

**JSC „DITTON PIEVADKĒŽU RŪPNĪCA”**

**NON-AUDITED AND NON-CONSOLIDATED**

**FINANCIAL REPORT**

**FOR 9 MONTHS OF YEAR 2009**

**(01.01.2009 – 30.09.2009)**

Prepared in accordance with Latvian statutory requirements,  
International Accounting Standards,  
and Riga Stock Exchange rules

Daugavpils

2009

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## INFORMATION ABOUT THE COMPANY

Company name	Ditton pievadkezu rupnica
Legal status	Joint Stock Company
Registrations number	40003030187
Registration in Register of Enterprises	Riga, 03.10.1991
Registration in Commercial Register Office	Riga, 29.08.2003.
Legal address	Visku Str. 17, Daugavpils, LV-5410, Latvia
Mailing address	Visku Str. 17, Daugavpils, LV-5410, Latvia
Fixed capital	7 400 000.00 LVL
Public bearer shares	7 400 000
Nominal value of one public bearer share	1.00 LVL
Chief accountant	Valentina Krivoguzova
Reporting period	01.01.2009 – 30.09.2009
Persons in charge for drawing up of the financial report:	
	Mr. Boriss Matvejevs, phone +371 65402333, e-mail: <a href="mailto:dpr@dpr.lv">dpr@dpr.lv</a>
	Ms. Natalja Redzoba, phone +371 65402333, e-mail: <a href="mailto:dpr@dpr.lv">dpr@dpr.lv</a>

## **INFORMATION ON MANAGEMENT BOARD AND COUNCIL MEMBERS**

### **THE MANAGEMENT BOARD**

#### Chairman of the Management Board

Eduards Zavadskis, elected 29.08.2003.

#### Deputy Chairman of the Management Board

Pjotrs Dorofejevs, elected 07.01.2004.

#### Member of the Management Board

Natalja Redzoba, elected 29.08.2003.

### **Information on shares owned by Members of the Management Board**

#### **Members of the Management Board**

	<b>Share ownership *</b>	
	<b>Quantity of shares</b>	<b>%</b>
Eduards Zavadskis	1 480 000	20
Pjotrs Dorofejevs	no shares	-
Natalja Redzoba	1 900	0,03

### **THE COUNCIL**

#### Chairman of the Council

Boriss Matvejevs, elected 14.08.2009

#### Deputy Chairmen of the Council

Georgijs Sorokins, elected 14.08.2009

Inga Goldberga, elected 14.08.2009

#### Members of the Council

Anzelina Titkova, elected 14.08.2009

Timo Sas, elected 16.10.2009

Jevgenijs Glinkins, till 14.08.2009

Pavels Samuilovs, till 14.08.2009

Jevgenijs Sokolovskis, till 16.10.2009

### **Information on shares owned by Members of the Council**

#### **Members of the Management Board**

	<b>Share ownership*</b>	
	<b>Quantity of shares</b>	<b>%</b>
Boriss Matvejevs	no shares	-
Georgijs Sorokins	5 768	0,08
Inga Goldberga	no shares	-
Anzelina Titkova	no shares	-
Timo Sas	no shares	-
Jevgenijs Sokolovskis (till 16.10.2009)	no shares	-
Jevgenijs Glinkins (till 14.08.2009)	no shares	-
Pavels Samuilovs (till 14.08.2009)	700 000	9,46

For more detailed information on professional background of the Management Board and Council members please refer to our website: [http://www.dpr.lv/web\\_ru/for-akcioner.htm](http://www.dpr.lv/web_ru/for-akcioner.htm)

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\* As of 30.09.2009

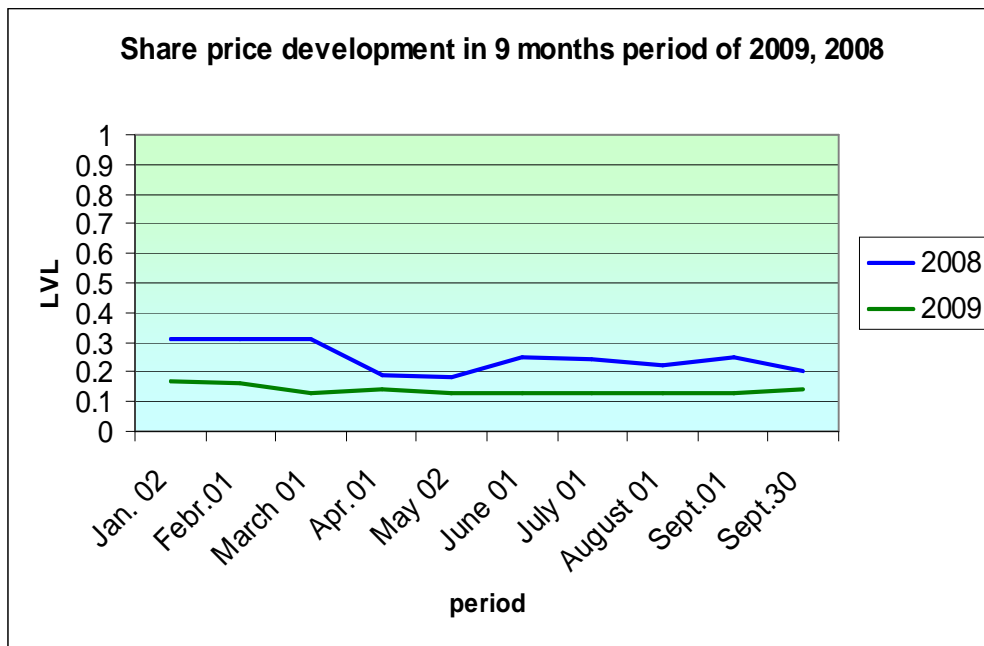
## INFORMATION ON SHAREHOLDERS AND SHARES

### COMPANY SHAREHOLDERS (OVER 5%) \*

NAME	Ownership interest, %
Vladislavs Driksne	20,39
Eduards Zavadskis	20,00
MAX Invest Holding SIA	13,16
Pavels Samuilovs	9,46
Gatis Poiss	7,01

\* Note: Information is presented on the basis of full list of shareholders of JSC „Ditton pievadķēžu rūpnīca” dated 01.06.2008., taking into account notifications on acquisition and disposal significant holding in the Issuer's equity received by the company till 30.09.2009.

### SHARE PRICE DEVELOPMENT



## MANAGEMENT REPORT

### Information on the results of the company in 9 months of year 2009

In 9 months of 2009 net-turnover in fact was fulfilled in the amount of 2 183 thous.LVL (3 106 thous.EUR) against the forecast 5 570 thous.LVL (7 925 thous.EUR), decrease amounts to 3 387 thous.LVL (4 819 thous.EUR) or 39,2%. Compared to the level of previous year, net-turnover of the reporting period is by 4 175 thous.LVL (5 940 thous.EUR) or by 34,3% less.

Loss before taxes amounted to -1 418 thous.LVL (-2 018 thous.EUR) in 9 months period of 2009, which is by 1 545 thous.LVL (2 198 thous.EUR) less than the forecast. Loss after taxes amounts to 1 515 thous.LVL (2 156 thous.EUR).

Commodity output is estimated in the amount of 3 443 thous.LVL (4 899 thous.EUR). The result of 9 months of 2009 is by 2 886 thous.LVL (4 106 thous.EUR) or by 54,4% less than the 9 months result of the previous year.

At present the company exports 98% of its products to the East and West: among them 67% eastwards and 31% westwards; 2% of products are sold on domestic market.

The average statistical number of employees of JSC "Ditton pievadķēžu rūpnīca" was 369 in 9 months of year 2009.

The average salary amounted to 250 LVL (356 EUR) in 9 months period of 2009, which is by 68 LVL (97 EUR) less than in 9 months of 2008.

### Market tendencies and development of the company. Risks.

In 9 months of 2009 the activity of the company proceeded in worsening crisis circumstances. The Management Board informed the shareholders on increase of crisis appearances, their reasons and possible consequences in the reports for 1<sup>st</sup> half of year 2009 and annual report for 2008. No features of crisis appearances termination in the spheres in which the partners of the company work, as well as beginning of recovery can be observed. In these circumstances a certain stabilization of the market only can be estimated as a positive factor.

Unfortunately, the Management Board notices that decrease in demand for the company's production, which first of all is applied in mechanical engineering, exceeded substantially the forecasted indices.

At the same time the Management Board is not alone in its too optimistic forecast about the potential level of drop in production: at the moment the developing economic crisis is unusual in its volumes, factors, levels and consequences, is not (and can not be) studied in a historical retrospection and has no full scientific-economical ground either in respect of terms and intensity, or factors.

While being included into a global and European economics the company was not able to survive like in an oasis of "prosperity" and it faces all factors of global crisis to the same degree, reflecting the level of the general decrease. The Management Board has noticed this circumstance already before, and it is valid to the full extent. Therefore, in the analysis of the company's development tendencies and risks, it is constrained to repeat the same aspects which are mentioned in the report for 1<sup>st</sup> half of year 2009.

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In the abovementioned circumstances the company is forced to work in economy regime by using internal resources and reorganizing production processes according to the existing volumes of demand, production and costs, including optimization of staff in accordance with production volumes and its actual employment.

In view of the continuing crisis prognosis for future development of events in economics, on raw material, resources and company's production market, and prognosis for company's future development as well till the end of crisis are unfavorable. At the same time the Management Board notices a definite stabilization of the company.

The Management Board considers it necessary to restrict these negative prognoses of the company's development to the crises period, which according to analysts shall be most critical in 2009 and 2010.

The Management Board considers it as its main task to minimize global crisis risks, maintain the company with its brand, technologies, personnel, traditional partners and market with future development upon overcoming the crisis together with the whole global and Latvian economics.

### **STATEMENT ABOUT MANAGEMENT LIABILITY**

According to our information, the presented financial statements for 9 months of year 2009 ended September 30, 2009 have been prepared in accordance with the existing legislative requirements and give a true and fair view of the assets, liabilities, financial position and profits of the joint-stock company "Ditton pievadķēžu rūpnīca". Management report contains truthful information.

Chairman of the Management Board of  
JSC "Ditton pievadkezu rupnica"

Eduards Zavadskis

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<b>BALANCE SHEET</b>	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>30.09.2009</b>	<b>30.09.2008</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>	<b>LVL</b>	<b>LVL</b>	<b>EUR</b>	<b>EUR</b>
<b>Cash and bank</b>	78 755	45 943	112 058	65 371
<b>Short-term investments</b>	0	0	0	0
<b>Customer receivables</b>				
Debts of buyers and customers	3 825 112	5 662 558	5 442 644	8 057 094
Accounts receivable from related companies	0	0	0	0
Allowance for uncollectible receivables	-835 092	-254 334	-1 188 229	-361 885
<b>Total</b>	<b>2 990 020</b>	<b>5 408 224</b>	<b>4 254 415</b>	<b>7 695 209</b>
<b>Other receivables</b>				
Other current receivables	879 639	157 887	1 251 614	224 653
Short-term loans given	0	0	0	0
Derivative financial instruments	0	0	0	0
<b>Total</b>	<b>879 639</b>	<b>157 887</b>	<b>1 251 614</b>	<b>224 653</b>
<b>Accrued income</b>				
Other accrued income	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Prepaid expenses</b>				
Prepaid taxes	18 456	104 865	26 261	149 209
Other prepaid expenses	44	0	62	0
<b>Total</b>	<b>18 500</b>	<b>104 865</b>	<b>26 323</b>	<b>149 209</b>
<b>Inventories</b>				
Raw materials	903 189	1 465 950	1 285 122	2 085 859
Work-in-progress	250 580	365 944	356 543	520 692
Finished goods	1 097 618	1 069 357	1 561 770	1 521 558
Prepayments to suppliers	462 372	1 205 378	657 896	1 715 098
<b>Total</b>	<b>2 713 759</b>	<b>4 106 629</b>	<b>3 861 331</b>	<b>5 843 207</b>
<b>TOTAL CURRENT ASSETS</b>	<b>6 680 673</b>	<b>9 823 548</b>	<b>9 505 741</b>	<b>13 977 649</b>
<b>NON-CURRENT ASSETS</b>				
<b>Long-term financial assets</b>	<b>47 200</b>	<b>0</b>	<b>67 160</b>	<b>0</b>
incl. shares in subsidiaries	47 200	0	67 160	0
<b>Total</b>	<b>47 200</b>	<b>0</b>	<b>67 160</b>	<b>0</b>
<b>Non-current physical assets</b>				
Land plots, buildings, equipment, costs on construction in progress	14 028 475	14 220 012	19 960 721	20 233 254
Other equipment and fixtures	406 567	322 838	578 493	459 357
Accumulated depreciation	-11 121 590	-10 456 992	-15 824 597	-14 878 959
<b>Total</b>	<b>3 313 452</b>	<b>4 085 858</b>	<b>4 714 617</b>	<b>5 813 652</b>
<b>Intangible assets</b>				
Purchased licenses, trademarks etc.	119	216	169	308
Goodwill	0	0	0	0
Prepayments for intangible assets	0	0	0	0
<b>Total</b>	<b>119</b>	<b>216</b>	<b>169</b>	<b>308</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3 360 771</b>	<b>4 086 074</b>	<b>4 781 946</b>	<b>5 813 960</b>
<b>TOTAL ASSETS</b>	<b>10 041 444</b>	<b>13 909 622</b>	<b>14 287 687</b>	<b>19 791 609</b>
	<b>1 EUR =</b>		<b>0.702804 LVL</b>	<b>0.702804LVL</b>



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<b>BALANCE SHEET</b>				
<b>LIABILITIES &amp; OWNERS' EQUITY</b>	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>30.09.2009</b>	<b>30.09.2008</b>
<b>SHORT-TERM LIABILITIES</b>	<b>LVL</b>	<b>LVL</b>	<b>EUR</b>	<b>EUR</b>
<b>Debt obligations</b>				
Short-term loans from financial institutions	20 184	0	28 719	0
Derivative financial instruments	0	0	0	0
Short-term capital lease obligations	753	1 577	1 071	2 244
<b>Total</b>	<b>20 937</b>	<b>1 577</b>	<b>29 790</b>	<b>2 244</b>
<b>Customer prepayments for goods and services</b>	<b>14 804</b>	<b>24 162</b>	<b>21 064</b>	<b>34 379</b>
<b>Creditors</b>	<b>270 835</b>	<b>468 809</b>	<b>385 363</b>	<b>667 055</b>
<b>Total</b>	<b>285 639</b>	<b>492 971</b>	<b>406 427</b>	<b>701 434</b>
<b>Tax payments</b>	<b>383 030</b>	<b>221 452</b>	<b>545 003</b>	<b>315 098</b>
<b>Accrued expenses</b>				
Salary-related accrued expenses	86 189	136 636	122 636	194 416
Interest payable	0	0	0	0
<b>Total</b>	<b>86 189</b>	<b>136 636</b>	<b>122 636</b>	<b>194 416</b>
<b>Provisions</b>	<b>31 904</b>	<b>287 410</b>	<b>45 395</b>	<b>408 947</b>
<b>Total</b>	<b>31 904</b>	<b>287 410</b>	<b>45 395</b>	<b>408 947</b>
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>807 699</b>	<b>1 140 046</b>	<b>1 149 251</b>	<b>1 622 139</b>
<b>LONG-TERM LIABILITIES</b>				
<b>Long-term creditors</b>	<b>1 686 290</b>	<b>1 749 982</b>	<b>2 399 375</b>	<b>2 490 000</b>
Long-terms capital lease obligation	3 367	7 782	4 791	11 073
Deferred tax obligation	27 247	0	38 769	0
<b>Total</b>	<b>30 614</b>	<b>7 782</b>	<b>43 560</b>	<b>11 073</b>
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1 716 904</b>	<b>1 757 764</b>	<b>2 442 935</b>	<b>2 501 073</b>
<b>CREDITORS TOTAL</b>	<b>2 524 603</b>	<b>2 897 810</b>	<b>3 592 186</b>	<b>4 123 212</b>
<b>OWNERS' EQUITY</b>	<b>7 400 000</b>	<b>7 400 000</b>	<b>10 529 251</b>	<b>10 529 251</b>
Share capital	0	0	0	0
Paid in capital over par	0	0	0	0
Reserves	0	0	0	0
Other reserves	0	0	0	0
<b>Total</b>	<b>7 400 000</b>	<b>7 400 000</b>	<b>10 529 251</b>	<b>10 529 251</b>
<b>Retained earnings</b>	<b>1 632 282</b>	<b>1 498 082</b>	<b>2 322 528</b>	<b>2 131 579</b>
<b>Net profit for the reporting period</b>	<b>-1 515 441</b>	<b>2 113 730</b>	<b>-2 156 278</b>	<b>3 007 567</b>
<b>Currency translation reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OWNERS' EQUITY</b>	<b>7 516 841</b>	<b>11 011 812</b>	<b>10 695 501</b>	<b>15 668 397</b>
<b>TOTAL LIABILITIES</b>	<b>10 041 444</b>	<b>13 909 622</b>	<b>14 287 687</b>	<b>19 791 609</b>
	<b>1 EUR =</b>		<b>0.702804 LVL</b>	<b>0.702804 LVL</b>

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INCOME STATEMENT	30.09.2009 LVL	30.09.2008 LVL	30.09.2009 EUR	30.09.2008 EUR
Net turnover	2 183 465	6 357 555	3 106 791	9 045 986
Other operating income	670 619	1 660 906	954 205	2 363 256
<b>Total income</b>	<b>2 854 084</b>	<b>8 018 461</b>	<b>4 060 996</b>	<b>11 409 242</b>
Direct cost of goods sold or services rendered	-658 387	-2 251 168	-936 800	-3 203 123
Marketing, advertising and public relations expenses	-2 171	-5 185	-3 089	-7 378
Bad receivables	0	0	0	0
Operating expenses	-17 339	-116 083	-24 672	-165 171
Salaries, bonuses and social expenses	-1 028 556	-1 906 936	-1 463 503	-2 713 325
Depreciation expense	-575 031	-640 269	-818 195	-911 021
Other expenses	-1 919 099	-785 937	-2 730 632	-1 118 288
<b>Operating expenses</b>	<b>-4 200 583</b>	<b>-5 705 578</b>	<b>-5 976 891</b>	<b>-8 118 306</b>
<b>EBIT</b>	<b>-1 346 499</b>	<b>2 312 883</b>	<b>-1 915 895</b>	<b>3 290 936</b>
Percents paid	-68 772	-88 230	-97 854	-125 540
<b>Financial items</b>				
Financial income (except Foreign Exchange rate difference)	0	0	0	0
Financial costs (except Foreign Exchange rate difference)	0	0	0	0
Exchange rate +gain / -loss	-3 012	-14 506	-4 286	-20 640
<b>Financial items</b>	<b>-71 784</b>	<b>-102 736</b>	<b>-102 140</b>	<b>-146 180</b>
<b>Profit before extraordinary items and taxes</b>	<b>-1 418 283</b>	<b>2 210 147</b>	<b>-2 018 035</b>	<b>3 144 756</b>
<b>EBT</b>	<b>-1 418 283</b>	<b>2 210 147</b>	<b>-2 018 035</b>	<b>3 144 756</b>
Provisions for taxes	-97 158	-96 417	-138 243	-137 189
<b>Profit after taxes</b>	<b>-1 515 441</b>	<b>2 113 730</b>	<b>-2 156 278</b>	<b>3 007 567</b>
<b>Net profit</b>	<b>-1 515 441</b>	<b>2 113 730</b>	<b>-2 156 278</b>	<b>3 007 567</b>
<b>Index EPS</b>	<b>-0.205</b>	<b>0.286</b>	<b>-0.292</b>	<b>0.407</b>
	<b>1 EUR =</b>		<b>0.702804 LVL</b>	<b>0.702804 LVL</b>

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CASH FLOW STATEMENT	30.09.2009 LVL	30.09.2008 LVL	30.09.2009 EUR	30.09.2008 EUR
<b>CASH GENERATED FROM OPERATIONS</b>	<b>-18 169</b>	<b>-1 699 875</b>	<b>-25 853</b>	<b>-2 418 704</b>
Cash received from customers	-449 863	-4 549 397	-640 097	-6 473 209
Cash received from ML Group	0	0	0	0
Cash paid to suppliers and employees	431 694	2 849 522	614 244	4 054 505
Cash paid to suppliers and employees ML Group	0	0	0	0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>60 641</b>	<b>85 554</b>	<b>86 285</b>	<b>121 732</b>
Cash paid for purchasing shares in subsidiary ML Group	0	0	0	0
Business acquisition	0	0	0	0
Cash paid for purchasing non-current physical assets	-1 138	-173 025	-1 619	-246 193
Cash paid for purchasing non-current physical assets ML Group	0	0	0	0
Cash received from the sale of non-current physical assets	14 579	258 579	20 744	367 925
Participation in other enterprises	47 200	0	67 160	0
Interest received	0	0	0	0
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-47 170</b>	<b>1 479 322</b>	<b>-67 117</b>	<b>2 104 886</b>
Short-term loans received	0	1 569 122	0	2 232 659
Repayment of short-term loans	21 908	0	31 172	0
Cash paid as capital lease payments	-306	-1 570	-435	-2 234
Paid interest	-68 772	-88 230	-97 854	-125 539
Paid interest ML Group	0	0	0	0
<b>TOTAL CASH FLOW</b>	<b>-4 698</b>	<b>-134 999</b>	<b>-6 685</b>	<b>-192 086</b>
Cash and cash equivalents as at the beginning of period	83 453	180 942	118 743	257 457
Cash and cash equivalents as at the end of period	78 755	45 943	112 058	65 371
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-4 698</b>	<b>-134 999</b>	<b>-6 685</b>	<b>-192 086</b>
	<b>1 EUR =</b>		<b>0.702804 LVL</b>	<b>0.702804 LVL</b>

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<b>Statement of changes in equity for the period from 01.01.2009 till 30.09.2009 (LVL)</b>							
	Share capital	Share premium	Other reserves	Currency translation reserves	Accumulated profit	Current period's profit	Total
	LVL	LVL	LVL	LVL	LVL	LVL	LVL
<b>As at 1st January, 2009</b>	<b>7 400 000</b>	-	-	-	<b>1 632 282</b>	-	<b>9 032 282</b>
Issue of share capital	-	-	-	-	-	-	-
Costs of issue of share capital	-	-	-	-	-	-	-
Dividend relating to 2008	-	-	-	-	-	-	-
Allocation of profit of 2008 to dividends	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-
Profit for 9 months of 2009	-	-	-	-	-	-1 515 441	-1 515 441
<b>As at 30 September, 2009</b>	<b>7 400 000</b>	-	-	-	<b>1 632 282</b>	<b>-1 515 441</b>	<b>7 516 841</b>
<b>As at 1st January, 2008</b>	<b>7 400 000</b>	-	-	-	<b>1 512 882</b>	-	<b>8 912 882</b>
Dividend relating to 2007	-	-	-	-	-	-	-
Allocation of profit of 2007 to dividends	-	-	-	-	-14 800	-	-14 800
Currency translation difference	-	-	-	-	-	-	-
Profit for 9 months of 2008	-	-	-	-	-	2 113 730	2 113 730
<b>As at 30 September, 2008</b>	<b>7 400 000</b>	-	-	-	<b>1 498 082</b>	<b>2 113 730</b>	<b>11 011 812</b>

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1 EUR = 0,702804 LVL

<b>Statement of changes in equity for the period from 01.01.2009 till 30.09.2009 (EUR)</b>							
	Share capital	Share premium	Other reserves	Currency translation reserves	Accumulated profit	Current period's profit	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>As at 1st January, 2009 (0.702804)</b>	<b>10 529 251</b>	-	-	-	<b>2 322 528</b>	-	<b>12 851 779</b>
Issue of share capital	-	-	-	-	-	-	-
Costs of issue of share capital	-	-	-	-	-	-	-
Dividend relating to 2008	-	-	-	-	-	-	-
Allocation of profit of 2008 to dividends	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-
Profit for 9 months period 2009 (0.702804)	-	-	-	-	-	-2 156 278	-2 156 278
<b>As at 30 September, 2009 (0.702804)</b>	<b>10 529 251</b>	-	-	-	<b>2 322 528</b>	<b>-2 156 278</b>	<b>-10 695 501</b>
<b>1st January, 2008 (0.702804)</b>	<b>10 529 251</b>	-	-	-	<b>2 152 639</b>	-	<b>12 681 890</b>
Dividend relating to 2007	-	-	-	-	-	-	-
Allocation of profit of 2007 to dividends	-	-	-	-	-21 060	-	-21 060
Currency translation difference	-	-	-	-	-	-	-
Profit for 9 months period 2008 (0.702804)	-	-	-	-	-	3 007 567	3 007 567
<b>As at 30 September, 2008 (0.702804)</b>	<b>10 529 251</b>	-	-	-	<b>2 131 579</b>	<b>3 007 567</b>	<b>15 668 397</b>

## Appendix

### **Explanatory notes**

Accounting policies and methods applied in present interim financial statement are consistent with those applied in last Annual Report.

This financial statement of JSC "Ditton pievakezu rupnica" has been prepared in accordance with the source documents and presents fairly the financial position of the JSC as of 30 September 2009 and the results of its operation and cash flows for the 9 months period ended 30 September 2009.

This financial report has been prepared in compliance with International Financial Reporting Standards on a going concern basis. Appropriate accounting policies have been applied on a consistent base.

The interim financial report for 9 months of 2009 has not been audited by jury auditor.

The interim report has been prepared in Latvian Lats and Euro.

Currency exchange rate: 1 EUR = 0,702804 LVL.

**Summary of financial results  
for 9 months of year 2009**

thous.LVL

Name of index	Forecast for 2009	9 months of year 2009		Deviation (+ / -)
		forecast	in fact	
Production of commodity products	7 200	5 380	3 443	-1 937
Production of main products	7 182	5 354	3 402	-1 952
Production of driving chains	7 131	5 327	3 363	-1 964
incl. automotive	2 821	2 109	1 350	-759
industrial	4 310	3 218	2 013	-1 205
Sales volume	7 450	5 570	2 183	-3 387
Sales of main products	7 400	5 533	2 171	-3 362
Profit after taxes	35	26	-1 515	-1 541

thous.EUR

1 EUR = 0.702804 LVL

Name of index	Forecast for 2009	9 months of year 2009		Deviation (+ / -)
		forecast	in fact	
Production of commodity products	10 245	7 655	4 899	-2 756
Production of main products	10 219	7 618	4 841	-2 777
Production of driving chains	10 147	7 580	4 785	-2 795
incl. automotive	4 014	3 001	1 921	-1 080
industrial	6 133	4 579	2 864	-1 715
Sales volume	10 600	7 925	3 106	-4 819
Sales of main products	10 529	7 873	3 089	-4 784
Profit after taxes	50	37	-2 156	-2 193

### **Explanations and analyses on separate items of financial reports**

#### Production of commodity products in the period of 9 months of year 2009 (thous.LVL/thous.EUR)

Output of commodity products is estimated in the amount 3 443 thous.LVL (4 899 thous.EUR). The result of reporting period is by 2 886 thous.LVL (4 106 thous.EUR) or 54,4% less than in 9 months period of previous year.

#### Production of driving chains in 9 months of 2009 (thous.meters)

Production of driving chains in natural units is by 1 548 thous.meters less than the forecast.

#### Production of driving chains in 9 months of year 2009 (thous.LVL/thous.EUR)

Production of driving chains in money terms is by 1 964 thous.LVL (2 795 thous.EUR) less than the forecast. The actual performance of reporting period is by 2 786 thous.LVL (3 964 thous.EUR) less than in the relevant period of previous year.

#### Sales (net-turnover) in 9 months of 2009 (thous. LVL/thous.EUR)

Net-turnover has been forecasted to amount to 5 570 thous.LVL (7 925 thous.EUR) in 9 months of year 2009, in fact it has been fulfilled in the amount of 2 183 thous.LVL (3 106 thous.EUR), decrease amounts to 3 387 thous.LVL (4 819 thous.EUR). The actual performance of the reporting period is by 4 175 thous.LVL (5 941 thous.EUR) or 34,3% less than the index of the same period of previous year.

#### Sales of main products in 9 months of 2009 (thous. LVL/ thous.EUR)

Sales of main products in the reporting period was by 3 362 thous.LVL (4 784 thous.EUR) less than the forecast, and it is by 4 163 thous.LVL (5 923 thous.EUR) or 34,3% less than the result of the relevant period of prior year.

Proceeds from other activities are by 1 041 thous.LVL (1 443 thous.EUR) less than the result of the relevant period of last year and they amounted to 674 thous.LVL (959 thous.EUR).