

Joint Stock Company LODE
non – audited consolidated and
parent financial statements
for the period ended 30 September 2007
prepared according IAS

	page
Company Information	3
Declaration of management responsibility	4
Consolidated and Parent income statement	5
Consolidated and Parent balance sheet	6
Consolidated and Parent statement of cash flows	8
Consolidated and Parent statement of changes in equity	10
Notes to the consolidated an Parent financial statements	12

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>Jenkins David Christopher, Memeber of the Board starting from 20.07.2007</i> <i>Ainārs Ozols, Memeber of the Board starting from 20.07.2007</i>
Report period	<i>01.01.2007 – 30.09.2007</i>
Details of the daughter companies	<i>1. SIA „Lodes ķieģelis” Lodes Street 1, Liepa Parish, Cēsis District, LV-4128 Ownership interest: 100 %</i> <i>2. SIA „Latvijas māli” Lodes Street 1, Liepa Parish, Cēsis District, LV-4128 Ownership interest: 100 %</i> <i>2. SIA „Līvānu ķieģelis” ” Iesalnieki”, Jersika Parish, Preiļi District, LV-5316 Ownership interest: 100 %</i> <i>4. SIA „Kalnciema ķieģelis” Jelgavas 17, Kalnciems, Jelgava District, LV-3016 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

27 November 2007

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

	Number of note	Consolidated		Parent company	
		01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL	01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL
Net turnover	2	7 176 825	7 062 427	7 079 821	7 051 719
Production costs of the sold output	3	(4 787 351)	(4 183 030)	(4 864 942)	(4 643 786)
Gross profit or loss		2 389 474	2 879 397	2 214 879	2 407 933
Selling costs	4	(677 970)	(731 002)	(677 970)	(738 474)
Administration costs	5	(807 454)	(708 081)	(593 227)	(554 197)
Other Company's income from operating activities	6	111 491	1 067 944	73 779	205 521
Other Company's expenses of operating activities	7	(14 272)	(271 134)	(48 612)	(140 542)
Profit from participation in capitals of the Concern's daughter companies and associated entities		-	-	342 740	24 628
Interest income and similar income	8	2 464	303	51 387	126
Interest payments and similar expenses	9	(99 990)	(100 486)	(112 251)	(76 686)
Profit [or loss] before taxes		903 743	2 136 941	1 250 726	1 128 309
Income tax		(158)	-	-	-
Other taxes	10	(30 526)	(14 245)	(19 994)	(12 610)
Profit [or loss] of the report period		873 059	2 122 696	1 230 732	1 115 699
Profit per share (EPS)		0.39	0.954	0.55	0.501

The accompanying notes from on pages 12 to 23 form an integral part of these Financial Statements.

 Jānis Slesars
 Chairman of the Board

27 November 2007

Consolidated and Parent Balance Sheet as at 30 September 2007

Assets	Number of note	Consolidated		Parent company	
		01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL	01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL
Long term investments					
Intangible investments					
Other intangible investments		34 506	37 822	32 306	37 822
Total intangible investment	11	34 506	37 822	32 306	37 822
Fixed assets					
Land plots, buildings and constructions, perennial plants		1 697 106	1 754 777	1 010 760	1 511 045
Long term investments in leased assets		11 153	-	-	-
Equipment and machinery		5 277 706	2 429 009	344 685	1 164 843
Other fixed assets and inventory		238 684	152 018	76 889	109 982
Formation of fixed assets and expenses of unfinished building projects		4 787 676	182 975	12 455	37 906
Advance payments for fixed assets		1 212 658	47 382	23 796	7 023
Total fixed assets	12	13 224 984	4 566 161	1 468 585	2 830 799
Long term financial investments					
Participation in capital of related companies	13	-	-	3 938 023	1 321 887
Loans to related companies		-	-	1 384 493	776 011
Total long term financial investments		-	-	5 322 516	2 097 898
Total long term investments		13 259 490	4 603 983	6 823 407	4 966 519
Current assets					
Stock					
Raw materials, basic materials and subsidiary materials		583 082	594 587	41 568	71 358
Unfinished output		114 371	100 360	-	-
Finished output and goods for sale	14	650 957	885 922	71 583	86 728
Advance payments for goods		12 352	166 884	4 505	102 046
Total stock		1 360 762	1 747 753	117 656	260 132
Debtors					
Debts of customers and clients	15	1 230 689	1 695 029	1 219 976	1 687 690
Debts of related parties	16	-	-	285 539	134 852
Loans to related parties	17	-	-	300 000	-
Other debtors	18	417 566	170 584	239 223	143 633
Prepayments	19	35 667	46 230	24 725	41 736
Total debtors		1 683 922	1 911 843	2 069 463	2 007 911
Cash means	20	260 177	752 208	124 172	440 276
Total floating assets		3 304 862	4 411 804	2 311 291	2 708 319
Total sum of assets		16 564 352	9 015 787	9 134 698	7 674 838

Consolidated and Parent Balance Sheet as at 30 September 2007

Liabilities	Number of note	Consolidated		Parent company	
		01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL	01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 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		873 059	2 122 696	1 230 733	1 115 699
Total equity capital		7 061 372	6 424 908	6 637 397	5 347 306
Accruals					
Other accruals	22	294 828	311 367	178 970	185 569
Total accruals		294 828	311 367	178 970	185 569
Creditors					
Long term creditors					
Deferred tax liabilities	23	199 593	205 560	104 514	193 575
Loans from credit institutions	25	4 452 807	2 841	-	-
Other loans	24	93 786	50 636	23 935	40 832
Deferred income		838 874	-	-	-
Total long term creditors		5 585 060	259 037	128 449	234 407
Short term creditors					
Loans from credit institutions	25	2 752 433	1 278 361	1 467 138	938 268
Other loans	24	36 878	23 421	16 896	21 089
Advance payments received from clients		57 442	159 871	56 580	159 451
Debts to suppliers and contractors		514 129	292 150	152 520	153 823
Debts to allied companies	26	-	-	451 227	590 129
Taxes and social security payments	27	132 594	152 304	20 855	19 798
Other creditors	28	129 616	114 368	24 666	24 998
Total short term creditors		3 623 092	2 020 475	2 189 882	1 907 556
Total creditors		9 208 152	2 279 512	2 318 331	2 141 963
Total sum of liabilities		16 564 352	9 015 787	9 134 698	7 674 838

The accompanying notes on pages from 12 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

27 November 2007

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

	Number of note	Consolidated		Parent company	
		01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL	01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL
Cash flow from basic activities					
1. Profit or loss before exceptional items and taxes		873 059	2 122 696	1 230 732	1 115 696
Corrections:					
Depreciation of fixed assets and intangible investments;		351 437	218 787	66 339	111 229
Non-amortized value of excluded fixed assets;		529 354	134 255	529 349	548 205
Formation of accruals (excluding accruals for doubtful debts);		(77 462)	90 318	(43 261)	34 029
Interest payments		92 249	100 488	67 580	76 687
Interest income		(2 456)		(227)	
2. Profit or loss before corrections influenced by changes in balance of the floating assets and short term liabilities		1 766 181	2 666 544	1 850 512	1 885 846
Corrections:					
increase or decrease in balance of debtors' debts;		(423 155)	(849 589)	56 205	(437 250)
increase or decrease in balance of accruals;		178 971	50 405	(1 404)	167 918
increase or decrease in balance of debts payable to suppliers, contractors and other creditors		67 990	357 757	130 135	521 056
Unrealized profit of previous periods		-	77 632		-
3. Net cash flow from basic activities		1 589 987	2 302 749	2 035 448	2 137 570
4. Expenses on interest payments		(92 249)	(100 488)	(67 580)	(76 687)
5. Paid income tax		-	(202 363)	-	(170 192)
Net cash flow from basic activities		1 497 738	1 999 898	1 967 868	1 890 791
Cash flow investing activities					
Purchase of fixed assets and intangible investments		(7 373 140)	(764 246)	(52 297)	(328 079)
Investments in subsidiaries		-	-	(1 496 893)	(24 625)
Income from selling of fixed assets and intangible investments		-	-		-
loans issued		-	-	(884 494)	-
Interest received		2 456		227	-
Dividends paid			(111 257)	-	(111 257)
Net cash flow from investing activities		(7 370 684)	(875 503)	(2 433 457)	(463 961)

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

	Number of note	Consolidated		Parent company	
		01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL	01.01.2007- 30.09.2007 LVL	01.01.2006- 30.09.2006 LVL
Cash flow from financing activities					
Paid liabilities of financial leasing		(28 941)	(98 789)	(14 786)	(72 290)
Loans received		4 411 470			
Expenses on repayment of loans		-	(167 165)		(153 000)
Received liabilities of financial leasing		-	12 884		-
EU grants received		838 874			
Loan to Group companies for investment in the fixed capital		-	-		(730 811)
Using of credit line		78 014	(204 825)	240 242	(110 784)
Net cash flow from financing activities		5 299 417	(457 895)	225 456	(1 066 885)
Net increase/(decrease) in money and its equivalents		(573 629)	666 500	(240 133)	359 945
Cash and its equivalents in the beginning of the period	20	833 806	85 708	364 304	80 331
Cash and its equivalents at the end of the period		260 177	752 208	124 172	440 276

The accompanying notes from on pages 12 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

27 November 2007

Consolidated and the Parent Statement of Changes in Shareholder's Equity for the period ENDED 30 SEPTEMBER 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	<u>2 225 138</u>	<u>1 228 266</u>	<u>882 433</u>	<u>4 335 837</u>
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	-	-	2 122 696	2 122 696
30.09.2006	<u>2 225 138</u>	<u>2 077 074</u>	<u>2 122 696</u>	<u>6 424 908</u>
Retained earnings of the report period (01.10.-31.12.06)	-	-	(172 611)	(172 611)
Correction for the unrealized profit of the year 2005	-	(77 632)	-	(77 632)
31.12.2006	<u>2 225 138</u>	<u>1 999 442</u>	<u>1 950 085</u>	<u>6 174 665</u>
Profit of the year 2006 moved to profit of previous periods	-	1 950 085	(1 950 085)	-
Retained earnings of the report period	-	-	1 237 366	1 237 366
Correction for the unrealized profit of the year 2006	-	13 648	-	13 648
30.09.2007	<u>2 225 138</u>	<u>3 963 175</u>	<u>1 237 366</u>	<u>7 425 679</u>

The accompanying notes from on pages 12 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

27 November 2007

Consolidated and the Parent Statement of Changes in Shareholder's Equity for the period ENDED 30 SEPTEMBER 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	<u>2 225 138</u>	<u>1 265 694</u>	<u>852 032</u>	<u>4 342 864</u>
Profit of year 2005 moved to profit of previous periods	-	852 032	(852 032)	-
Paid dividends for the year 2005	-	(111 257)	-	(111 257)
Profit invested in subsidiary companies	-	-	24 628	24 628
Undivided profit of the report period	-	-	1 091 071	1 091 071
30.09.2006	<u>2 225 138</u>	<u>2 006 469</u>	<u>1 115 699</u>	<u>5 347 306</u>
Undivided profit of the period 01.10.-31.12.06	-	-	59 356	59 356
31.12.2006.	<u>2 225 138</u>	<u>2 006 469</u>	<u>1 175 055</u>	<u>5 406 662</u>
Profit of year 2006 moved to profit of previous periods	-	1 175 057	(1 175 057)	-
Undivided profit of the report period	-	-	1 230 733	1 230 733
30.09.2007	<u>2 225 138</u>	<u>3 181 526</u>	<u>1 230 733</u>	<u>6 637 397</u>

The accompanying notes from on pages 12 to 23 form an integral part of these Financial Statements.

Jānis Slesars
Chairman of the Board

27 November 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 discounts.

Activity form	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Ceramic bricks, tiles, Keraterm blocks and clinker sales	7 176 825	7 062 427	7 079 821	7 051 719
	<u>7 176 825</u>	<u>7 062 427</u>	<u>7 079 821</u>	<u>7 051 719</u>

(3) Costs of goods sold

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Expenses on materials	999 819	609 142	826	1 389
Electric power	271 193	217 108	-	-
Gas	1 190 638	1 043 900	-	-
Personnel expenses	1 193 155	1 074 588	-	-
Depreciation of fixed assets	274 328	183 231	-	-
Expenses related to purchase of goods	153 781	564 107	4 836 387	4 554 156
Other	380 194	179 284	-	-
Changes in stock	324 243	311 670	27 730	88 241
	<u>4 787 351</u>	<u>4 183 030</u>	<u>4 864 942</u>	<u>4 643 786</u>

(4) Distribution expenses

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Personnel expenses	138 019	128 241	138 019	128 241
Depreciation of fixed assets	4 862	5 025	4 862	5 025
Expenses on advertising and representations	58 168	63 868	58 168	63 978
Transportation expenses	419 635	494 413	419 635	494 665
Expenses on business trips	4 914	5 566	4 914	5 566
Transport expenses of selling administration	17 934	10 222	17 934	10 222
Other	34 438	23 667	34 438	30 777
	<u>677 970</u>	<u>731 002</u>	<u>677 970</u>	<u>738 474</u>

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

	Consolidated		Parent Company	
	01.01.- 30.09.2007	01.01.- 30.09.2006	01.01.- 30.09.2007	01.01.- 30.09.2006
	LVL	LVL	LVL	LVL
Personnel expenses	469 407	427 244	315 640	334 418
Depreciation of fixed assets	31 933	24 065	27 951	23 814
Rent of premises	6 517	7 141	6 517	7 141
Business trip expenses	3 681	11 324	3 655	8 005
Office expenses	3 933	4 338	1 763	1 792
Communication expenses	19 513	21 403	12 624	14 696
Transportation	69 555	64 144	51 172	53 493
Training	1 865	3 005	1 623	2 133
Riga Stock Exchange fees	5 000	3 752	5 000	3 752
State duty payable to the Land Register	25 452	-	25 452	-
Insurance	10 267	26 292	8 374	16 341
Security	32 143	22 703	23 610	15 979
Professional services	35 580	28 958	32 827	21 068
Other	92 608	63 712	77 019	51 565
	807 454	708 081	593 227	554 197

(6) Other operating income

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Profit from sales of materials	19 904	146 137	8 236	132 968
Profit from sales of scrap metal	62 500	-	29 487	-
Profit from sales of fixed assets	18 817	-	1 901	-
Income from rent of fixed assets	23	21	33 342	65 467
Income from sauna services	558	575	561	575
Employment of the unemployed	1 200	4 617	-	-
Income from sales of greenhouse gas emission quota	-	908 833	-	-
EU grants	7 049	-	-	-
Other	1 440	7 761	252	6 511
	111 491	1 067 944	73 779	205 521

(7) Other operating expenses

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Amortisation of leased fixed assets		12 533	33 320	77 979
Write off of fixed assets	688	-	684	-
Expenses on materials		231 571	3 059	41 905
Expenses not related to operating activities	13 004	19 291	11 133	13 852
Penalties	146	24	-	13
Other expenses	434	7 715	416	6 793
	14 272	271 134	48 612	140 542

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

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Interest income from related parties	-	-	27 467	-
Profit from currency exchange fluctuations	-	-	23 694	-
Other interest income and similar income	2 464	303	226	126
	2 464	303	51 387	126

(9) Interest Expenses and Other Expenses

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Interest payments to credit institutions	80 242	70 247	67 579	50 455
Loss of foreign exchange	11 097	25 559	41 831	21 740
Other interest expenses and similar costs	8 651	4 680	2 841	4 672
	99 990	100 486	112 251	76 867

(10) Other Taxes

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Real estate tax on land	1 952	2 061	558	966
Real estate tax on buildings, constructions	28 574	12 184	19 436	11 644
	30 526	14 245	19 994	12 610

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

	Other intangible investments
	LVL
Initial costs	
31.12.2006	50 985
Purchased	3 442
30.09.2007	54 427
Accumulated depreciation	
31.12.2006	12 992
Calculated depreciation	7 832
30.09.2007	20 824
Balance value as of 31.12.2006	37 993
Balance value as of 30.09.2007	34 506

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	114 065	54 540	2329720	4 377 908	7 397 404
Excluded	(673 033)	(178 77)	(38 138)	(27 362)	(1 247)	(757 657)
Transferred to other item	-	3 059 051	451	1 913 251	(4 972 753)	-
30.09.2007	1 844 841	6 148 504	395 563	4 787 676	1 212 658	1 4389 242
Accumulated depreciation						
31.12.2006	277 805	624 178	118 365	-	-	1 020 348
Calculated depreciation	28 675	237 399	77 531	-	-	343 605
Depreciation of excluded fixed assets	(169 898)	(12 814)	(16 982)	-	-	(199 694)
30.09.2007	136 582	848 762	178914	-	-	1 164 258
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 30.09.2007	1 708 259	5 299 742	216 649	4 787 676	1 212 658	13 224 984

(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	-	-	26 105	-	24 247	50 352
Excluded	(673 033)	(17 872)	(38 079)	-	-	(728 984)
Transferred to other item	-	-	451	-	(451)	-
30.09.2007	1 082 782	701 012	191 861	12 455	23 796	2 011 906
Accumulated depreciation						
31.12.2006	231 494	348 541	104 213	-	-	684 248
Calculated depreciation	10 426	20 600	27 681	-	-	58707
Depreciation of excluded fixed assets	(169 898)	(12 814)	(16 922)	-	-	(199 634)
30.09.2007	72 024	356 327	114 972	-	-	543 322
Balance value as of 31.12.2006	1 524 321	370 343	99 170	12 455	-	2 006 289
Balance value as of 30.09.2007	1 010 760	344 685	76 889	12 455	23 796	1 468 584

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

	SIA Līvānu Ķieģelis LVL	SIA Kalnciema Ķieģelis LVL	SIA Lodes Ķieģelis LVL	SIA Latvijas Māli LVL	Kopā LVL
31.12.2005	245 971	372 332	224 000	2 000	844 303
Invested in 1st half of 2006	-	-	302 955	150 000	452 955
30.09.2006	245 971	372 332	526 955	152 000	1 297 258
Invested 01.10.-31.12.2006	-	806 882	312 361	-	1 119 243
Invested 01.10.-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	-	-	1 496 893	-	1 496 893
30.09.2007	<u>270 600</u>	<u>1 179 214</u>	<u>2 336 209</u>	<u>152 000</u>	<u>3 938 023</u>

Investments into Group companies:

Name of a company	Number of equities hold as of 30.09.2007	Purchase value LVL	Value of a daughter company's equity capital as of 30.09.2007 LVL	Profit / (loss) of daughter companies of the report period LVL
	%			
SIA „Lodes ķieģelis”	100	2 336 209	2 594 761	(175 301)
SIA „Latvijas māli”	100	152 000	268 114	11 229
SIA „Līvānu ķieģelis”	100	270 600	419 928	110 923
SIA „Kalnciema ķieģelis”	100	1 179 214	1 079 195	38 215
		<u>3 938 023</u>	<u>4 361 998</u>	<u>(14 934)</u>

(14) Finished outputs and goods for sale

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
Goods for sale	650 957	885 922	71 583	86 728
	-	-	-	-
	<u>650 957</u>	<u>885 922</u>	<u>71 583</u>	<u>86 728</u>

(15) Debts of customers and clients

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
Trade debtors	1 280 462	1 745 167	1 268 632	1 737 228
Accruals for doubtful debtors	(49 773)	(50 138)	(48 656)	(49 538)
	<u>1 230 689</u>	<u>1 695 029</u>	<u>1 219 976</u>	<u>1 687 690</u>

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

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
SIA „Līvānu ķieģelis”	-	-	-	-
SIA „Lodes ķieģelis”	-	-	173 188	123 347
SIA „Latvijas māli”	-	-	59 825	9 407
SIA „Kalnciema ķieģelis”	-	-	52 526	2 098
	<u>-</u>	<u>-</u>	<u>285 539</u>	<u>134 852</u>

(17) Loans to Group Companies (Parent Company)

Distribution of loans:	30.09.2007	30.09.2006
	LVL	LVL
Balance sheet value for 31.12.2005	-	498 155
SIA „Kalnciema ķieģelis”	-	720 811
SIA „Lodes ķieģelis”	300 000	-
Lodes ķieģelis Ltd. Registered investment in stock capital	-	(302 955)
Latvijas māli Ltd. Registered investment in stock capital	-	(150 000)
SIA „Latvijas māli”	-	10 000
	<u>300 000</u>	<u>776 011</u>

(18) Other debtors

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
VAT on unpaid services	34 074	30 135	7 845	23 347
Overpayment of taxes	322 732	126 262	225 642	110 052
Settlements with personnel	-	693	-	669
Advance payments on services	55 023	13 494	-	9 565
Other debtors	5 737	-	5 736	-
	<u>417 566</u>	<u>170 584</u>	<u>239 223</u>	<u>143 633</u>

(19) Deferred expenses

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

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
Advertisement expenses	-	683	-	683
Insurance	12 875	9 098	2 673	4 693
Subscription of press	260	556	260	467
Write-off of advance payments for use of cars into operative leasing	18 572	30 099	18 572	30 099
Annual fee for membership in the Riga Stock Exchange	-	1 248	-	1 248
Maintenance works in the rented Riga Office premises	339	1 695	339	1 695
Other costs of the next periods	3 621	2 851	2 881	2 851
	<u>35 667</u>	<u>46 230</u>	<u>24 725</u>	<u>41 736</u>

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			
		30.09.2007		30.09.2006		30.09.2007		30.09.2006	
		Currency	LVL	Currency	LVL	Currency	LVL	Currency	LVL
Vault cash	LVL	-	24 469	-	4 102	-	23 755	-	4 061
	USD	7	4	7	4	7	4	7	4
	EUR	108	76	108	76	108	76	108	76
Current account	LVL		136		378				
		-	748	-	513	-	1 558	-	66 622
Current account	PLN				222				
		51 222	9 527	1 258 684	787	51 222	9 527	1 258 684	222 787
Current account	EUR	83 270	58 523	110 584	77 719	83 126	58 422	110 584	77 719
Current account	USD	-	-	33 519	18 503	-	-	33 519	18 503
Current account	RUB	1 015 595	20 210	1 358 758	27 990	1 015 595	20 210	1 358 758	27 990
Current account	LTL	32 300	6 589	65 743	13 346	32 300	6 589	65 743	13 346
Current account	EEK	89 796	4 031	204 199	9 196	89 796	4 031	204 199	9 196
			<u>260 177</u>		<u>752 236</u>		<u>124 172</u>		<u>440 304</u>

(21) Fixed Capital

The Company's fixed capital as of the September 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	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
Vacation accruals	168 253	200 438	81 102	93 252
Accruals for restoration of clay-pits	91 611	88 021	91 611	88 021
Other accruals	34 964	22 908	6 257	4 296
	<u>294 828</u>	<u>311 367</u>	<u>178 970</u>	<u>185 569</u>

(23) Accruals for Deferred Tax

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
Accruals for the deferred corporate income tax	199 593	205 560	104 514	193 575
	<u>199 593</u>	<u>205 560</u>	<u>104 514</u>	<u>193 575</u>

Consolidated and Parent Notes to Financial Statements**(24) Other Loans**

		Consolidated		Parent Company	
		30.09.2007	30.09.2006	30.09.2007	30.09.2006
		LVL	LVL	LVL	LVL
Long term division					
Financial leasing SIA „Unilīzings”	LVL	93 786	50 636	23 936	40 832
		93 786	50 636	23 936	40 832
Short term division					
Financial leasing SIA „Unilīzings”	LVL	36 878	23 421	16 896	21 089
		36 878	23 421	16 896	21 089
Total other loans		130 664	74 057	40 832	61 921

*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 30.09.2007
1.	SIA „Unilīzings”	3 mēn.RIGIBOR + 1.5 %	25.02.2010.	LVL 40 832

(subsidiaries)

As of September 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 30.09.2007
1.	SIA „Unilīzings”	3 mēn.RIGIBOR+ 2,0 %	25.05.2011	LVL 9 804
2.	SIA „Unilīzings”	3 mēn.RIGIBOR+1.5 %	25.10.2011	LVL 14 755
3.	SIA „Unilīzings”	3 mēn.RIGIBOR+ 1.5 %	25.11.2011	LVL 10 706

As of September 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 30.09.2007
1.	SIA „Unilīzings”	3 mēn.RIGIBOR+ 1.5 %	25.10.2011	LVL 18 059
2.	SIA „Unilīzings”	3 mēn.RIGIBOR+1.5 %	25.10.2011	LVL 18 059
3.	SIA „Unilīzings”	3 mēn.RIGIBOR+ 1.5 %	25.11.2007	LVL 18 450

Consolidated and Parent Notes to Financial Statements**(25) Loans from Credit Institutions**

	Consolidated				Parent Company			
	30.09.2007		30.09.2006		30.09.2007		30.09.2006	
	EUR	LVL	EUR	LVL	EUR	LVL	EUR	LVL
Long term division								
Loan from JSC „SEB Latvijas Unibanka”	LVL		-	2 841	-	-	-	-
Loan from JSC „SEB Latvijas Unibanka”	EUR	6 335774	4452807	-	-	-	-	-
Total		<u>4452807</u>	-	<u>2 841</u>	-	-	-	-
Short term division								
Loan from JSC „SEB Latvijas Unibanka”	LVL		-	16 998	-	-	-	-
Loan from JSC „SEB Latvijas Unibanka”	EUR	1580247	1110604	-	-	-	-	-
Short term credit line in JSC „SEB Latvijas Unibanka”	LVL		1641829	-	1 261 363	-	1 467 138	-
Total		<u>2752433</u>	-	<u>1 278 361</u>	-	<u>1 467 138</u>	-	<u>938 268</u>
Total of loans from credit institutions		<u>7205240</u>	-	<u>1 281 202</u>	-	<u>1 467 138</u>	-	<u>938 268</u>

*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 September loan amounted to LVL 0. 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 September 2007 the loan received amounted to EUR 7 571 000. The loan is due on 20 December 2011, and the first principal payment is due July 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 345 021. 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”.

Consolidated and Parent Notes to Financial Statements*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 September 2007, the amount of utilized credit line was LVL 1 467 138. 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 400 000. 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 September 2007, the amount of utilized credit line was LVL 174 691. 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)

	30.09.2007	30.09.2006
	LVL	LVL
Short term division		
Debt on goods to SIA „Lodes ķieģelis”	253 430	333 237
Debt on goods to SIA „Latvijas māli”	105	2 320
Debt on goods to SIA „Līvānu ķieģelis”	179 851	73 258
Debt on goods to SIA „Kalnciema ķieģelis”	17 841	181 314
	<u>451 227</u>	<u>590 129</u>

(27) Taxes and Social Insurance Payments**(Consolidated)**

Type of tax	Balance as of 31.12.2006	Calculated in 01.01.2007-3 0.09.2007	Paid in 01.01.2007-3 0.09.2007	Transferred from / to other taxes	Balance as of 30.09.2007
	LVL	LVL	LVL		LVL
Corporate income tax	178 759	158	(286 268)	(141 681)	(249 035)
Value added tax	(126 613)	(277 656)	(80 405)	433 833	(50 841)
Social security contributions	56 051	568 356	(334 709)	(225 905)	63 793
Personal income tax	39 098	350 960	(282 035)	(66 247)	41 776
Nature resource tax	3 167	8 701	(8 419)	-	3 449
Real estate tax (land)	-	1 951	(1 951)	-	-
Real estate tax (buildings)	762	28 575	(29 337)	-	-
Risk fee	107	966	(987)	-	86
	<u>151 331</u>	<u>682 011</u>	<u>(1 024 111)</u>	<u>-</u>	<u>(190 772)</u>

Including:

	31.12.2006	30.09.2007
	LVL	LVL
Tax overpayments	(151 313)	(299 876)
Tax debt	302 644	109 104

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

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

Type of tax	Balance as of 31.12.2006	Calculated in 01.01.2007-3 0.09.2007	Paid in 01.01.2007-3 0.09.2007	Transferred from / to other taxes	Balance as of 30.09.2007
	LVL	LVL	LVL		LVL
Corporate income tax	152 240	-	(214 668)	(149 520)	(211 948)
Value added tax	(5 132)	(220 506)	-	215 639	(9999)
Social security contributions	7 649	113 613	(47 733)	(66 119)	7 411
Personal income tax	8 516	87 974	(88 371)	-	8 119
Nature resource tax	179	4 989	(3 662)	-	1 508
Real estate tax (land)	-	557	(557)	-	-
Real estate tax (buildings)	211	19 438	(19 649)	-	-
Risk fee	13	102	(106)	-	9
	163 676	6 167	(374 746)		(204 902)

Including:	31.12.2006	30.09.2007
	LVL	LVL
Tax overpayments	(5 132)	(221 940)
Tax debt	168 808	17 038

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

(28) Other Creditors

	Consolidated		Parent Company	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	LVL	LVL	LVL	LVL
Settlements with personnel	831	523	378	-
Salary of employees	127 715	110 874	24 214	24 935
Withheld rent fee on apartment	861	1 252	74	63
Withheld alimony	120	225	-	-
Credit card balance	89	16	-	-
Other creditors	-	1 478	-	-
	129 616	114 368	24 666	24 998

(29) Number of Employees Employed by the Company

	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
An average number of employees in the report period	423	441	41	58

Consolidated and Parent Notes to Financial Statements**(30) Personnel Expenses**

Type of expenses	Consolidated		Parent Company	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
	LVL	LVL	LVL	LVL
Remuneration for work	1 749 897	1 458 574	411 017	383 012
State obligatory social security payments	401 246	337 529	81 534	81 077
	<u>2 151 143</u>	<u>1 796 103</u>	<u>492 551</u>	<u>464 089</u>

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

	01.01.2007-30.09. 2007	01.01.2006-30.09. 2006
	LVL	LVL
Board members	109 668	84 803
Council members	43 673	55 692
	<u>153 341</u>	<u>140 495</u>

Exchange rate

30.09.2007. 1 EUR = 0.702804 LVL