175	311 918	4 500 231

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 Jānis Slesars
 Chairman of the Board

28 May 2007

Consolidated and the Parent Statement of Changes in Shareholder's Equity for the period ended 31 March 2007**Parent company**

	Share capital	Retained earnings of the previous years	Retained earnings of the current year	Total equity
	LVL	LVL	LVL	LVL
31.12.2005	2 225 138	1 265 694	852 032	4 342 864
Profit of 2005 moved to retained earnings of the previous years		852 032	(852 032)	-
Retained earnings of the period 01.01.-31.03.2006	-	-	(52 417)	(52 417)
31.03.2006	2 225 138	2 117 726	(52 417)	4 290 447
Retained earnings of the period 01.04.-31.12.2006	-	-	1 227 472	1 227 472
Dividends paid	-	(111 257)	-	(111 257)
31.12.2006	2 225 138	2 006 469	1 175 055	5 406 662
Profit of the year 2005 moved to retained earnings of previous periods	-	1 175 055	(1 175 055)	-
Retained earnings of the report period	-	-	310 290	310 290
31.03.2007	2 225 138	3 181 524	310 290	5 716 952

The accompanying notes on pages 12 to 22 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

28 May 2007

Consolidated and Parent Notes to Financial Statements**(1) Accounting policy**

Accounting policy hasn't changed during 1st quarter of 2007, it's the same as described in financial statement of the year 2006.

(2) Net Turnover

Turnover is the income gained during the year from the Company's basic activity – selling of output without value added tax, except discounts.

Activity form	Consolidated		Parent Company	
	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Ceramic bricks, tiles and ceraterm blocks and clinker sales	2 408 068	1 092 070	2 317 763	1 084 787
	2 408 068	1 092 070	2 317 763	1 084 787

(3) Costs of goods sold

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Expenses on materials	370 310	273 399	13	1 145
Electric power	89 350	41 895	-	-
Gas	346 489	193 928	-	-
Personnel expenses	382 967	282 487	-	1 432
Depreciation of fixed assets	67 881	43 924	-	-
Expenses related to purchase of goods	240	89 999	1 596 159	714 679
Other expenses	132 942	49 724	-	-
Changes in stock	262 664	(271 706)	8 186	28 893
	1 652 843	703 650	1 604 358	746 149

(4) Distribution expenses

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Personnel expenses	51 785	47 195	51 785	47 195
Depreciation of fixed assets	1 794	911	1 794	911
Expenses on advertising and presentations	17 526	23 652	17 526	23 752
Transport expenses	140 067	90 471	140 067	90 471
Expenses on business trips	3 203	1 950	3 203	1 950
Transport expenses of selling administration	4 408	4 038	4 408	4 038
Other expenses	9 762	12 093	9 762	11 310
	228 545	180 310	228 545	179 627

Consolidated and Parent Notes to Financial Statements**(5) Administration expenses**

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006
	LVL	LVL	LVL	LVL
Personnel expenses	148 886	145 852	109 753	121 997
Depreciation of fixed assets	8 313	8 014	7 191	8 014
Rent of premises	2 312	2 582	2 312	2 582
Expenses on business trips	1 412	5 568	1 412	3 373
Office expenses	1 633	2 031	953	572
Telecommunication expenses	6 022	5 270	3 741	4 264
Transport expenses of administration	23 609	17 350	17 707	16 792
Training and consultations	69	1 177	69	1 177
Membership due for Riga Stock Exchange	1 250	1 256	1 250	1 256
Insurance	3 703	14 578	3 033	9 381
Security services	10 728	5 251	7 884	5 251
Professional services	14 812	1 961	14 199	1 961
Other expenses	30 721	29 174	20 724	12 519
	253 470	240 064	190 228	189 139

(6) Other operating income

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006
	LVL	LVL	LVL	LVL
Profit from sales of materials	3 420	10 914	179	276
Profit from sales of scrap metal	62 250	12 710	28 912	12 710
Income from sales of fixed assets	1 561	-	1 561	-
Income from rent of fixed assets	8	7	12 753	17 082
Income from sauna services	221	78	221	78
Employment of the unemployed	-	727	-	-
Income from sales of CO ₂ quota	-	428 886	-	-
Other income	564	3 413	183	3 231
	68 024	456 735	43 809	33 377

(7) Other operating expenses

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006
	LVL	LVL	LVL	LVL
Amortisation of leased fixed assets	-	9 416	12 745	26 491
Write off of fixed assets	149	-	149	-
Expenses on materials	-	-	-	-
Expenses not related to operating activities	1 911	3 802	1 113	2 245
Penalties	-	3	-	-
Other expenses	6 394	1 512	259	1 430
	8 454	14 733	14 266	30 166

Consolidated and Parent Notes to Financial Statements**(8) Interest income and other income**

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Interest income from related parties	-	-	9 329	-
Other interest income and similar income	1 849	56	73	39
	<u>1 849</u>	<u>56</u>	<u>9 402</u>	<u>39</u>

(9) Interest expenses and other expenses

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Interest payments for credit institutions	9 041	24 055	13 811	16 746
Loss of foreign exchange	1 459	6 984	2 293	4 361
Other interest expenses and similar costs	2 224	473	762	119
	<u>12 724</u>	<u>31 512</u>	<u>16 866</u>	<u>21 226</u>

(10) Other taxes

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL	01.01.2007- 31.03.2007 LVL	01.01.2006- 31.03.2006 LVL
Real estate tax on land	758	1 291	238	952
Real estate tax on buildings, constructions	9 229	3 360	6 183	3 360
	<u>9 987</u>	<u>4 651</u>	<u>6 421</u>	<u>4 312</u>

(11) Intangible investments**(Consolidated and Parent Company)**

	Other intangible investments LVL
Initial cost	
31.12.2006	50 985
Purchased	1 042
31.03.2006	52 027
Accumulated depreciation	
31.12.2006.	12 992
Calculated depreciation	2 505
31.03.2007	15 497
Balance value as of 31.12.2006	37 993
Balance value as of 31.03.2007	36 530

Consolidated and Parent Notes to Financial Statements**(12) Statement on changes in fixed assets****(Consolidated)**

	Land, buildings and const- ructions LVL	Equipment and machinery LVL	Other fixed assets LVL	Fixed assets under const- ruction LVL	Advance payments on fixed assets LVL	Total LVL
Initial cost						
31.12.2006	1 996 703	2 993 265	378 711	572 067	1 808 750	7 749 495
Purchased	4	13 645	23 963	817 007	2 410 502	3 265 120
Excluded	(25 010)	(2 855)	(26 856)	-	-	(54 721)
Internal transfer	5 058	30 803	-	287 599	(323 460)	-
31.03.2007	1 976 755	3 034 857	375 817	1 676 674	3 895 791	10 959 894
Accumulated depreciation						
31.12.2006	277 805	624 178	118 365	-	-	1 020 347
Calculated depreciation	9 357	58 921	18 738	-	-	87 017
Depreciation of excluded fixed assets	(24 939)	(2 855)	(9 563)	-	-	(37 357)
31.03.2007	262 223	680 244	127 540	-	-	1 070 007
Balance value as of 31.12.2006	1 718 898	2 369 087	260 346	572 067	1 808 750	6 729 148
Balance value as of 31.03.2007	1 714 532	2 354 613	248 277	1 676 674	3 895 791	9 889 887

(Parent Company)

	Land, buildings and const- ructions LVL	Equipment and machinery LVL	Other fixed assets LVL	Fixed assets under const- ruction LVL	Advance payments on fixed assets LVL	Total LVL
Initial cost						
31.12.2006	1 755 815	718 884	203 383	12 455	-	2 690 537
Purchased	-	-	14 263	-	-	14 263
Excluded	(673 033)	(14 806)	(26 797)	-	-	(714 636)
Internal transfer	-	-	-	-	-	-
31.03.2007	1 082 783	704 077	190 848	12 455	-	1 990 164
Accumulated depreciation						
31.12.2006	231 494	348 541	104 213	-	-	684 248
Calculated depreciation	4 991	6 945	9 862	-	-	21 798
Depreciation of excluded fixed assets	(169 898)	(9 748)	(9 504)	-	-	(189 150)
31.03.2007	66 587	345 738	104 571	-	-	516 896
Balance value as of 31.12.2005	1 524 321	370 343	99 170	12 455	-	2 006 289
Balance value as of 31.03.2006	1 016 195	358 340	86 277	12 455	-	1 473 267

Consolidated and Parent Notes to Financial Statements**(13) Investments in subsidiaries**

	SIA Līvānu Ķieģelis LVL	SIA Kalnciema Ķieģelis LVL	SIA Lodes Ķieģelis LVL	SIA Latvijas Māli LVL	Kopā LVL
31.12.2005.	245 971	372 332	224 000	2 000	844 303
Invested in 1 st quarter of 2006	-	-	302 955	150 000	452 955
31.12.2006.	245 971	372 332	526 955	152 000	1 297 258
Invested in 01.04.-31.12.2006	-	806 882	312 361	-	1 119 243
Invested in 01.04.-31.12.2006 (using increase of retained earnings)	24 629	-	-	-	24 629
31.12.2006.	270 600	1 179 214	839 316	152 000	2 441 130
Invested in 1 st quarter of 2007	-	-	1 231 773	-	1 231 773
31.03.2007	270 600	1 179 214	2 071 089	152 000	3 672 903

Investments in subsidiaries:

Name of a company	Proportion of ownership interest	Purchase value	Value of a daughter company's share capital as of 31.12.2006	Profit/(loss) of a daughter company in the report period
	%	LVL	LVL	LVL
SIA „Lodes ķieģelis”	100	2 071 089	2 490 267	(14 675)
SIA „Latvijas māli”	100	152 000	251 330	(5 555)
SIA „Līvānu ķieģelis”	100	270 600	685 778	34 033
SIA „Kalnciema ķieģelis”	100	1 179 214	1 028 805	(12 175)
	-	3 672 903	4 456 180	1 628

(14) Finished outputs and goods for sale

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
Goods for sale	735 811	1 490 563	116 896	165 153
Provisions for stock	(34 964)	(14 377)	(6 258)	(3 737)
	700 847	1 476 186	110 638	161 416

(15) Debts of customers and clients

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
Inventory value of debts of customers and clients	1 346 378	874 518	1 321 516	866 527
Provisions for doubtful debts	(48 704)	(50 510)	(48 656)	(49 910)
	1 297 674	824 008	1 272 860	816 617

Consolidated and Parent Notes to Financial Statements**(16) Debts of related parties**

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
SIA „Līvānu ķieģelis”	-	-	1 640	1 780
SIA „Lodes ķieģelis”	-	-	513 547	474 760
SIA „Latvijas māli”	-	-	60 255	10 387
SIA „Kalnciema ķieģelis”	-	-	49 833	-
	<u>-</u>	<u>-</u>	<u>625 275</u>	<u>486 927</u>

(17) Loans to related parties (Parent Company)

Distribution of loans:	31.03.2007	31.03.2006
	LVL	LVL
SIA „Kalnciema ķieģelis”	500 000	177 000
SIA „Lodes ķieģelis”	300 000	-
SIA „Latvijas māli”	-	-
	<u>800 000</u>	<u>177 000</u>

(18) Other debtors

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
VAT on unpaid services	40 601	6 870	18 344	-
Overpayment of taxes	134 767	60 242	37 364	17 630
Settlements with personnel	48 366	934	48 366	590
Advance payments on services	60 687	16 463	3 451	14 810
Other debtors	23 906	57	-	6 401
	<u>308 327</u>	<u>84 566</u>	<u>107 525</u>	<u>39 431</u>

(19) Prepaid expenses

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
Advertisement expenses	-	2 096	-	2 096
Insurance	20 229	16 038	6 770	7 564
Subscription of press	1 116	957	830	716
Advance payments for cars into operative lease	25 894	16 404	25 894	16 404
Membership due for Riga Stock Exchange	3 750	3 744	3 750	3 744
Maintenance works in the rented Riga Office premises	1 017	2 373	1 017	2 373
Other costs of the next periods	2 846	727	2 846	427
	<u>54 852</u>	<u>42 339</u>	<u>41 107</u>	<u>33 324</u>

Consolidated and Parent Notes to Financial Statements**(20) Cash and cash equivalents in LVL and in currency**

Distribution of cash by currencies:		Consolidated				Parent Company			
		31.03.2007		31.03.2006		31.03.2007		31.03.2006	
		Currency	LVL	Currency	LVL	Currency	LVL	Currency	LVL
Cash	LVL	-	4 038	-	2 028	-	3 991	-	1 904
	USD	7	4	7	4	7	4	7	4
	EUR	108	76	1 353	951	108	76	1 353	951
Current account	LVL	-	690 655	-	127 027	-	15 303	-	9 978
Current account	PLN	19	3	74	13	19	3	74	13
Current account	EUR	111 697	78 501	73 329	51 536	106 710	74 996	73 329	51 536
Current account	RUB	95	2	98	17	95	2	98	17
Current account	LTL	28 103	5 733	101	20	28 103	5 733	101	20
Current account	EEK	122 283	5 491	150	7	122 283	5 491	150	7
		<u>784 503</u>		<u>181 603</u>		<u>105 599</u>		<u>64 430</u>	

(21) Share Capital

At 31 March 2007, the authorised share capital has not changed since 31 March 2006 and comprised 2 225 138 ordinary shares with nominal value LVL 1 per share, issue and fully paid.

(22) Other provisions

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
Provisions for unused vacations	194 367	169 776	90 896	84 277
Provisions for restoration of clay-pits	88 813	83 956	88 813	83 956
Other provisions	-	2 497	-	618
	<u>283 180</u>	<u>256 229</u>	<u>179 709</u>	<u>168 851</u>

(23) Deferred tax liabilities

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
Provisions for the deferred corporate income tax	199 593	205 560	104 514	193 575
	<u>199 593</u>	<u>205 560</u>	<u>104 514</u>	<u>193 575</u>

(24) Other loans

		Consolidated		Parent Company	
		31.03.2007	31.03.2006	31.03.2007	31.03.2006
		LVL	LVL	LVL	LVL
Financial lease SIA „Unilīzings”	LVL	112 382	114 813	32 384	95 242
Total long term part		<u>112 382</u>	<u>114 813</u>	<u>32 384</u>	<u>95 242</u>
Financial lease SIA „Unilīzings”	LVL	36 223	32 457	16 896	27 822
Total short term part		<u>36 223</u>	<u>32 457</u>	<u>16 896</u>	<u>27 822</u>
Total other loans		<u>148 605</u>	<u>147 270</u>	<u>49 280</u>	<u>123 064</u>

Consolidated and Parent Notes to Financial Statements*Financial lease liabilities***(Parent Company)**

On March 31st, 2007 the Company has concluded agreement on financial lease of the frontal loader with the following conditions:

No.	Company	Annual interest rate	Repayment date	Unpaid value as of 31.03.2007
1.	SIA „Unilīzings”	3 months RIGIBOR+1,5%	15.03.2007	LVL 49 280

(Daughter Companies)

On March 31st, 2007 SIA “Kalnciema ķieģelis” has concluded agreement on finance lease of vehicle and 2 agreements on financial leasing of lorry loaders with the following conditions:

No.	Company	Annual interest rate	Repayment date	Unpaid value as of 31.03.2007
1.	SIA „Unilīzings”	3 months RIGIBOR +2%	25.05.2011	LVL 10 987
2.	SIA „Unilīzings”	3 months RIGIBOR +1,5%	25.10.2011	LVL 16 300
3.	SIA „Unilīzings”	3 months RIGIBOR +1,5%	25.11.2011	LVL 11 800

On March 31st, 2007 SIA “Latvijas māli” has concluded 3 agreements on financial leasing of lorry loaders with the following conditions:

No.	Company	Annual interest rate	Repayment date	Unpaid value as of 31.03.2007
1.	SIA „Unilīzings”	3 months RIGIBOR +1,5%	25.10.2011	LVL 19 950
2.	SIA „Unilīzings”	3 months RIGIBOR +1,5%	25.10.2011	LVL 19 950
3.	SIA „Unilīzings”	3 months RIGIBOR +1,5%	25.11.2011	LVL 20 338

(25) Loans from Credit Institutions

	Consolidated				Parent Company			
	31.03.2007		31.03.2006		31.03.2007		31.03.2006	
	EUR	LVL	EUR	LVL	EUR	LVL	EUR	LVL
Long term part								
Loan in JSC „SEB Latvijas Unibanka”	LVL	-		41 006	-			24 000
Loan in JSC „SEB Latvijas Unibanka”	EUR	4 927 236	3 462 881	-	-	-	-	-
		<u>3 462 881</u>		<u>41 006</u>		<u>-</u>		<u>24 000</u>
Short term part								
Loan in JSC „SEB Latvijas Unibanka”	LVL		17 006	121 998	-			105 000
Loan in JSC „SEB Latvijas Unibanka”	EUR	749 496	526 749	-	-	-	-	-
Short term credit line in JSC „SEB Latvijas Unibanka”	LVL		1 671 734	1 720 670	1 348 990			1 215 884
		<u>2 215 489</u>		<u>1 842 668</u>	<u>1 348 990</u>			<u>1 320 884</u>
Total loans from credit institutions		<u>5 678 370</u>		<u>1 883 674</u>	<u>1 348 990</u>			<u>1 344 884</u>

Consolidated and Parent Notes to Financial Statements*Loans***(subsidiaries)**

A loan from JSC "SEB Latvijas Unibanka" was received by SIA "Kalnciema Ķieģelis" on 20 November 2002 for reconstruction and modernization of production equipment, and as at 31 March 2007 amounted to LVL 17 006. The loan is due on 25 October 2007, and the annual interest rate is 3 months UNIBOR + 2,26% p.a.. The loan is secured by the collateral of the entire subsidiary's movable property collectively and future components of this collective property.

SIA "Kalnciema Ķieģelis" signed a loan agreement with JSC "SEB Latvijas Unibanka" on 22 December 2006 for the total amount of EUR 7 571 000 for the Āne factory reconstruction and construction of new production lines. As at 31 March 2007 the loan received amounted to EUR 5 205 182. The loan is due on 20 December 2011, and the first principal payment is due on 21 January 2008. The annual interest rate is 3 months UNIBOR + 0,95% p.a.. The loan is secured by the collateral of existing and future non-current assets, inventories, receivables, mortgages on JSC "Lode" real estate located in Jelgava rajons, Kalnciems, Jelgavas 17, as well as guarantees of JSC "Lode", SIA "Latvijas Māli", and SIA "Līvānu ķieģelis".

SIA "Lodes Ķieģelis" signed a loan agreement with JSC "SEB Latvijas Unibanka" on 22 December 2006 for the total amount of EUR 857 000 for reconstruction of production lines. As at 31 March 2007 the loan received amounted to EUR 471 550. The loan is due on 20 December 2011, and the first principal payment is due on 21 January 2008. The annual interest rate is 3 months UNIBOR + 0,95% p.a.. The loan is secured by the collateral of existing and future non-current assets, inventories, receivables, as well as guarantees of JSC "Lode", SIA "Latvijas Māli", and SIA "Līvānu ķieģelis".

*Credit line***(Parent Company)**

A credit line agreement with JSC "SEB Latvijas Unibanka" was concluded on 12 December 2000. As at 31 March 2007, the amount of utilized credit line was LVL 1 348 990. The credit line is due on 30 November 2007 and the annual interest rate is 3 months UNIBOR + 0,95 % p.a. for the funds used.

(subsidiaries)

SIA "Kalnciema ķieģelis" concluded a credit line agreement with JSC "SEB Latvijas Unibanka" on 26 March 2003. As at 31 March 2007, the amount of utilized credit line was LVL 322 744. The credit line expires on 21 March 2008, and the annual interest rate is 3 months UNIBOR + 0,95 % p.a. on the used funds.

SIA "Līvānu ķieģelis" concluded a credit line agreement with SEB Latvijas Unibanka AS on 21 March 2007. As at 31 March 2007, the amount of utilized credit line was LVL 0. The credit line expires on 20 March 2008, and the annual interest rate is 3 months RIGIBOR + 3.12% p.a..

(26) Debts to related parties (Parent Company)

	31.03.2006	31.03.2005
	LVL	LVL
Short term division		
Debt on goods to SIA „Lodes ķieģelis”		
Debt on goods to SIA „Latvijas māli”	10 696	-
Debt on goods to SIA „Līvānu ķieģelis”	1 445	-
Debt on goods to SIA „Kalnciema ķieģelis”	140 890	126 734
	43 415	1 443

Consolidated and Parent Notes to Financial Statements**(27) Taxes and Social Insurance Payments****(Consolidated)**

Type of tax	Balance as of 31.12.2006	Calculated in 01.01.2007- 31.03.2007	Paid in 01.01.2007- 31.03.2007	Transferred to / from other taxes	Balance as of 31.03.2007
	LVL	LVL	LVL	LVL	LVL
Corporate income tax	178 759	-	(40 856)	-	137 903
Value added tax	(126 613)	(74 068)	80 702	63 384	(56 595)
State social insurance mandatory payments	56 051	184 089	(124 318)	(55 893)	59 929
Individual income tax	39 098	112 608	(106 043)	(7 491)	38 172
Natural resources tax	3 167	1 968	(3 168)	-	1 967
Real estate tax	762	9 988	(10 929)	-	(179)
Risk fee	107	315	(319)	-	103
	151 331	234 900	(204 931)	-	181 300

Including:	31.12.2006	31.03.2007
	LVL	LVL
Tax overpayments	(151 313)	(134 767)
Tax debt	302 644	316 067

Tax overpayments are shown in the item "Other Debtors".

(Parent Company)

Type of tax	Balance as of 31.12.2006	Calculated in 01.01.2007- 31.03.2007	Paid in 01.01.2007- 31.03.2007	Transferred to / from other taxes	Balance as of 31.03.2007
	LVL	LVL	LVL	LVL	LVL
Corporate income tax	152 240	-	(36 443)	-	115 797
Value added tax	(5 132)	(55 331)	-	23 099	(37 364)
State social insurance mandatory payments	7 649	48 395	(20 180)	(23 099)	12 765
Individual income tax	8 516	31 827	(31 542)	-	8 801
Natural resources tax	179	1 030	(180)	-	1 029
Real estate tax	211	6 422	(6 633)	-	-
Risk fee	13	35	(38)	-	10
	163 676	32 378	(95 016)	-	101 038

Including:	31.12.2006	31.03.2007
	LVL	LVL
Tax overpayments	(5 132)	(37 364)
Tax debt	168 808	138 402

Tax overpayments are shown in the item "Other Debtors".

Consolidated and Parent Notes to Financial Statements**(28) Other Creditors**

	Consolidated		Parent Company	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	LVL	LVL	LVL	LVL
Settlements with personnel	696	413	476	-
Salaries	100 960	87 346	25 808	27 582
Withheld rent fee on apartment	230	2 055	111	159
Withheld alimony	1 349	662	-	-
Other creditors	3 608	655	90	282
	<u>106 843</u>	<u>91 131</u>	<u>26 485</u>	<u>28 023</u>

(29) Number of employees employed by the Company

	Consolidated		Parent Company	
	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006
An average number of employees in the report period	<u>421</u>	<u>401</u>	<u>46</u>	<u>61</u>

(30) Personnel Expenses

Type of expenses	Consolidated		Parent Company	
	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006
	LVL	LVL	LVL	LVL
Remuneration for work	476 484	424 905	130 380	137 511
State social insurance mandatory payments	113 985	99 924	31 158	33 113
	<u>590 469</u>	<u>524 829</u>	<u>161 538</u>	<u>170 624</u>

(31) Information about remuneration of members of Council and Board**(Parent Company)**

	01.01.2007- 31.03.2007	01.01.2006- 31.03.2006
	LVL	LVL
Board members	36 508	27 729
Council members	18 530	18 564
	<u>55 038</u>	<u>46 293</u>