

Joint Stock Company LODE
non – audited consolidated and
parent financial statements
for the period ended 30 June 2007
prepared according 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 Board and their positions	<i>Jānis Slesars, Chairman of the Board, personal ID number 010349-11297, Skubiņa Street 28, Priekuļi Parish, Cēsis District, LV-4126</i> <i>Valdis Kokle, Board Member, personal ID number 240846-11286, Skubiņa Street 28, Priekuļi Parish, Cēsis District, LV-4126</i> <i>Director of Administration and Supply Department</i> <i>Jānis Garkalns, Board Member, personal ID number 271259-11298, Maija Street 2-12, Cēsis, LV-4100</i> <i>Chairman of the Board of the SIA „Lodes ķieģelis”</i>
Report period	<i>01.01.2007 – 31.06.2007</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.

Jānis Slesars
Chairman of the Board

20 August 2007

Management report for first half of 2007

Type of Activity

The Joint Stock Company coordinates operation of its four daughter companies which produce ceramic bricks, tiles, Keraterm blocks, clinker, tennis stone, clay powder; manages pits - makes stocks of clay and quartz sand, produces non-standard equipment and heating boilers. Arranges selling, marketing, advertising and transportation of the output. Keeps accounting of all companies of the Group. Participates in improvement of technological process of production, modernization of industrial capacity, development and implementation of new output, development of infrastructure.

Short Summary of Company's Activities in the Report Period

The following economic operation indicators have been provided by the JSC's Lode daughter companies in 1st half of 2007: net turnover of the JSC Lode in the first half of 2007 – LVL 4 759 510 which is by 1 047 thou LVL bigger compared to the similar period of 2006. The consolidated net turnover of Lode is LVL 4 851 029 which is bigger by 1 127 thou LVL than in the corresponding period of 2006.

SIA „Līvānu Ķieģelis” has sold 19 834 m³ of ceramic blocks, SIA „Kalnciema Ķieģelis” has sold 105 thousand units of tapestry bricks, 1 226 thousand units building bricks and 20 463 m³ of ceramic blocks, SIA „Lodes Ķieģelis” has sold 12 901 thousand units of ceramic products, SIA „Latvijas Māli” has sold 848 tons or 514 m³ of quartz sand.

Future Outlooks and Further Development

In the 2nd half of 2007 the Company is going to receive EU structural funds grants from the Latvian Agency of Investments and Development as investment projects in SIA „Lodes Ķieģelis” and SIA „Kalnciema Ķieģelis” to be finalized.

During the 2nd half of 2007 it is planned to master the dryer, kiln and setting sector's automatic equipment installed during reconstruction in **SIA „Lodes Ķieģelis”**.

In **SIA „Kalnciema Ķieģelis”** it is planned to launch new production line in Ane with output capacity of 160 000 m³ of KERATERM blocks per year and to adopt light color bricks production from the raw materials, where former clay from “Standart” pit will be substituted with a clay from “Kaigi” pit.

SIA “Līvānu Ķieģelis” will proceed with reconstruction works of the workshop's insulation and heating system, as well as repair of the roof and the roof windows. The employees' occupational hygiene and household conditions are going to be improved.

In the 2nd half of 2007 SIA „Latvijas Māli” will prepare the planned technological stock of raw materials, operate pits, as well as build and improve roads and areas for needs of the JSC Lode and its daughter companies.

Consolidated and Parent income statement for the period ended 30 June 2007

	Number of note	Consolidated		Parent company	
		01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL	01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL
Net turnover	2	4 851 029	3 724 443	4 759 510	3 712 039
Production costs of the sold output	3	(3 308 869)	(2 167 217)	(3 310 622)	(2 453 521)
Gross profit or loss		1 542 160	1 557 226	1 448 888	1 258 518
Selling costs	4	(469 975)	(452 360)	(469 976)	(454 465)
Administration costs	5	(547 166)	(478 231)	(403 961)	(379 032)
Other Company's income from operating activities	6	82 219	1 009 048	57 249	113 103
Other Company's expenses of operating activities	7	(21 095)	(180 960)	(32 088)	(80 339)
Profit from participation in capitals of the Concern's daughter companies and associated entities		0	0	342 740	0
Interest income and similar income	8	2 342	246	39 981	80
Interest payments and similar expenses	9	(35 765)	(71 137)	(57 721)	(53 203)
Profit [or loss] before taxes		552 720	1 383 832	925 112	404 662
Income tax		(158)	0	0	0
Other taxes	10	(20 256)	(9 460)	(13 209)	(8 444)
Profit [or loss] of the report period		532 306	1 374 372	911 903	396 218
Profit per share (EPS)		0,24	0,62	0,41	0,18

The accompanying notes from on pages 13 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

20 August 2007

Consolidated and Parent Balance Sheet as at 30 June 2007

Assets	Number of note	Consolidated		Parent company	
		01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL	01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL
Long term investments					
Intangible investments					
Other intangible investments		36 366	40 036	33 966	40 036
Total intangible investment	11	36 366	40 036	33 966	40 036
Fixed assets					
Land plots, buildings and constructions, perennial plants		1 718 190	1 739 454	1 013 478	1 619 418
Equipment and machinery		5 363 742	2 413 809	351 490	1 491 796
Other fixed assets and inventory		242 184	152 798	81 653	120 166
Formation of fixed assets and expenses of unfinished building projects		4 106 658	137 986	12 455	37 906
Advance payments for fixed assets		1 185 447	27 244	24 247	7 023
Total fixed assets	12	12 616 221	4 471 291	1 483 323	3 276 309
Long term financial investments		12 652 587	4 511 327	1 517 289	3 316 345
Participation in capital of allied companies	13	0	0	3 672 903	1 297 258
Loans to allied companies		0	0	1 649 613	327 000
Total long term financial investments		0	0	5 322 516	1 624 258
Total long term investments		12 652 587	4 511 327	6 839 805	4 940 603
Current assets					
Stock					
Raw materials, basic materials and subsidiary materials		548 126	561 521	41 643	80 251
Unfinished output		74 323	111 108		
Finished output and goods for sale	14	370 197	1 194 451	76 053	110 242
Advance payments for goods		30 351	15 518	17 735	13 204
Total stock		1 022 997	1 882 598	135 431	203 697
Debtors					
Debts of customers and clients	15	1 353 567	1 675 981	1 343 913	1 651 720
Debts of related parties	16	-	-	249 084	134 980
Loans to related parties	17	-	-	300 000	-
Other debtors	18	356 361	110 942	166 232	86 920
Prepayments	19	41 005	31 762	31 165	26 336
Total debtors		1 750 933	1 818 685	2 090 394	1 899 956
Cash means	20	293 588	320 633	211 196	204 703
Total floating assets		3 067 518	4 021 916	2 437 021	2 308 356
Total sum of assets		15 720 105	8 533 243	9 276 826	7 248 959

Consolidated and Parent Balance Sheet as at 30 June 2007

Liabilities	Number of note	Consolidated		Parent company	
		01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL	01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 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	2 077 074	3 181 526	2 006 469
Retained earnings of the year		532 306	1 374 372	911 904	396 217
Total equity capital		6 720 619	5 676 584	6 318 568	4 627 824
Accruals					
Other accruals	22	313 791	303 283	180 685	182 516
Total accruals		313 791	303 283	180 685	182 516
Creditors					
Long term creditors					
Deferred tax liabilities	23	199 593	205 560	104 514	193 575
Loans from credit institutions	25	4 961 682	8 507	-	-
Other loans	24	103 139	105 055	28 160	78 174
Total long term creditors		5 264 414	319 122	132 674	271 749
Short term creditors					
Loans from credit institutions	25	2 700 016	1 572 122	1 537 364	1 234 760
Other loans	24	36 534	44 030	16 896	35 552
Advance payments received from clients		55 693	125 833	55 311	125 360
Debts to suppliers and contractors		384 663	244 997	128 791	133 948
Debts to allied companies	26	-	-	853 359	589 890
Taxes and social security payments	27	123 413	140 946	26 192	22 012
Other creditors	28	120 962	106 326	26 986	25 348
Total short term creditors		3 4212 81	2 234 254	2 644 899	2 166 870
Total creditors		8 685 695	2 553 376	2 777 573	2 438 619
Total sum of liabilities		15 720 105	8 533 243	9 276 826	7 248 959

The accompanying notes from on pages 13 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

20 August 2007

Consolidated and Parent Statement of Cash Flows for the period ended 30 June 2007

	Number of note	Consolidated		Parent company	
		01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL	01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL
Cash flow from basic activities					
1. Profit or loss before exceptional items and taxes		532 306	1 374 372	911 904	396 217
Corrections:					
Depreciation of fixed assets and intangible investments;		176 098	135 988	45 262	73 981
Non-amortized value of excluded fixed assets;		(1 412)	3 284	(1 412)	3 056
Formation of accruals (excluding accruals for doubtful debts);		(19 019)	82 243	(39 304)	30 976
Interest payments		33 596	50 911	32 751	37 297
Interest income		(2 342)		(178)	
2. Profit or loss before corrections influenced by changes in balance of the floating assets and short term liabilities		719 227	1 646 798	949 023	541 527
Corrections:					
increase or decrease in balance of debtors' debts;		(355 849)	(810 691)	(450 702)	(377 254)
increase or decrease in balance of accruals;		465 866	(84 440)	(21 436)	224 353
increase or decrease in balance of debts payable to suppliers, contractors and other creditors		(77 440)	257 159	514 927	469 205
Unrealized profit of previous periods		13 648	77 632		
3. Net cash flow from basic activities		765 452	1 086 458	1 893 216	857 831
4. Expenses on interest payments		(33 596)	(50 911)	(32 751)	(37 297)
5. Paid income tax		(138 006)	(148 105)	(115 412)	(121 924)
<i>Net cash flow from basic activities</i>		593 850	887 442	1 745 053	698 610
Cash flow investing activities					
Purchase of fixed assets and intangible investments		(6 074 996)	(457 820)	(46 955)	(193 404)
Investments in subsidiaries		-	-	(1 231 773)	-
Income from selling of fixed assets and intangible investments		12 575	-	530 097	-
loans issued		-	-	(300 000)	-
Interest received		2 342	-	178	-
Dividends paid		-	(111 257)	-	(111 257)
<i>Net cash flow from investing activities</i>		(6 060 079)	(569 077)	(1 048 453)	(304 661)

Consolidated and Parent Statement of Cash Flows for the period ended 30 June 2007

	Number of note	Consolidated		Parent company	
		01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL	01.01.2007- 30.06.2007 LVL	01.01.2006- 30.06.2006 LVL
Cash flow from financing activities					
Paid liabilities of financial leasing		(19 932)	(23 761)	(10 563)	(20 485)
Loans received		4 503 202	-	-	-
Expenses on repayment of loans		-	(66 866)	-	(61 200)
Received liabilities of financial leasing		-	12 884	-	-
Loan to Group companies for investment in the fixed capital		-	-	(1 149 613)	(281 800)
Using of credit line		442 740	(5 697)	310 468	(93 908)
Net cash flow from financing activities		4 926 010	(83 440)	(849 708)	(269 577)
Net increase/(decrease) in money and its equivalents		(540 219)	234 925	(153 108)	124 372
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	293 587	320 633	211 196	204 703

The accompanying notes from on pages 13 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

20 August 2007

Consolidated and the Parent Statement of Changes in Shareholder's Equity for the period ended 30 June 2007**Consolidated**

	Fixed capital LVL	Undivided profit of the previous years LVL	Undivided profit of the report year LVL	Total equity LVL
31.12.2005	2 225 138	1 228 266	882 433	4 335 837
Profit of 2005 carried over to undivided profit of the previous years	-	882 433	(882 433)	-
Correction for the unrealized profit of the year 2005	-	77 632	-	77 632
Paid dividends for the year 2005	-	(111 257)	-	(111 257)
Retained earnings of the report period	-	-	1 374 372	1 374 372
30.06.2006	2 225 138	2 077 074	1 374 372	5 676 584
Retained earnings of the report period (01.07.-31.12.06)	-	-	498 081	498 081
Correction for the unrealized profit of the year 2005	-	(77 632)	77 632	-
31.12.2006	2 225 138	1 999 442	1 950 085	6 174 665
Profit of the year 2006 moved to profit of previous periods	-	1 950 085	(1 950 085)	-
Retained earnings of the report period	-	-	532 307	532 307
Correction for the unrealized profit of the year 2006	-	13 648	-	13 648
30.06.2007	2 225 138	3 963 175	532 307	6 720 620

The accompanying notes from on pages 13 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

20 August 2007

Consolidated and the Parent Statement of Changes in Shareholder's Equity for the period ended 30 June 2007**Parent company**

	Fixed capital	Undivided profit of the previous years	Undivided profit of the report year	Total equity capital
	LVL	LVL	LVL	LVL
31.12.2005	2 225 138	1 265 694	852 032	4 342 864
Profit of year 2005 moved to profit of previous periods	-	852 032	(852 032)	-
Paid dividends for the year 2005	-	(111 257)	-	(111 257)
Undivided profit of the report period	-	-	396 217	396 217
30.06.2006	2 225 138	2 006 469	396 218	4 627 825
Undivided profit of the report period (2nd half 2006)	-	-	778 839	778 839
31.12.2006.	2 225 138	2 006 469	1 175 057	5 406 664
Profit of year 2006 moved to profit of previous periods	-	1 175 057	(1 175 057)	-
Undivided profit of the report period	-	-	911 904	911 904
30.06.2007	2 225 138	3 181 526	911 904	6 318 568

The accompanying notes from on pages 13 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

20 August 2007

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

There are no changes in accounting policy during the reporting period

(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 allowances.

Activity form	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Ceramic bricks, tiles, Keraterm blocks and clinker sales	4 851 029	3 724 443	4 759 510	3 712 039
	4 851 029	3 724 443	4 759 510	3 712 039

(3) Costs of goods sold

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Expenses on materials	650 196	358 867	790	3 153
Electric power	169 598	127 283	-	-
Gas	691 905	555 540	-	-
Personnel expenses	747 995	626 374	-	-
Depreciation of fixed assets	135 280	91 049	-	-
Expenses related to purchase of goods	78 888	311 676	3 284 665	2 396 380
Other	228 263	93 623	-	-
Changes in stock	606 744	2 805	25 166	53 988
	3 308 869	2 167 217	3 310 621	2 453 521

(4) Distribution expenses

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Personnel expenses	97 104	87 871	97 104	87 874
Depreciation of fixed assets	3 250	2 971	3 250	2 971
Expenses on advertising and representations	43 518	47 714	43 518	47 814
Transportation expenses	280 445	283 935	280 445	284 095
Expenses on business trips	4 440	5 262	4 440	5 262
Transport expenses of selling administration	10 813	7 169	10 813	7 169
Other	30 405	17 438	30 406	19 283
	469 975	452 360	469 976	454 465

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

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Personnel expenses	327 150	292 765	225 965	236 333
Depreciation of fixed assets	16 267	16 274	13 769	16 151
Rent of premises	3 885	4 919	3 885	4 919
Business trip expenses	2 700	10 414	2 700	7 667
Office expenses	2 828	3 269	1 411	1 215
Communication expenses	12 886	13 780	8 167	9 674
Transportation	47 394	41 008	35 829	34 676
Training	404	1 509	162	1 509
Riga Stock Exchange fees	5 000	2 504	5 000	2 504
State duty payable to the Land Register	25 452	-	25 452	-
Insurance	7 898	20 379	5 995	12 812
Security	21 435	14 891	15 747	10 480
Professional services	23 638	10 245	22 477	7 615
Other	50 229	46 274	37 403	33 477
	547 166	478 231	403 961	379 032

(6) Other operating income

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Profit from sales of materials	6 415	87 727	2 582	69 052
Profit from sales of scrap metal	72 362	-	29 487	-
Profit from sales of fixed assets	1 561	-	1 561	-
Income from rent of fixed assets	18	6 239	23 055	40 211
Income from sauna services	374	228	374	228
Employment of the unemployed	240	2 654	-	-
Income from sales of greenhouse gas emission quota	-	908 833	-	-
Other	1 249	3 367	190	3 612
	82 219	1 009 048	57 249	113 103

(7) Other operating expenses

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Amortisation of leased fixed assets	5	18 755	23 038	52 727
Write off of fixed assets	149	-	149	-
Expenses on materials	-	151 031	1 759	19 860
Expenses not related to operating activities	8 341	7 588	6 839	4 565
Penalties	8	12	-	9
Other expenses	12 592	3 574	303	3 178
	21 095	180 960	32 088	80 339

Consolidated and Parent Notes to Financial Statements**(8) Interest Income and Similar Income**

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Interest income from related parties	-	-	20 389	-
Other interest income and similar income	2 342	246	19 592	80
	2 342	246	39 981	80

(9) Interest Expenses and Other Expenses

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Interest payments to credit institutions	33 596	49 844	32 751	37 027
Loss of foreign exchange	(3 360)	20 226	23 124	15 906
Other interest expenses and similar costs	5 529	1 067	1 846	270
	35 765	71 137	57 721	53 203

(10) Other Taxes

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Real estate tax on land	1 355	1 968	399	952
Real estate tax on buildings, constructions	18 901	7 492	12 810	7 492
Income tax	158	-	-	-
	20 414	9 460	13 209	8 444

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

	Other intangible investments
	LVL
Initial costs	
31.12.2006	50 985
Purchased	3 442
30.06.2007	54 427
Accumulated depreciation	
31.12.2006	12 992
Calculated depreciation	5 069
31.03.2007	18 061
Balance value as of 31.12.2006	37 993
Balance value as of 30.06.2007	36 366

Consolidated and Parent Notes to Financial Statements**(12) Statement on Changes in Fixed Assets****(Consolidated)**

	Land, buildings and construct- ions LVL	Equipment and machinery LVL	Other fixed assets LVL	Fixed assets under construction 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	521 171	77 941	39 140	1 821 290	4 157 222	6 616 764
Excluded	(673 033)	(14 811)	(34 425)	(24 903)	-	(747 172)
Transferred to other item	-	3 042 320	-	1 738 204	(4 780 524)	-
30.06.2007	1 844 841	6 098 715	383 426	4 106 658	1 185 448	13 619 087
Accumulated depreciation						
31.12.2006	277 805	624 178	118 365	-	-	1 020 348
Calculated depreciation	18 744	120 544	36 810	-	-	176 098
Depreciation of excluded fixed assets	(169 898)	(9 749)	(13 934)	-	-	(193 581)
30.06.2007	126 651	734 973	141 241	-	-	1 002 865
Balance value as of						
31.12.2006	1 718 898	2 369 087	260 346	572 067	1 808 750	6 729 147
Balance value as of						
30.06.2007	1 718 190	5 363 742	242 184	4 106 658	1 185 447	12 616 221

(Parent Company)

	Land, buildings and construct- ions LVL	Equipment and machinery LVL	Other fixed assets LVL	Fixed assets under construction 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	-	-	21 666	-	24 247	45 913
Excluded	(673 033)	(14 806)	(34 366)	-	-	(722 205)
Transferred to other item	-	-	-	-	-	-
30.06.2007	1 082 782	704 078	190 683	12 455	24 247	2 014 245
Accumulated depreciation						
31.12.2006	231 494	348 541	104 213	-	-	684 248
Calculated depreciation	7 709	13 794	18 690	-	-	40 194
Depreciation of excluded fixed assets	(169 898)	(9 748)	(13 874)	-	-	(193 520)
30.06.2007	69 305	352 587	109 029	-	-	530 922
Balance value as of						
31.12.2006	1 524 321	370 343	99 170	12 455	-	2 006 289
Balance value as of						
30.06.2007	1 013 478	351 490	81 653	12 455	24 247	1 483 323

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

	SIASIA Līvānu Ķieģelis LVL	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 1st half of 2006	-	-	302 955	150 000	452 955
30.06.2006	245 971	372 332	526 955	152 000	1 297 258
Invested 01.07.-31.12.2006	-	806 882	312 361	-	1 119 243
Invested 01.07.-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 half of 2007	-	-	1 231 773	-	1 231 773
30.06.2007	270 600	1 179 214	2 071 089	152 000	3 672 903

Investments into Group companies:

Name of a company	Number of equities hold as of 30.06.2007 %	Purchase value LVL	Value of a daughter company's equity capital as of 30.06.2007 LVL	Profit / (loss) of daughter companies of the report period LVL
SIA „Lodes ķieģelis”	100	2 071 089	2 409 982	(94 960)
SIA „Latvijas māli”	100	152 000	245 321	(11 564)
SIA „Līvānu ķieģelis”	100	270 600	374 020	65 015
SIA „Kalnciema ķieģelis”	100	1 179 214	1 045 632	4 652
		3 672 903	4 074 955	(36 857)

(14) Finished outputs and goods for sale

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
Goods for sale	370 197	1 194 451	76 053	110 242
	370 197	1 194 451	76 053	110 242

(15) Debts of customers and clients

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
Inventory value of debts of customers and clients	1 402 223	1 726 119	1 392 569	1 701 258
Accruals for doubtful debtors	(48 656)	(50 138)	(48 656)	(49 538)
	1 353 567	1 675 981	1 343 913	1 651 720

Consolidated and Parent Notes to Financial Statements**(16) Debts of Group Companies**

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
SIA „Līvānu ķieģelis”	-	-	4 809	156
SIA „Lodes ķieģelis”	-	-	177 436	118 677
SIA „Latvijas māli”	-	-	35 566	8 281
SIA „Kalnciema ķieģelis”	-	-	31 276	7 866
	-	-	249 087	134 980

(17) Loans to Group Companies (Parent Company)

Distribution of loans:	30.06.2007	30.06.2006
	LVL	LVL
SIA „Kalnciema ķieģelis”	-	327 000
SIA „Lodes ķieģelis”	300 000	-
SIA „Latvijas māli”	-	-
	300 000	327 000

(18) Other debtors

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
VAT on unpaid services	46 662	23 533	5 264	17 672
Overpayment of taxes	236 020	78 557	153 262	62 799
Settlements with personnel	20	1 323	20	1 090
Advance payments on services	57 100	7 439	1 500	5 359
Other debtors	16 559	90	6 186	-
	356 361	110 942	166 232	86 920

(19) Deferred expenses

The item demonstrates costs borne during the report period but relating to the next report periods.

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
Advertisement expenses	-	1 366	-	1 366
Insurance	14 669	10 734	4 829	5 473
Subscription of press	544	673	544	508
Write-off of advance payments for use of cars into operative leasing	22 233	12 998	22 233	12 998
Annual fee for membership in the Riga Stock Exchange	-	2 496	-	2 496
Maintenance works in the rented Riga Office premises	678	2 034	678	2 034
Other costs of the next periods	2 881	1 461	2 881	1 461
	41 005	31 762	31 165	26 336

Consolidated and Parent Notes to Financial Statements**(20) Cash means in LVL and in Foreign Currency According to the exchange rate established by the Bank of Latvia**

Cash means by currency types:		Consolidated				Parent Company			
		30.06.2007		30.06.2006		30.06.2007		30.06.2006	
		Currency	LVL	Currency	LVL	Currency	LVL	Currency	LVL
Vault cash	LVL	-	3 827	-	5 342	-	3 103	-	4 998
	USD	7	4	7	4	7	4	7	4
	EUR	108	76	106	74	108	76	106	74
Current account	LVL	-	121 651	-	137 195	-	40 371	-	21 578
Current account	PLN	246 404	47 691	392 831	67 960	256 404	47 691	392 831	67 960
Current account	EUR	127 632	89 702	52 544	36 928	125 432	89 314	52 544	36 928
Current account	RUB	495 213	10 003	2 959 627	61 264	495 213	10 003	2 959 627	61 264
Current account	LTL	48 495	9 893	45 184	9 218	48 495	9 893	45 184	9 218
Current account	EEK	239 217	10 741	59 645	2 678	239 217	10 741	59 645	2 678
			293 588		320 633		211 196		204 703

(21) Fixed Capital

The Company's fixed capital as of the June 30, 2007 is LVL 2 225 138 and consists of 2 225 138 capital shares, nominal value of each share is LVL 1.

(22) Other Accruals

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
Vacation accruals	188 316	197 383	83 917	92 215
Accruals for restoration of clay-pits	90 511	86 172	90 511	86 172
Other accruals	34 964	19 828	6 257	4 129
	313 791	303 383	180 685	182 516

(23) Accruals for Deferred Tax

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
Accruals for the deferred corporate income tax	199 593	205 560	104 514	193 575
	199 593	205 560	104 514	193 575

(24) Other Loans

		Consolidated		Parent Company	
		30.06.2007	30.06.2006	30.06.2007	30.06.2006
		LVL	LVL	LVL	LVL
Long term division					
Financial leasing SIA „Unilzings”	LVL	103 139	105 055	28 160	78 174
		103 139	105 055	28 160	78 174
Short term division					
Financial leasing SIA „Unilzings”	LVL	36 534	44 030	16 896	35 552
Total other loans		139 673	149 085	45 056	113 726

Consolidated and Parent Notes to Financial Statements*Financial Leasing Liabilities***(Parent Company)**

As of June 30th, 2007 the Company has frontal loaders financial leasing agreement concluded with the following conditions:

No.	Company	Annual interest rate	Repayment date	Unpaid value as of 30.06.2007
1.	SIA „Unilizings”	3 mēn.RIGIBOR + 1.5 %	25.02.2010.	LVL 45 056

(subsidiaries)

As of June 30th, 2007 SIA “Kalnciema Ķieģelis” has concluded agreement on financial leasing for a vehicle and two financial leasing for a loaders with the following conditions:

No.	Company	Annual interest rate	Repayment date	Unpaid value as of 30.06.2007
1.	SIA „Unilizings”	3 mēn.RIGIBOR+ 2 %	25.05.2011	LVL 10 440
2.	SIA „Unilizings”	3 mēn.RIGIBOR+1.5 %	25.10.2011	LVL 15 534
3.	SIA „Unilizings”	3 mēn.RIGIBOR+ 1.5 %	25.11.2011	LVL 11 258

As of June 30th, 2007 SIA “Latvijas māli” has three agreements concluded on financial leasing for loaders with the following conditions:

No.	Company	Annual interest rate	Repayment date	Unpaid value as of 30.06.2007
1.	SIA „Unilizings”	3 mēn.RIGIBOR+ 1.5 %	25.10.2011	LVL 19 012
2.	SIA „Unilizings”	3 mēn.RIGIBOR+1.5 %	25.10.2011	LVL 19 012
3.	SIA „Unilizings”	3 mēn.RIGIBOR+ 1.5 %	25.11.2007	LVL 19 402

(25) Loans from Credit Institutions

		Consolidated				Parent Company			
		30.06.2007		30.06.2006		30.06.2007		30.06.2006	
		EUR	LVL	EUR	LVL	EUR	LVL	EUR	LVL
Long term division									
Loan from JSC „SEB Latvijas Unibanka”	LVL	-	-	-	8 507	-	-	-	-
Loan from JSC „SEB Latvijas Unibanka”	EUR	7 059 836	4 961 682	-	-	-	-	-	-
Total		-	4 961 682	-	8 507	-	-	-	-
Short term division									
Loan from JSC „SEB Latvijas Unibanka”	LVL	-	11 340	-	111 631	-	-	-	91 800
Loan from JSC „SEB Latvijas Unibanka”	EUR	946 374	665 115	-	-	-	-	-	-
Short term credit line in JSC „SEB Latvijas Unibanka”	LVL	-	486 196	-	1 460 491	-	1 537 364	-	1 142 960
Total		-	1 162 651	-	1 572 122	-	1 537 364	-	1 234 760
Total of loans from credit institutions		-	6 124 333	-	1 580 629	-	1 537 364	-	1 234 760

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 30 June loan amounted to LVL 11 340. The loan is due on 25 October 2007, the annual interest rate is 3 months UNIBOR + 2,26%. The loan is secured by the collateral of the entire subsidiary's movable property collectively as of November 20, 2002 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 30 June 2007 the loan received amounted to EUR 7 277 000. 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 EURIBOR + 0,95%. The loan is secured by the collateral of existing and future fixed assets, inventories, receivables, mortgages on JSC "Lode" real estate located in Jelgava rajons, Kalnciems, Jelgavas street 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 30 June 2007 the loan received amounted to EUR 729 210. 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%. 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 lines***(Parent Company)**

A credit line agreement with JSC "SEB Latvijas Unibanka" for amount of 1 600 000 LVL was concluded on 12 December 2000. As at 30 June 2007, the amount of utilized credit line was LVL 1 537 364. The credit line is due on 30 November 2007 and the annual interest rate is 3 months UNIBOR + 0,95 % for the funds used.

(subsidiaries)

SIA "Kalnciema ķieģelis" concluded a credit line agreement with JSC "SEB Latvijas Unibanka" for 400 000 LVL on 26 March 2003. As at 30 June 2007 the amount utilized was LVL 365 156. The credit line expires on 21 March 2008, and the annual interest rate is 3 months UNIBOR + 0,95 % on the used funds.

SIA "Līvānu ķieģelis" concluded a credit line agreement with SEB Latvijas Unibanka AS on 21 March 2007. As at 30 June 2007, the amount of utilized credit line was LVL 121 040. The credit line expires on 20 March 2008, and the annual interest rate is 3 months UNIBOR + 0,95% on the used funds.

(26) Debts to Group Companies (Parent Company)

	30.06.2007	30.06.2006
	LVL	LVL
Short term division		
Debt on goods to SIA „Lodes ķieģelis”	312 677	212 489
Debt on goods to SIA „Latvijas māli”	1 202	2 768
Debt on goods to SIA „Līvānu ķieģelis”	170 626	207 602
Debt on goods to SIA „Kalnciema ķieģelis”	368 854	167 031
	853 359	589 890

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- 30.06.2007	Paid in 01.01.2007- 30.06.2007	Transferred from / to other taxes	Balance as of 30.06.2007
	LVL	LVL	LVL		LVL
Corporate income tax	178 759	8 082	(262 911)	(50 314)	(126 386)
Value added tax	(126 613)	(182 241)	(7 379)	237 754	(78 479)
Social security contributions	56 051	373 411	(205 562)	(150 271)	73 629
Personal income tax	39 098	226 595	(191 505)	(37 169)	37 019
Nature resource tax	3 167	5 250	(5 138)	-	3 280
Real estate tax (land)	-	1 355	(1 355)	-	-
Real estate tax (buildings)	762	18 902	(19 664)	-	-
Risk fee	107	636	(636)	-	107
	151 331	451 990	(694 150)	-	(90 830)
Including:	31.12.2006				30.06.2007
	LVL				LVL
Tax overpayments	(151 313)				(204 865)
Tax debt	302 644				114 035

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- 30.06.2007	Paid in 01.01.2007- 30.06.2007	Transferred from / to other taxes	Balance as of 30.06.2007
	LVL	LVL	LVL		LVL
Corporate income tax	152 240	-	(205 803)	(58 153)	(111 716)
Value added tax	(5 132)	(142 241)	-	109 522	(37 851)
Social security contributions	7 649	87 990	(33 372)	(51 369)	10 898
Personal income tax	8 516	62 467	(61 998)	-	8 985
Nature resource tax	179	3 482	(1 210)	-	2 451
Real estate tax (land)		398	(398)	-	-
Real estate tax (buildings)	211	12 811	(13 022)	-	-
Risk fee	13	69	(72)	-	10
	163 676	24 976	(315 875)	-	(127 223)
Including:	31.12.2006				30.06.2007
	LVL				LVL
Tax overpayments	(5 132)				(149 568)
Tax debt	168 808				22 345

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

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

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	LVL	LVL	LVL	LVL
Settlements with personnel	829	557	532	-
Salary of employees	113 221	103 261	26 381	25 170
Withheld rent fee on apartment	5 643	1 417	73	68
Withheld alimony	860	340	-	-
Other creditors	409	751	-	110
	120 962	106 326	26 986	25 348

(29) Number of Employees Employed by the Company

	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
An average number of employees in the report period	418	426	48	60

(30) Personnel Expenses

Type of expenses	Consolidated		Parent Company	
	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL	LVL	LVL
Remuneration for work	1 146 517	894 866	297 106	247 194
State obligatory social security payments	267 446	210 849	64 544	56 804
	1 413 963	1 105 715	361 650	303 998

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

	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	LVL	LVL
Board members	38 854	56 482
Council members	86 490	37 127
	125 344	93 609

Exchange rate

30.06.2007. 1 EUR = 0.702804 LVL