

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 – EUR 6 772 173 which is by 1 490 th. EUR bigger compared to the similar period of 2006. The consolidated net turnover of Lode is EUR 6 902 392 which is bigger by 1 603 th. EUR more 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 EUR	01.01.2006- 30.06.2006 EUR	01.01.2007- 30.06.2007 EUR	01.01.2006- 30.06.2006 EUR
Net turnover	2	6 902 392	5 299 405	6 772 173	5 281 756
Production costs of the sold output					
	3	(4 708 096)	(3 083 672)	(4 710 591)	(3 491 046)
Gross profit or loss		2 194 296	2 215 733	2 061 582	1 790 710
Selling costs	4	(668 714)	(643 650)	(668 716)	(646 645)
Administration costs	5	(778 547)	(680 461)	(574 785)	(539 314)
Other Company's income from operating activities	6	116 987	1 435 746	81 458	160 931
Other Company's expenses of operating activities	7	(30 015)	(257 483)	(45 657)	(114 312)
Profit from participation in capitals of the Concern's daughter companies and associated entities		-	-	487 675	-
Interest income and similar income	8	3 332	350	56 888	114
Interest payments and similar expenses	9	(50 889)	(101 219)	(82 130)	(75 701)
Profit [or loss] before taxes		786 450	1 969 016	1 316 316	575 782
Income tax		(225)	-	-	-
Other taxes	10	(28 822)	(13 460)	(18 795)	(12 015)
Profit [or loss] of the report period		757 403	1 955 555	1 297 521	563 767
Profit per share (EPS)		0.34	0.88	0.58	0.25

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 EUR	01.01.2006- 30.06.2006 EUR	01.01.2007- 30.06.2007 EUR	01.01.2006- 30.06.2006 EUR
Long term investments					
Intangible investments					
Other intangible investments		51 744	56 966	48 329	56 966
Total intangible investment	11	51 744	56 966	48 329	56 966
Fixed assets					
Land plots, buildings and constructions, perennial plants		2 428 437	2 475 020	1 442 049	2 304 224
Leased fixed assets		16 327	-	-	-
Equipment and machinery		7 631 917	3 434 541	500 125	2 122 634
Other fixed assets and inventory		344 597	217 412	116 182	170 981
Formation of fixed assets and expenses of unfinished building projects		5 843 248	196 336	17 722	53 935
Advance payments for fixed assets		1 686 739	38 765	34 500	9 993
Total fixed assets	12	17 951 265	6 362 074	2 110 578	4 661 768
Long term financial investments					
Participation in capital of allied companies	13	-	-	5 226 070	1 845 832
Loans to allied companies		-	-	2 347 188	465 279
Total long term financial investments		-	-	7 573 258	2 311 111
Total long term investments		18 003 009	6 419 040	9 732 166	7 029 845
Current assets					
Stock					
Raw materials, basic materials and subsidiary materials		779 913	798 972	59 253	114 187
Unfinished output		105 752	158 092	-	-
Finished output and goods for sale	14	526 743	1 699 551	108 214	156 860
Advance payments for goods		43 186	22 080	25 235	18 788
Total stock		1 455 594	2 678 696	192 701	289 835
Debtors					
Debts of customers and clients	15	1 925 952	2 384 706	1 912 216	2 350 186
Debts of related parties	16	-	-	354 415	192 059
Loans to related parties	17	-	-	426 862	-
Other debtors	18	507 056	157 856	236 527	123 676
Prepayments	19	58 345	45 193	44 344	37 473
Total debtors		2 491 353	2 587 756	2 974 363	2 703 394
Cash means	20	417 738	456 220	300 505	291 266
Total floating assets		4 364 685	5 722 671	3 467 568	3 284 495
Total sum of assets		22 367 694	12 141 711	13 199 734	10 314 339

Liabilities	Number of note	Consolidated		Parent company	
		01.01.2007-30.06.2007 EUR	01.01.2006-30.06.2006 EUR	01.01.2007-30.06.2007 EUR	01.01.2006-30.06.2006 EUR
Equity capital					
Share capital	21	3 166 086	3 166 086	3 166 086	3 166 086
Retained earnings of previous years		5 639 090	2 955 410	4 526 904	2 854 948
Retained earnings of the year		757 403	1 955 555	1 297 522	563 766
Total equity capital		9 562 579	8 077 051	8 990 512	6 584 800
Accruals					
Other accruals	22	446 484	431 533	257 092	259 697
Total accruals		446 484	431 533	257 092	259 697
Creditors					
Long term creditors					
Deferred tax liabilities	23	283 995	292 486	148 710	275 432
Loans from credit institutions	25	7 059 837	12 104	-	-
Other loans	24	146 754	149 480	40 068	111 232
Total long term creditors		7 490 586	454 070	188 778	386 664
Short term creditors					
Loans from credit institutions	25	3 841 777	2 236 928	2 187 472	1 756 905
Other loans	24	51 983	62 649	24 041	50 586
Advance payments received from clients		79 244	179 044	78 700	178 371
Debts to suppliers and contractors		547 326	348 599	183 253	190 591
Debts to allied companies	26	-	-	1 214 220	839 338
Taxes and social security payments	27	175 601	200 548	37 268	31 320
Other creditors	28	172 113	151 288	38 398	36 067
Total short term creditors		4 868 044	3 179 057	3 763 352	3 083 178
Total creditors		12 358 631	3 633 127	3 952 130	3 469 842
Total sum of liabilities		22 367 694	12 141 711	13 199 734	10 314 339

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 EUR	01.01.2006- 30.06.2006 EUR	01.01.2007- 30.06.2007 EUR	01.01.2006- 30.06.2006 EUR
Cash flow from basic activities					
1. Profit or loss before exceptional items and taxes		757 403	1 955 555	1 297 522	563 766
Corrections:					
Depreciation of fixed assets and intangible investments;		250 565	193 493	64 402	105 265
Non-amortized value of excluded fixed assets;		(2 009)	4 673	(2 009)	4 348
Formation of accruals (excluding accruals for doubtful debts);		(27 062)	117 021	(55 925)	44 075
Interest payments		47 803	72 440	46 600	53 069
Interest income		(3 332)	-	(253)	-
2. Profit or loss before corrections influenced by changes in balance of the floating assets and short term liabilities		1 023 368	2 343 182	1 350 338	770 524
Corrections:					
increase or decrease in balance of debtors' debts;		(506 328)	(1 153 509)	641 291	(536 784)
increase or decrease in balance of accruals;		662 868	(120 147)	(30 501)	319 226
increase or decrease in balance of debts payable to suppliers, contractors and other creditors		(110 187)	365 904	732 675	667 619
Unrealized profit of previous periods		19 419	110 460	-	-
3. Net cash flow from basic activities		1 089 140	1 545 890	2 693 804	1 220 584
4. Expenses on interest payments		(47 803)	(72 440)	(46 600)	(53 069)
5. Paid income tax		(196 365)	(210 734)	(164 216)	(173 482)
Net cash flow from basic activities		844 972	1 262 716	2 482 987	994 032
Cash flow investing activities					
Purchase of fixed assets and intangible investments		(8 643 941)	(651 419)	(66 811)	(275 189)
Investments in subsidiaries		-	-	(1 752 655)	-
Income from selling of fixed assets and intangible investments		17 893	-	754 260	-
loans issued		-	-	(426 862)	-
Interest received		3 332	-	253	-
Dividends paid		-	(158 304)	-	(158 304)
Net cash flow from investing activities		(8 622 716)	(809 724)	(1 491 814)	(433 494)

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 EUR	01.01.2006- 30.06.2006 EUR	01.01.2007- 30.06.2007 EUR	01.01.2006- 30.06.2006 EUR
Cash flow from financing activities					
Paid liabilities of financial leasing		(28 361)	(33 809)	(15 030)	(29 148)
Loans received		6 407 479	-	-	-
Expenses on repayment of loans		-	(95 142)	-	(87 080)
Received liabilities of financial leasing		-	18 332	-	-
Loan to Group companies for investment in the fixed capital		-	-	(1 635 752)	(400 965)
Using of credit line		629 962	(8 106)	441 756	(133 619)
Net cash flow from financing activities		7 009 081	(118 724)	(1 209 026)	(383 574)
Net increase/(decrease) in money and its equivalents		(768 662)	334 268	(217 853)	176 965
Money and its equivalents in the beginning of the period		1 186 399	121 951	518 358	114 301
Money and its equivalents at the end of the period	20	417 737	456 220	300 505	291 266

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 EUR	Undivided profit of the previous years EUR	Undivided profit of the report year EUR	Total equity EUR
31.12.2005	3 166 086	1 747 665	1 255 589	6 169 340
Profit of 2005 carried over to undivided profit of the previous years	-	1 255 589	(1 255 589)	-
Correction for the unrealized profit of the year 2005	-	110 460	-	110 460
Paid dividends for the year 2005	-	(158 304)	-	(158 304)
Retained earnings of the report period	-	-	1 955 555	1 955 555
30.06.2006	3 166 086	2 955 410	1 955 555	8 077 051
Retained earnings of the report period (01.07.-31.12.06)	-	-	708 705	708 705
Correction for the unrealized profit of the year 2005	-	(110 460)	110 460	-
31.12.2006	3 166 086	2 844 950	2 774 721	8 785 757
Profit of the year 2006 moved to profit of previous periods	-	2 774 721	(2 774 721)	-
Retained earnings of the report period	-	-	757 405	757 405
Correction for the unrealized profit of the year 2006	-	19 419	-	19 419
30.06.2007	3 166 086	5 639 090	757 405	9 562 581

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
	EUR	EUR	EUR	EUR
31.12.2005	3 166 086	1 800 920	1 212 332	6 179 339
Profit of year 2005 moved to profit of previous periods	-	1 212 332	(1 212 332)	-
Paid dividends for the year 2005	-	(158 304)	-	(158 304)
Undivided profit of the report period	-	-	563 767	563 767
30.06.2006	3 166 086	2 854 948	563 767	6 584 802
Undivided profit of the report period (2nd half 2006)	-	-	1 108 188	1 108 188
31.12.2006.	3 166 086	2 854 948	1 671 955	7 692 989
Profit of year 2006 moved to profit of previous periods	-	1 671 955	(1 671 955)	-
Undivided profit of the report period	-	-	1 297 523	1 297 523
30.06.2007	3 166 086	4 526 904	1 297 522	8 990 512

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
	EUR	EUR	EUR	EUR
Ceramic bricks, tiles, Keraterm blocks and clinker sales	6 902 392	5 299 405	6 772 173	5 281 756
	6 902 392	5 299 405	6 772 173	5 281 756

(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
	EUR	EUR	EUR	EUR
Expenses on materials	925 146	510 622	1 124	4 486
Electric power	241 316	181 107	-	-
Gas	984 492	790 462	-	-
Personnel expenses	1 064 301	891 250	-	-
Depreciation of fixed assets	192 486	129 551	-	-
Expenses related to purchase of goods	112 248	443 475	4 673 657	3 409 742
Other	324 789	133 214	-	-
Changes in stock	863 319	3 991	35 810	76 818
	4 708 096	3 083 672	4 710 591	3 491 046

(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
	EUR	EUR	EUR	EUR
Personnel expenses	138 167	125 029	138 167	125 033
Depreciation of fixed assets	4 624	4 227	4 624	4 227
Expenses on advertising and representations	61 921	67 891	61 921	68 033
Transportation expenses	399 037	404 003	399 037	404 231
Expenses on business trips	6 318	7 487	6 318	7 487
Transport expenses of selling administration	15 386	10 201	15 386	10 201
Other	43 262	24 812	43 264	27 437
	668 714	643 650	668 716	646 645

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
	EUR	EUR	EUR	EUR
Personnel expenses	465 493	416 567	321 519	336 272
Depreciation of fixed assets	23 146	23 156	19 592	22 981
Rent of premises	5 528	6 999	5 528	6 999
Business trip expenses	3 842	14 818	3 842	10 909
Office expenses	4 024	4 651	2 008	1 729
Communication expenses	18 335	19 607	11 621	13 765
Transportation	67 436	58 349	50 980	49 340
Training	575	2 147	231	2 147
Riga Stock Exchange fees	7 114	3 563	7 114	3 563
State duty payable to the Land Register	36 215	-	36 214	-
Insurance	11 238	28 997	8 530	18 230
Security	30 499	21 188	22 406	14 912
Professional services	33 634	14 577	31 982	10 835
Other	71 469	65 842	53 220	47 634
	778 547	680 461	574 785	539 314

(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
	EUR	EUR	EUR	EUR
Profit from sales of materials	9 128	124 824	3674	98 252
Profit from sales of scrap metal	102 962	-	41 956	-
Profit from sales of fixed assets	2 221	-	2 221	-
Income from rent of fixed assets	26	8 877	32 804	57 215
Income from sauna services	532	324	532	324
Employment of the unemployed	341	3 776	-	-
Income from sales of greenhouse gas emission quota	-	1 293 153	-	-
Other	1 777	4 791	270	5 139
	116 987	1 435 746	81 458	160 931

(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
	EUR	EUR	EUR	EUR
Amortisation of leased fixed assets	7	26 686	32 780	75 024
Write off of fixed assets	212	-	212	-
Expenses on materials	-	214 898	2 503	28 258
Expenses not related to operating activities	11 868	10 797	9 731	6 495
Penalties	11	17	-	13
Other expenses	17 917	5 085	431	4 522
	30 015	257 483	45 657	114 312

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
	EUR	EUR	EUR	EUR
Interest income from related parties	-	-	29 011	-
Other interest income and similar income	3 332	350	27 877	114
	3 332	350	56 888	114

(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
	EUR	EUR	EUR	EUR
Interest payments to credit institutions	47 803	70 922	46 600	52 685
Loss of foreign exchange	(4 781)	28 779	32 902	22 632
Other interest expenses and similar costs	7 867	1 518	2 627	384
	50 889	101 219	82 130	75 701

(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
	EUR	EUR	EUR	EUR
Real estate tax on land	1 928	2 800	566	1 355
Real estate tax on buildings, constructions	26 894	10 660	18 229	10 660
Income tax	225	-	-	-
	29 047	13 460	18 795	12 015

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

	Other intangible investments
	EUR
Initial costs	
31.12.2006	72 545
Purchased	4 898
30.06.2007	77 443
Accumulated depreciation	
31.12.2006	18 486
Calculated depreciation	7 213
31.03.2007	25 698
Balance value as of 31.12.2006	54 059
Balance value as of 30.06.2007	51 744

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

	Land, buildings and construct- ions EUR	Equipment and machinery EUR	Other fixed assets EUR	Fixed assets under construction EUR	Advance payments on fixed assets EUR	Total EUR
Initial cost						
31.12.2006	2 841 052	4 259 032	538 857	813 978	2 573 619	11 026 538
Purchased	741 560	110 900	55 691	2 591 462	5 915 194	9 414 808
Excluded	(957 640)	(21 074)	(48 983)	(35 434)	-	(1 063 130)
Transferred to other item	-	4 328 831	-	2 473 241	(6 802 073)	-
30.06.2007	2 624 972	8 677 690	545 565	5 843 248	1 686 740	19 378 216
Accumulated depreciation						
31.12.2006	395 281	888 125	168 418	-	-	1 451 824
Calculated depreciation	26 670	171 519	52 376	-	-	250 565
Depreciation of excluded fixed assets	(241 743)	(13 872)	(19 827)	-	-	(275 440)
30.06.2007	180 208	1 045 772	200 967	-	-	1 426 949
Balance value as of 31.12.2006	2 445 772	3 370 907	370 439	813 978	2 573 619	9 574 714
Balance value as of 30.06.2007	2 444 764	7 631 917	344 597	5 843 248	1 686 739	17 951 265

(Parent Company)

	Land, buildings and construct- ions EUR	Equipment and machinery EUR	Other fixed assets EUR	Fixed assets under construction EUR	Advance payments on fixed assets EUR	Total EUR
Initial cost						
31.12.2006	2 498 300	1 022 880	289 388	17 722	-	3 828 289
Purchased	-	-	30 828	-	34 500	65 328
Excluded	(957 640)	(21 067)	(48 898)	-	-	(1 027 605)
Transferred to other item	-	-	-	-	-	0
30.06.2007	1 540 660	1 001 813	271 317	17 722	34 500	2 866 012
Accumulated depreciation						
31.12.2006	329 386	495 929	148 282	-	-	973 597
Calculated depreciation	10 969	19 627	26 593	-	-	57 191
Depreciation of excluded fixed assets	(241 743)	(13 870)	(19 741)	-	-	(275 354)
30.06.2007	98 612	501 686	155 134	-	-	755 434
Balance value as of 31.12.2006	2 168 913	526 951	141 106	17 722	-	2 854 692
Balance value as of 30.06.2007	1 442 049	500 125	116 182	17 722	34 500	2 110 578

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

	SIASIA Kalnciema Līvānu Ķieģelis EUR	SIA Lodes Ķieģelis EUR	SIA Latvijas Māli EUR	Kopā EUR	
31.12.2005	349 985	529 781	318 723	2 846	1 201 335
Invested in 1st half of 2006	-	-	431 066	213 431	644 497
30.06.2006	349 985	529 781	749 789	216 277	1 845 832
Invested 01.07.-31.12.2006	-	1 148 090	444 450	-	1 592 539
Invested 01.07.-31.12.2006 (using increase of retained earnings)	35 044	-	-	-	35 044
31.12.2006	385 029	1 677 870	1 194 239	216 277	3 473 415
Invested in 1 st half of 2007	-	-	1 752 655	-	1 752 655
30.06.2007	385 029	1 677 870	2 946 894	216 277	5 226 070

Investments into Group companies:

Name of a company	Number of equities hold as of 30.06.2007 %	Purchase value EUR	Value of a daughter company's equity capital as of 30.06.2007 EUR	Profit / (loss) of daughter companies of the report period EUR
SIA „Lodes ķieģelis”	100	2 946 894	3 429 095	(135 116)
SIA „Latvijas māli”	100	216 277	349 060	(16 454)
SIA „Līvānu ķieģelis”	100	385 029	532 183	92 508
SIA „Kalnciema ķieģelis”	100	1 677 870	1 487 800	6 619
		5 226 070	5 798 139	(52 443)

(14) Finished outputs and goods for sale

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	EUR	EUR	EUR	EUR
Goods for sale	526 743	1 699 551	108 214	156 860
	526 743	1 699 551	108 214	156 860

(15) Debts of customers and clients

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	EUR	EUR	EUR	EUR
Inventory value of debts of customers and clients	1 995 184	2 456 046	1 981 447	2 420 672
Accruals for doubtful debtors	(69 231)	(71 340)	(69 231)	(70 486)
	1 925 952	2 384 706	1 912 216	2 350 186

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
	EUR	EUR	EUR	EUR
SIA „Līvānu ķieģelis”	-	-	6 842	222
SIA „Lodes ķieģelis”	-	-	252 467	168 862
SIA „Latvijas māli”	-	-	50 605	11 783
SIA „Kalnciema ķieģelis”	-	-	44 501	11 192
	-	-	354 415	192 059

(17) Loans to Group Companies (Parent Company)

Distribution of loans:	30.06.2007	30.06.2006
	EUR	EUR
SIA „Kalnciema ķieģelis”	-	465 279
SIA „Lodes ķieģelis”	426 862	-
SIA „Latvijas māli”	-	-
	426 862	465 279

(18) Other debtors

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	EUR	EUR	EUR	EUR
VAT on unpaid services	66 394	33 484	7 490	25 145
Overpayment of taxes	335 826	111 777	218 072	89 355
Settlements with personnel	28	1 882	28	1 551
Advance payments on services	81 246	10 585	2 134	7 625
Other debtors	23 561	128	8 802	0
	507 056	157 856	236 527	123 676

(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
	EUR	EUR	EUR	EUR
Advertisement expenses	-	1 944	-	1 944
Insurance	20 872	15 273	6 871	7 788
Subscription of press	774	957	774	723
Write-off of advance payments for use of cars into operative leasing	31 635	18 494	31 635	18 494
Annual fee for membership in the Riga Stock Exchange	-	3 551	-	3 551
Maintenance works in the rented Riga Office premises	965	2 894	965	2 894
Other costs of the next periods	4 099	2 079	4 099	2 079
	58 345	45 193	44 344	37 473

Consolidated and Parent Notes to Financial Statements**(20) Cash means in LVL and in original currency according to the exchange rate established by the Bank of Latvia**

Distribution of cash means by currency types:		Consolidated				Parent Company				
		30.06.2007		30.06.2006		30.06.2007		30.06.2006		
		Currency	EUR	Currency	EUR	Currency	EUR	Currency	EUR	
Vault cash		LVL	-	5445	-	7601	-	4415	-	7112
		USD	7	7	7	7	7	7	7	7
		EUR	108	108	106	106	108	108	106	105
Current account		LVL	-	173 094	-	195 211	-	57 443	-	30 703
Current account		PLN	246 404	67 858	392 831	96 698	256 404	67 858	392 831	96 698
Current account		EUR	127 632	127 632	52 544	52 544	127 082	127 082	52 544	52 544
Current account		RUB			2 959					
			495 213	14 233	627	87 1291	495 213	14 233	2 959 627	87 172
Current account		LTL	48 495	14 076	45 184	13 116	48 495	14 076	45 184	13 116
Current account		EEK	239 217	15 283	59 645	3 810	239 217	15 283	59 645	3 810
			417 738		456 220		300 505		291 266	

(21) Fixed Capital

The Company's fixed capital as of the June 30, 2007 is EUR 3 166 086 and consists of 2 225 138 capital shares, nominal value of each share is LVL 1 (EUR 1,42).

(22) Other Accruals

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	EUR	EUR	EUR	EUR
Vacation accruals	267 950	280 851	119 403	131 210
Accruals for restoration of clay-pits	128 786	122 612	128 786	122 612
Other accruals	49 749	28 213	8 904	5 875
	446 484	431 676	257 093	259 697

(23) Accruals for Deferred Tax

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	EUR	EUR	EUR	EUR
Accruals for the deferred corporate income tax	283 995	292 486	148 710	275 432
	283 995	292 486	148 710	275 432

(24) Other Loans

	Consolidated		Parent Company	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	EUR	EUR	EUR	EUR
Long term division				
Financial leasing SIA „Unilzings”	146 754	149 480	40 068	111 232
	146 754	149 480	40 068	111 232
Short term division				

Consolidated and Parent Notes to Financial Statements

Financial leasing SIA „Unilīzings”	51 983	62 649	24 041	50 586
Total other loans	198 737	212 129	64 109	161 818

*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 „Unilīzings”	3 mēn.RIGIBOR + 1.5 %	25.02.2010.	EUR 64 109

(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 „Unilīzings”	3 mēn.RIGIBOR+ 2 %	25.05.2011	EUR 14 798
2.	SIA „Unilīzings”	3 mēn.RIGIBOR+1.5 %	25.10.2011	EUR 22 103
3.	SIA „Unilīzings”	3 mēn.RIGIBOR+ 1.5 %	25.11.2011	EUR 16 019

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 „Unilīzings”	3 mēn.RIGIBOR+ 1.5 %	25.10.2011	EUR 27 052
2.	SIA „Unilīzings”	3 mēn.RIGIBOR+1.5 %	25.10.2011	EUR 27 052
3.	SIA „Unilīzings”	3 mēn.RIGIBOR+ 1.5 %	25.11.2007	EUR 27 607

(25) Loans from Credit Institutions

	Consolidated				Parent Company			
	30.06.2007		30.06.2006		30.06.2007		30.06.2006	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Long term division								
Loan from JSC „SEB Latvijas Unibanka”	LVL	-	-	12 104	-	-	-	-
Loan from JSC „SEB Latvijas Unibanka”	EUR	7 059 836	7 059 836	-	-	-	-	-
Total		-	7 059 836	-	12 104	-	-	-
Short term division								
Loan from JSC „SEB Latvijas Unibanka”	LVL	-	16 135	-	158 837	-	-	130 620
Loan from JSC „SEB Latvijas Unibanka”	EUR	946 374	946 374	-	-	-	-	-
Short term credit line in JSC „SEB Latvijas Unibanka”	LVL	-	691 795	-	2 078 091	-	2 187 472	-
Total		-	1 654 304	-	2 236 928	-	2 187 472	-
Total of loans from credit institutions		-	8 714 140	-	2 249 032	-	2 187 472	-

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 EUR 16135. 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 (EUR 2 276 595) was concluded on 12 December 2000. As at 30 June 2007, the amount of utilized credit line was LVL 1 537 364 (EUR 2 187 472). 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 (EUR 569 149) on 26 March 2003. As at 30 June 2007 the amount utilized was LVL 365 156 (EUR 519 570). 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 (EUR 172 224). 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
	EUR	EUR
Short term division		
Debt on goods to SIA „Lodes ķieģelis”	444 899	302 345
Debt on goods to SIA „Latvijas māli”	1 710	3 939
Debt on goods to SIA „Līvānu ķieģelis”	242 779	295 391
Debt on goods to SIA „Kalnciema ķieģelis”	524 832	237 664
	1 214 220	839 338

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
	EUR	EUR	EUR	EUR	EUR
Corporate income tax	254 351	11 500	(374 089)	(71 590)	-179 831
Value added tax	(180 154)	(259 306)	(10 499)	338 293	-111 666
Social security contributions	79 753	531 316	(292 488)	(213 816)	104 765
Personal income tax	55 631	322 416	(272 487)	(52 887)	52 673
Nature resource tax	4 506	7 470	(7 311)	-	4 667
Real estate tax (land)	-	1 928	(1 928)	-	-
Real estate tax (buildings)	1 084	26 895	(27 979)	-	-
Risk fee	152	905	(905)	-	152
	215 325	643 124	(987 686)	-	(129 239)

Including:	31.12.2006	30.06.2007
	EUR	EUR
Tax overpayments	(215 299)	(291 497)
Tax debt	430 624	162 257

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
	EUR	EUR	EUR	EUR	EUR
Corporate income tax	216 618	0	(292 831)	(82 744)	(158 958)
Value added tax	(7 302)	(202 391)	0	155 836	(53 857)
Social security contributions	10 884	125 198	(47 484)	(73 092)	15 506
Personal income tax	12 117	88 883	(88 215)	-	12 785
Nature resource tax	255	4 954	(1 722)	-	3 487
Real estate tax (land)	-	566	(566)	-	-
Real estate tax (buildings)	300	18 228	(18 528)	-	-
Risk fee	18	98	(102)	-	14
	232 890	35 538	(449 450)	-	(181 022)

Including:	31.12.2006	31.03.2007
	EUR	EUR
Tax overpayments	(7 302)	(212 816)
Tax debt	240 192	31 794

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
	EUR	EUR	EUR	EUR
Settlements with personnel	1 180	793	757	-
Salary of employees	161 099	146 927	37 537	35 814
Withheld rent fee on apartment	8 029	2 016	104	97
Withheld alimony	1 224	484	-	-
Other creditors	582	1 069	-	157
	172 113	151 288	38 398	36 067

(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
	EUR	EUR	EUR	EUR
Remuneration for work	1 631 347	1 273 280	422 744	351 725
State obligatory social security payments	380 541	300 011	91 838	80 825
	2 011 888	1 573 291	514 582	432 550

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

	01.01.2007- 30.06.2007	01.01.2006- 30.06.2006
	EUR	EUR
Board members	55 284	80 367
Council members	123 064	52 827
	178 348	133 194

(31) Exchange rate

30.06.2007. 1 EUR = 0.702804 LVL