

Name of enterprise (business company): **JSC "Latvijas tilti" [Bridges]**

Registration No.: **50003030441**

Address: **15 Granītu St., Stopiņi Civil Parish, Riga Region LV-1057**

Telephone: **7251822**

Managing Authority: **Riga Regional Department of State Incomes Board**

Tax Inspectorate:

Type of primary activity: building

Unit of measurement: **Ls**

NON-AUDITED BALANCE SHEET

for the 31th March 2006

JSC "Latvijas tilti" [Bridges]

Data on the enterprise

Name of the enterprise	JSC "Latvijas tilti"
Legal status of the enterprise	<i>Public Joint-stock Company</i>
Unified Registration Number	<i>50003030441</i>
Date of registration with Enterprise Register	<i>October 07, 1991</i>
Date of registration with Commercial Register	<i>June 29, 2004</i>
Legal address	<i>15 Granīta St., Stopiņi Civil Parish, District of Riga, LV-1057</i>
Mailing address	<i>15 Granīta St., Stopiņi Civil Parish, District of Riga, LV-1057</i>

JSC “Latvijas tilti” (Bridges)
Management's Statement
to the first quarter Report 2006

JSC "Latvijas tilti" stock or shares capital (fixed capital) is LVL 671 000. Net turnover amount to LVL 960 811. Profit after taxes for the reporting period is LVL 62 272. Compared with the corresponding previous period, the amount of work has increased due to successful bids in tenders arranged by the state and municipal authorities. Growth in profit has been attained with skillfully implemented building objects.

The main construction object last quarter was Dienvidu bridge over the river Daugava, whose launch is planned in 2008. Significant investments for purchase of new equipment for mechanization of welding, assembling and construction works were made during the reporting period. The cement production plant and the reinforced concrete construction production plant have successfully operated in production of posts and metal constructions.

In 2006 JSC "Latvijas tilti" paid a lot of attention to a new direction of the activities of the company - to the civil construction - "0" cycle land works, foundation arrangement; in these works we can compete with many Latvian companies.

Chairman of the board – director

A. Guborevičs

Balance

	as of March31, 2006		as of March31, 2005	
ASSETS	LVL	EUR 0,702804 EUR	LVL	EUR 0,702804 EUR
LONG-TERM INVESTMENTS				
INTANGIBLE INVESTMENTS				
Licenses and other intangible investments	4362	6207	2335	3322
Subtotal intangible investments	4362	6207	2335	3322
FIXED ASSETS				
Plots of land, buildings, perennial plants	708669	1008345	749512	1066459
Equipment and machinery	499280	710411	233250	331885
Other fixed assets and inventory	191998	273189	66178	94163
Cost of fixed assets formation and unfinished construction objects	15063	21433	989	1407
Subtotal fixed assents	1415010	2013378	1049929	1493914
LONG-TERM FINANCIAL INVESTMENTS				
Participation in related enterprises' capital	29422	41864	59574	84766
Participation in associated enterprises' capital	6250	8893	500	711
Own stock and shares	2013	2864	2013	2864
Subtotal long-terms financial investments	37685	53621	62087	88342
Total intangible investments	1457057	2073205	1114351	1585579
CIRCULATING ASSETS				
INVENTORIES				
Raw materials, basic materials and auxiliary materials	753709	1072431	235593	335219
Unfinished products	1878198	2672435	11219	15963
Finished products, and goods for sale	249727	355330	115818	164794
Advance payments for goods	660614	939969	113393	161344
Subtotal inventories	3542248	5040165	476023	677320
DEBTORS				
Debts of purchasers and customers	520724	740924	363662	517444
Other debtors	20369	28982	51607	73430
Deferred expenses	24596	34997	14631	20818
Accumulated debtors	207089	294661	-	-
Subtotal debtors	772778	1099564	429900	611693
SECURITIES AND PARTICIPATION IN CAPITALS				
Other securities and participation in capitals	4	6	4	6
Subtotal securities and participation in capitals	4	6	4	6
CASH	574260	817098	10170	14471
Total intangible investments	4889290	6956833	916097	1303489
TOTAL ASSETS	6346347	9030038	2030448	2889067

JSC "Latvijas tilti"

Balance

	as of March31, 2006		as of March31, 2005	
	LVL	EUR 0,702804	LVL	EUR 0,702804
		EUR		EUR
LIABILITIES				
OWN CAPITAL				
Stock or share capital (fixed capital)	671000	954747	671000	954747
Reserves:				
a) statutory reserves	29982	42661	29982	42661
b) other reserves	-	-	101	144
Undistributed profit:				
a) undistributed profit for preceding years	715768	1018446	411232	585130
b) undistributed profit for accounting year	62272	88605	1333	1897
Subtotal own capital	1479022	2104459	1113648	1584578
CREDITORS				
LONG-TERM DEBTS				
Other loans	141655	201557	6191	8809
Provisions for anticipated taxes	51820	73733	24503	34865
Subtotal long-term debts	193475	275290	30694	43674
SHORT-TERM DEBTS				
Loans from credit institutions	-	-	344717	490488
Other loans	63529	90394	16186	23031
Advance payments received from purchasers	2325380	3308718	248380	353413
Debts to suppliers and contractors	1930492	2746843	207908	295826
Debts to related enterprises	500	711	500	711
Taxes and social insurance payments	192700	274187	8531	12139
Other creditors	78244	111331	24726	35182
Deferred revenues	-	-	712	1013
Accumulated liabilities	83005	118105	34447	49014
Subtotal short-term debts	4673850	6650289	886107	1260817
Total creditors	4867325	6925580	916801	1304490
TOTAL LIABILITIES	6346347	9030038	2030449	2889069

Chairman of the Board

signature

A.Guborevičs

name, surname

31.March 2006

JSC "Latvijas tilti"

PROFIT & LOSS ACCOUNT

	as of March31, 2006		as of March31, 2005	
	EUR 0,702804		EUR 0,702804	
	LVL	EUR	LVL	EUR
Net turnover	960811	1367111	842683	1199030
Manufacturing cost of products sold	(822044)	(1169663)	(801752)	(1140790)
Gross profit	138767	197448	40931	58240
Cost of sales	(2937)	(4179)	(2911)	(4142)
Administration expenses	(72211)	(102747)	(24402)	(34721)
Other incomes from enterprise's business activity	27355	38923	4541	6461
Other expenses for enterprise's business activity	(15665)	(22289)	(4150)	(5905)
Incomes from participation in capitals of subsidiaries and associated enterprises	-	-	-	-
Other interest-bearing income, and similar incomes	768	1093	0	0
Depreciation of long-term financial investments and short-term securities value	-	-	-	-
Interest payments, and similar expenses	(11185)	(15915)	(9901)	(14088)
Profit or loss before taxes	64892	92333	4108	5845
Postponed tax liabilities	-	-	0	0
Other taxes	(2620)	(3728)	(2775)	(3948)
Profit or loss for accounting period after taxes	62272	88605	1333	1897
Dividend "profit on the action" (EPS)	0.0928	0.1320	0.0020	0.0028

Chairman of the board _____
signature

A.Guborevičs _____
name, surname

31.March 2006

Name of the enterprise: "Latvijas tilti" JSC

Unified Reg. No. LV50003030441

Address: 15 Granīta St., Stopiņi Civil Parish, District of Riga, LV-1057

Report on changes in owner's capital

	Fixed capital		Statutory reserves		Other reserves		Undistributed profit		Owner's capital total	
	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR	LVL	EUR
31.03.2004 EUR 0,661	671000	1015129	29982	45359	101	153	396914	600475	1097997	1661115
Profit for reporting year	-	-	-	-	-	-	104901	158700	104901	158700
Distribution of profit	-	-	-	-	-	-	(89250)	(135023)	(89250)	(135023)
31.03.2005 EUR 0,702804	671000	954747	29982	42661	101	144	412565	587027	1113648	1584578
Profit for reporting period	-	-	-	-	-	-	395527	562784	395527	562784
Distribution of profit	-	-	-	-	-	-	-	-	-	-
Influence of change of accounting policy	-	-	-	-	(101)	(144)	(30052)	(42760)	(30153)	(42904)
31.03.2006 EUR 0,702804	671000	954747	29982	42661	0	0	778040	1107051	1479022	2104459

Chairman of the board _____
signature

A.Guborevičs
name, surname

31.March 2006

Name of the company: „Latvijas tilti” JSC
 Unified reg. no. LV50003030441
 Address: Riga district, Stopinu reg. Granite street 15, LV 1057

REPORT ON THE CASH FLOW 1 quarter 2006

	2006 LVL	0.702804 EUR	2005 LVL	0.702804 EUR
I. Cash flow from the basic activities				
<i>Profit or losses before extra items and taxes</i>	64892	92333	4108	5845
<i>Corrections for:</i>				
- depreciation of capital assets	57837	82295	34672	49334
- write-off of non-material investment value	5026	7151	551	784
- accumulation creation (except accumulations of unsafe investments)	0	0	0	0
- profit or losses due to fluctuations of foreign currencies	(545)	(775)	(27)	(38)
- income from participation in the capitals of the daughter and associated companies of the concern	0	0	0	0
- other interest income and similar income	(769)	(1094)	0	0
- interest payment and similar expenses	11152	15868	9900	14086
- corporate income tax	0	0	0	0
- influence of the accounting policy	0	0	0	0
<i>Profit or losses before current asset and short-term liability surplus change impact corrections</i>	137593	195777	49204	70011
<i>Corrections for:</i>				
- debtor debt surplus increase (-) or decrease (+)	1523244	2167381	148943	211927
- accumulation surplus increase (-) or decrease (+)	(2402906)	(3419027)	230112	327420
- increase (+) or decrease (-) of debts to be paid to suppliers, contractors and other creditors	1981896	2819984	(236538)	(336563)
<i>Gross cash flow from basic activity</i>	1239827	1764115	191721	272794
Expenses for interest payment	0	0	0	0
Expenses for corporate income tax payments	0	0	0	0
<i>Cash flow before extra items</i>	1239827	1764115	191721	272794
Cash flow from extra items				
<i>Basic activity net cash flow</i>	1239827	1764115	191721	272794
II. Investing activity cash flow				
Purchase of capital assets and non-material investments	(120334)	(171220)	(15422)	(21944)
Income from sales of capital assets and non-material investments	72	102	0	0
Income from debt payment	0	0	0	0
Dividends received	0	0	0	0
Net cash flow from investments	(120262)	(171118)	(15422)	(21944)
III. Cash flow from financial activities				
Expenses for loan payment	(559099)	(795526)	(175352)	(249503)
Net cash flow from financial activities	(559099)	(795526)	(175352)	(249503)

IV. Foreign currency rate fluctuation results	545	775	27	38
V. Review on annual net cash flow	561011	798247	974	1386
VI. Money and its equivalent in the beginning of the period	13249	18852	9196	13085
VII. Money and its equivalents in the end of the period	574260	817098	10170	14471

Chairman of the board-director _____ A. Guborevics

JSC "Latvijas tilti "[Bridges]

Accounting policies

General principles

This Annual Report is drawn up according to the Republic of Latvia laws "On Accountancy", "On Enterprise Annual Reports", as well as Latvian Accounting Standards Nos. 1, 2, 3, and 4.

The Profit&Loss Account is drawn up according to the turnover costs scheme.

The Cash Flow Report is drawn up according to indirect method.

Converting foreign currencies to Latvian lats

Assets and liabilities in foreign currencies are converted to lats according to the exchange rate established by the Bank of Latvia for the closing day of the reporting year. Either profit or loss resulting from fluctuations in foreign currencies exchange rates, are reflected in Profit&Loss Account for the corresponding period.

	31.03.06.	31.03.05.
	Ls	Ls
1 EUR	0.702804	0.702804
1 USD	0.582	0.543
1000 BYR	0.270	0.252
1 MDL	0.0445	0.0430

Fixed assets

All fixed assets are evaluated at their starting value, gradually deducting their wear and tear. The wear and tear is calculated according to linear method throughout the period of suitable use of the relevant fixed assets.

Inventories

Inventories are evaluated according to the requirements of law "On Enterprise Annual Reports" at their purchase costs and production prime cost.

Investments in subsidiaries and associated enterprises

According to the law "On Enterprise Annual Reports", investments in subsidiaries are adjusted correspondingly to the changes in the value of share in subsidiaries' equity.

Other investments

Long-term investments, except for investments in subsidiaries and associated enterprises, are accounted at their purchase costs.

JSC "Latvijas tilti" [Bridges]

Explanations

Net turnover

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Revenues from construction Latvija	909.258	270.066
Revenues from construction with VAT 0%	-	-
Revenues from sales of services and building structures Latvija	51.533	136.510
Revenues from sales building structures with VAT 0%	-	436.107
TOTAL:	960.811	842.683

Production costs

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Material costs (raw materials, materials, services from outside)	420.400	406.310
Labour payment	140.208	196.850
Social tax	33.564	46.728
Co-operation	141.955	65.759
Other costs	85.916	86.105
TOTAL:	822.044	801.752

Selling costs

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Transport services	2.937	2.911
TOTAL:	2.937	2.911

JSC "Latvijas tilti" [Bridges]

Administrative overheads

	1 Quarter 2006	1 Quarter 2005
	Ls	Ls
Administration salaries, social tax	18.544	12.449
Expenses for communications	3.669	3.418
Chancellery costs	1.399	1.264
Legal services	13.748	24
Bank services	24.489	1.729
Representation expenses	728	323
Training of workers expenses	1.490	597
Motor transport maintenance costs	2.391	464
Other administrative overheads	2.753	4.134
TOTAL:	72.211	24.402

Other revenues from the enterprise economic activity

	1 Quarter 2006	1 Quarter 2005
	Ls	Ls
Revenues from selling materials	4.766	1.365
Revenues from services	17.048	3.141
From fluctuations in foreign currencies exchange rates	2.259	35
Other revenues	3.282	-
TOTAL:	27.355	4.541

Other expenditure from the enterprise economic activity

	1 Quarter 2006	1 Quarter 2005
	Ls	Ls
The grant to funeral	-	100
The grant to a mutilation	202	161
Losses from interruption of the contract	-	-
Sponsorship	1.200	-
Write- off of the residual rest a fixed capital	5.026	551
Result of converting	8.950	3.301
Other expenditure	287	37
TOTAL:	15.665	4.150

JSC "Latvijas tilti" [Bridges]

Payment of percent and similar revenues

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Revenues from percent	768	-
Revenues from sanctions of contracts	-	-
TOTAL:	768	-

Payment of percent and similar expenditure

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Percent for a duty	11.152	9.900
The paid penal money	34	1
TOTAL:	11.186	9.901

Other taxes

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Calculated land real property tax	980	980
Calculated buildings and facilities real property tax	1.640	1.795
TOTAL:	2.620	2.775

Intangible investments

	31.03.06. Ls	31.03.05. Ls
Acquisition value	12.441	8.901
Wear and tear	8.079	6.566
Residual value	4.362	2.335

JSC "Latvijas tilti" [Bridges]

Fixed assets

	Land, buildings and facilities Ls	Equipment and machinery Ls	Other fixed assets Ls	Formation of fixed assets Ls
Acquisition value as of 31.03.05.	1.042.951	1.082.666	214.942	989
Wear and tear	293.439	849.416	148.764	-
Residual value as of 31.03.05.	749.512	233.250	66.178	989
Acquisition value as of 31.03.06.	1.042.950	1.406.000	377.082	15.063
Wear and tear	334.281	906.720	185.084	-
Residual value as of 31.03.06.	708.669	499.280	191.998	15.063

Participation in subsidiaries capital

	Share of participation - subsidiary purchase price	
	Ls	%
"Mostdorstroj", Byelorussia	28.631	100
LTM "Poduri", Moldova	291	65.78
Partnership with unlimited liability "LT&UZ-Be", Latvia Latvia	500	50
	29.422	

Participation in associated enterprises capital

	Share of participation - purchase price	
	Ls	%
Partnership with unlimited liability "Dienvidu tilts" [South Bridge], Latvia	6.250	12.5

	Share of participation - purchase price	
	Ls	%
"TCT- tilti, ceļi un tīkli" Latvia	0	50
"Binders" un partneri" Latvia	0	3.8

JSC "Latvijas tilti" [Bridges]

Debts of purchasers and customers

	31.03.06.	31.03.05.
	Ls	Ls
Debts of purchasers and customers	344.879	326.796
Deferred payments	175.845	36.866
	<u>520.724</u>	<u>363.662</u>

Other debtors

	31.03.06.	31.03.05.
	Ls	Ls
Other debtors	13.635	33.636
Overpaid VAT	5.695	13.607
Overpaid enterprise income tax	1.039	4.364
	<u>20.369</u>	<u>51.607</u>

Deferred expenses

	31.03.06.	31.03.05.
	Ls	Ls
Expenses for communications	-	-
The periodic literature	102	967
Insurance premiums –objects	9.041	6.284
Insurance premiums -transport, the equipment	4.365	3.326
Insurance premiums- health	-	-
Riga Stock Exchange	7.338	304
Others	3.750	3.750
	<u>24.596</u>	<u>14.631</u>

JSC "Latvijas tilti" [Bridges]

Money

	31.03.06.	31.03.05.
	Ls	Ls
Cash at Cashier's Desk	2.171	7.022
Money with bank	572.089	3.148
Money total:	<u>574.260</u>	<u>10.170</u>

Creditors

	31.03.06.	31.03.05.
	Ls	Ls
Long-term debts		
Others debts- Ltd "Hanza Līzings", Ltd "Nord/lb Līzings"	141.655	6.191
Postponed tax liabilities	51.820	24.503
Long-term debts total	<u>193.475</u>	<u>30.694</u>
Short-term debts		
Depts from credit establishment	-	344.717
Others debts- Ltd "Hanza Līzings", Ltd "Nord/lb Līzings"	63.529	16.186
	<u>63.529</u>	<u>360.903</u>

Taxes and social insurance payments

	31.03.06.	31.03.05.
	Ls	Ls
State social insurance obligatory premiums	40.972	14.438
Population income tax	26.823	9.095
The profit tax of the enterprise	88.820	-15.036
VAT		
Other taxes	36.085	34
	<u>192.700</u>	<u>8.531</u>

Other debets to creditors

	31.03.06.	31.03.05.
	Ls	Ls
Settlements on wages	77.550	24.440
Other creditors – settlement parties	694	286
	<u>78.244</u>	<u>24.726</u>

JSC "Latvijas tilti" [Bridges]

Average quantity of workers at the enterprise

	1 Quarter 2006	1 Quarter 2005
Average quantity of workers at the enterprise	242	143
	242	143

Payment for a management

	1 Quarter 2006 Ls	1 Quarter 2005 Ls
Members of Advice		
The counted payment	7.350	5.710
The paid payment	5.074	3.933
Members of Board		
The counted payment	7.292	3.863
The paid payment	5.040	2.722

Anatolijs Guborevičs
Chairman of the Board - Director