



ANNUAL REPORT

2013 / 2014

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Events 2013



JANUARY

Winning the competition for the dismantling of the 1st pier of Ventspils Free Port.

The largest project in Latvia for cleaning soil contaminated with petroleum products. The soil is washed using micro-biological technologies developed in Latvia. In the future, after the dismantling of the 1st pier there will be an opportunity to significantly increase the volume of transshipment of coal in the adjacent territories.



FEBRUARY

Health care professionals are introduced with work on the renovation and modernisation of Riga 1st Hospital.

Renovation of Riga 1st Hospital building 17 included significant changes in the internal structure of the building, as well as the application of a number of innovations. Operating rooms are located in building 17, therefore within the framework of renovation works special ventilation and lighting systems were installed. The building was put into commission in June 2012.



MARCH

LNK Industries shares its experience with future industry experts.

Roberts Trautmanis, the best project manager of the Contest "Latvian Civil Engineer of the Year – 2013", attended a lecture at the Department of Construction of Riga Technical University. He informed the students about the project implemented by LNK Industries – construction of Riga Cargo Bulk Terminal.



APRIL

Winning the competition for the construction of the ring road in Panemune, Lithuania.

This is a joint project of Lithuania and the Russian Federation. It foresees the construction of a new bridge across the River Neman, which is the border between Lithuania and Kaliningrad Region, Russian Federation. Within the project framework LNK Industries plan to manage the construction of the bridge with a length of over 460 m, as well as bridge overpasses and the retaining wall.



MAY

Winning the competition for the renovation of the bridge across the River Daugava in Jēkabpils.

Renovation of the bridge, which was last repaired in 1995, includes replacement of the surfacing of the roadway and sidewalks, repair of bridge piers, design of spans, dismantling and installation of new handrails, curbs and lighting poles, replacement of sewage pipes and painting of the parts of the bridge.



JUNE

Completed renovation of building 23 of Riga 1st Hospital.

Already in October the renovated building began to operate as a children's health centre and dental department. Renovation of the building and construction of new extensions was done by LNK Industries Partnership.



JULY

Contract concluded for the renovation of the 12th pier in Ventspils Port.

The project includes reconstruction of the urban sewerage system, reconstruction of the existing railway and construction of a loading area, as well as deepening of the area around the pier and the approach channel to a depth of 12.5m.



AUGUST

Ventspils Free Port launches a project for cleaning contaminated soil.

For cleaning soil contaminated with petroleum products LNK Industries EKO uses innovative technologies developed in Latvia. These technologies and equipment provide biodegradation of a detergent which allows a more efficient and easy way to clean wastewater resulting from washing of the soil.



SEPTEMBER

Contract concluded for the construction of the Academic Centre of the University of Latvia in Torņakalns.

This building will be home to the Faculties of Biology, Chemistry, Geography and Earth Sciences, Medicine, the Institute for Microbiology and Biotechnology, and the Institute for Chemical Physics. The total area of the premises will be able to accommodate 3 000 students, scientists, and members of academic staff.



OCTOBER

Renovation design for the buildings of Riga 1st Hospital received recognition «Grand Prix in Architecture in Riga 2013».

LNK Industries renovated two buildings. The buildings have an elevator and lift ensuring a favourable environment for people with disabilities. The company has also carried out the replacement of tile roofing and interior decoration of the building. The façade of the building was cleaned from external contamination.



NOVEMBER

Riga Fertilizer Terminal in the Free Port of Riga in Kundziņsala put into commission.

The most modern and secure terminal for transloading and short-term storage of fertilisers in Northern Europe. The terminal ensures efficient and state-of-the-art technologies for the handling and storage of goods, as well as a safe and secure work environment.

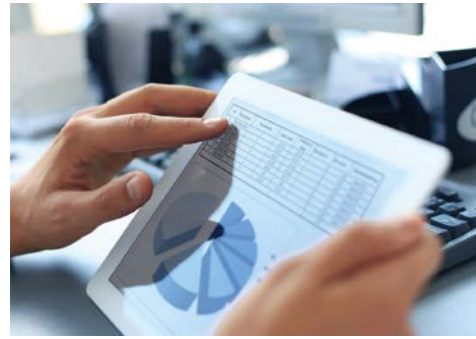


DECEMBER

Residential project The Pearl by the lake Small Baltezers put into commission.

The modern residential complex includes a multi-functional building with full finish and the entire infrastructure: internal roads, technical systems of the building, pier and full development of the territory.

Events 2014



JANUARY

LNK Industries demonstrates a high growth in turnover in 2013.

According to the results of construction companies in 2013, Lursoft operational data show that LNK Industries witnessed a significant growth in turnover (+ 183.8%), moving from 20th to 7th place in the ranking of the largest construction companies in 2013.



FEBRUARY

Riga Bulk Terminal put into commission in the territory of the Freeport of Riga.

The most state-of-the-art terminal in the Baltic states, equipped applying technologically innovative solutions that allow the handling of eight different types of bulk cargo. Riga Bulk Terminal is unique for its engineering solutions that were used for the first time in Latvia. Construction of the terminal was launched in July 2012, and it was completed in a record short time.



MARCH

LNK Industries specialists receive The award "Civil Engineer of the Year in Latvia – 2013".

In the main contest nomination "Latvian Project Manager of the Year - 2013" 1st place was awarded to a specialist from LNK Industries – Sergey Komarov for the management of works for the reconstruction of Riga 1st Hospital. For the second year in a row 1st place in this nomination is awarded to a project manager from LNK Industries.



APRIL

LNK Industries concludes an agreement with the Estonian Road Administration on the design and construction of two bridges near the border of Tallinn.

LNK Industries will also be responsible for dismantling the old bridge, which is currently being used, for the construction of a temporary bridge, bicycle and pedestrian ways with a total length of over a kilometre. This is the first infrastructural construction project implemented by JSC LNK Industries in Estonia.



MAY

LNK Industries and the management of the University of Latvia lay the first stone and a commemorative capsule in the foundations of the Academic Centre in Torņakalns.

The Centre for Natural Science will be the first new educational building constructed after the restoration of independence of Latvia, and one of the most state-of-the-art centres of education and science in Europe. LNK Industries develops the 1st stage of the technological project and provides construction and author supervision services.



JUNE

Contract concluded for renovation of Salu Bridge.

The project involves the dismantling of roadways of bridges across the River Daugava and the "Small" Daugava, dismantling of the existing barriers, gutters, sidewalks and handrails, upgrading of waterproofing and asphalt pavement, and arranging the pedestrian and bicycle zones for traffic across the bridge.



JUNE

The most modern Passenger and Cargo Terminal in the Baltic states opens in the port of Klaipeda (Lithuania)

LNK Industries completed construction of a multifunctional terminal, and manufacture and installation of automated Ro-Ro ramps, performed complex hydraulic construction works, and the construction of a pier with a length of over 700 m.



JULY

LNK Industries wins an international competition for the design and construction of a complex for the transshipment of fertilisers in the Seaport of Saint Petersburg.

The complex integrates innovative design and construction, which foresees the construction of dome structure warehouses.



AUGUST

Business class residential building Blueberry was put into commission in Jurmala.

Fashionable and modern solutions and trends prevail in the architectural ensemble: wood, glass and concrete. Every apartment was created according to a specially developed project.



SEPTEMBER

Contract concluded on the reconstruction of the Scientific Library of Riga Technical University and the construction of a new laboratory building in Ķīpsala.

The project will contribute to the development of education and science in Latvia by creating a modern research centre and modern learning environment for students, as well as for the academic staff.



OCTOBER

Contract concluded for the design and construction of the hotel Hilton Garden Inn Rīga Valdemāra.

The first hotel Hilton Garden Inn in the Baltic states will be located in Riga. It is planned that LNK Industries undertakes not only to perform construction works, but also the arrangement of external communications.



NOVEMBER

Launched construction of multifunctional building Astor Residence.

LNK Industries performs construction works of a new, modern, multifunctional project. The project was created for those who appreciate time, comfort and technologies. From the windows and terraces of the residence, a panoramic view of the city opens out. Planned completion date – end of 2015.



From the Council of LNK Group

“LNK Industries is used to solving
challenging problems”

DEAR CUSTOMERS AND PARTNERS OF THE LNK GROUP HOLDING COMPANY,

The brand of LNK Industries has been steadily increasing its potential and workload over the past three years. It has stepped outside the borders of Latvia and gained international recognition as an innovative construction and manufacturing general contractor. We are proud to say that the concept we offer in the construction, equipping and automation of complex industrial objects, has no analogues not only on the regional, but also on the global market.

Owing to the combination of competences in high-tech machine building industry, engineering and design, high managerial competence and innovative, even unique technologies – we offer our partners decisions that fully correspond to the motto of the LNK Group holding company – In optima forma, which in Latin means “the best possible way”. Due to the synergy of multi-directional enterprises, all

or almost all works are performed by LNK Industries’ own highly qualified engineers, designers and workers, by our own manufacturing powers, using our own equipment and our own schedules, which are tested in practice. This is why we are able to win the most arduous of tenders and deliver constructed, assembled and manufactured projects with pride and within the set deadlines.

EXPONENTIAL GROWTH OF EFFICIENCY

In 2013 LNK Industries entered the premier league of general contractors in Latvia, becoming a high-growth construction company with a turnover of more than 100 million euros. The leading position was achieved primarily due to the use of the latest trends in assembling automated and specialised terminals for bulk cargo, which only appeared 10 years ago. This kind of loading system is a high-performance automated system that provides exponential growth of production.

Alexander Milov,

D. Eng. Sc. Chairman of the Council
of LNK Group

Artyom Milov,

Chairman of the Board
of LNK Group

Vadim Milov,

Deputy Chairman of the Council
of LNK Group

“Owing to the synergy of multi-directional enterprises, all or almost all works are performed by our team of highly qualified engineers, designers and workers, by our own manufacturing powers using our own equipment and our own schedules, which are tested in practice.”

LNK Industries has been sticking to this concept since 2008, when it constructed Ventspils Coal Terminal – the first closed-type facility in the Baltic region, where the workers were even wearing light uniforms!

With this experience we succeeded among 11 candidates, including Chinese builders, and won a tender for the construction of the cargo-passenger ferry terminal in Klaipeda. We carried out a set of works in marine construction, landside construction and the assembly of highly-automated Ro-Ro ramps for cargo acceptance. On the 17th of June 2014, the port administration held a grand opening of the terminal, which was attended by the Prime Minister of Lithuania. The administration of LNK Group was also honoured by being personally invited. Riga Fertilizer Terminal (RFT), which we constructed in the Freeport of Riga – is a champion in cargo processing speed: mineral fertilisers are transferred from the railcar to the ship in only seven minutes. For cargo storage we built dome-shaped warehouses. It made us the third company in the entire world who is familiar with this technology. Under the railroad track on the unloading station we made a giant pit, wherefrom fertilisers are transported into the domes through tunnels – from below and from above. There are 120 different transportation routes that are presented on the operators’ control desk. The shiploader has two exits for loading two ships at the same time, and it works round-the-clock. The terminal transfers two million tonnes of cargo per year in an

environmentally safe closed cycle. The peak of our proficiency is Riga Bulk Terminal, which is designed for six or seven types of cargo, food and non-food, which can also be transferred in reverse regime. Our participation in this project was about 90%; moreover it was carried out in record time - just 1.5 years.

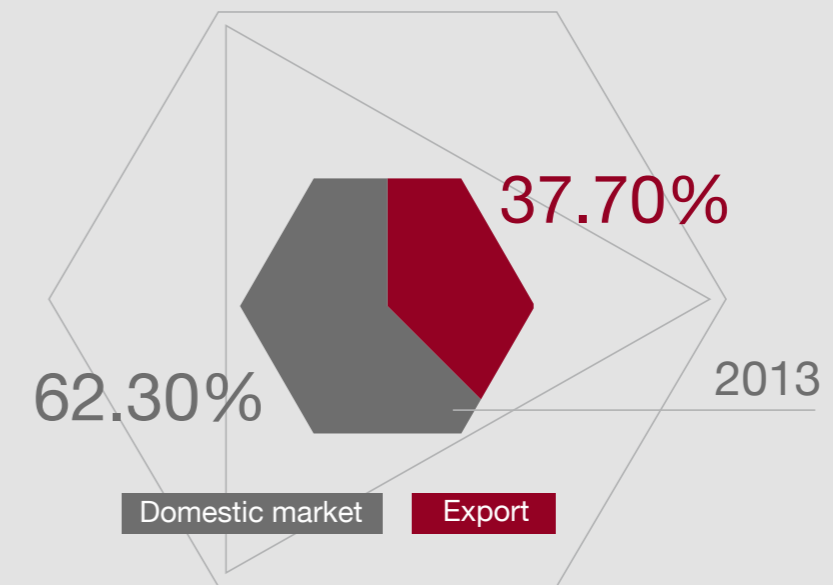
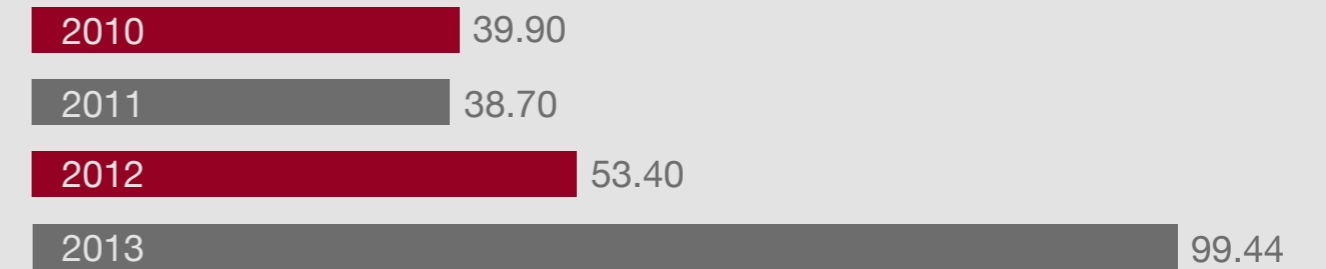
TECHNOLOGY OF SUCCESS

For the implementation of such projects we introduced the technology of “crews”. For each technological complex there are several “crews”. They are perfectly co-ordinated and maintain the operation of our high-performance equipment seven days a week 12 hours a day or even seven days a week 24 hours a day. LNK Industries united the builders, landside builders and transportation technology systems factory TTS. This is why we are the only enterprise in the entire world that offers everything, including technologies. We install the equipment hand-in-hand with the people who have manufactured it, or in their presence. And we also provide maintenance. This guarantees our customers a 100% result and minimises their expenses, despite the fact that all technological units are made using the best western-manufactured parts.

Besides, the financial assurance of a powerful and respectable general contractor provides our customers with a one stop principle co-funded by European funds through the Investment and Development Agency of Latvia.

CONSOLIDATED TURNOVER, mln euros

Sales of the holding LNK Group



EXPORT MAP

LNK Group exports its products and services to Finland, Germany, Italy, Denmark, Lithuania, Russia, Belarus, Kazakhstan, Turkmenistan, China and Japan.



LNK GROUP

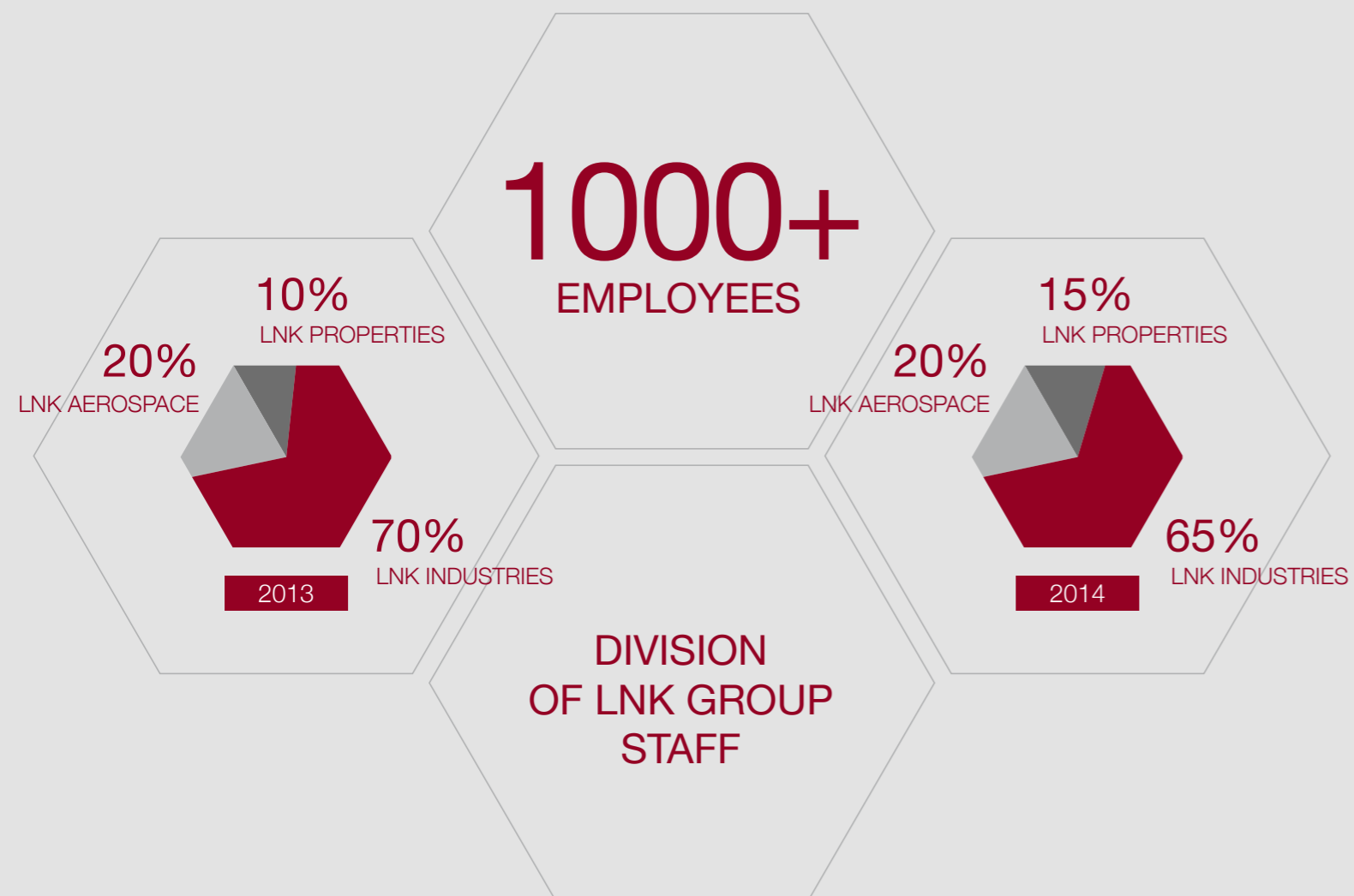
LNK INDUSTRIES
LNK GROUP

LNK AEROSPACE
LNK GROUP

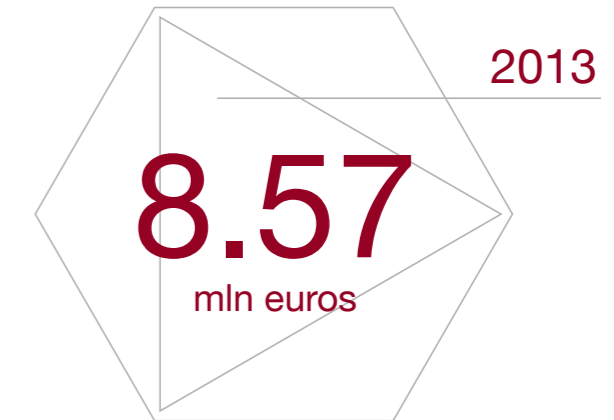
LNK PROPERTIES
LNK GROUP

LNK GROUP HOLDING

includes 22 companies
divided into three strategic areas



CONSOLIDATED TURNOVER



TAXES

INVESTMENT IN YOUR FUTURE

LNK Industries is used to solving unique issues. One of my mottos in life is – fortune favours a prepared mind. Our development is based on engineering and scientific staff and decisions. Aircraft testing (we started it for Aviatest) and the shiploaders' operation is all about industrial automation and a multichannel loading system. And we know how to do it. We have consciously developed both in the direction of landside and marine construction, which in cooperation with the TTS factory allows us to offer a wide range of services. LNK Industries works closely with industrial customers. Numerous wood-working factories in Russia, in particular "Свеза", use our equipment. Both automatic and complex decisions start with a log with bark, and end with plywood.

We strengthen our technological power by investing 2-3 million euros per year. The milling machine that we bought in 2014 for the processing of large-size parts with micron precision, will allow us to manufacture large size machines and apply for projects at a new level.

FUSION OF EXPERIENCE AND YOUTH

The brand LNK Industries presents the experience of all companies involved, including the 70-year old Latvijas Tilti that has built 2000 bridges. Our success today is provided by a fusion of polished professionalism and youth – more than half of our team are

young people of the most productive age – 30 years old. We also outperformed our competitors in all the tenders because young people think differently. Our multicultural team has one thing in common – enthusiasm for work. The council of the holding ensures all the necessary conditions, encouraging initiative and team spirit. We involve the best people, giving them an opportunity to earn a good living, learn, and progress up the career ladder.

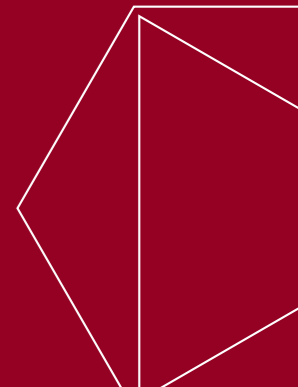
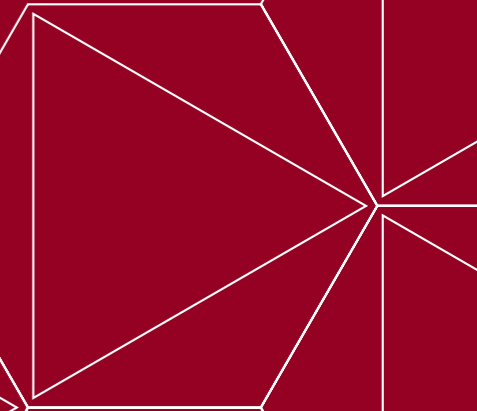
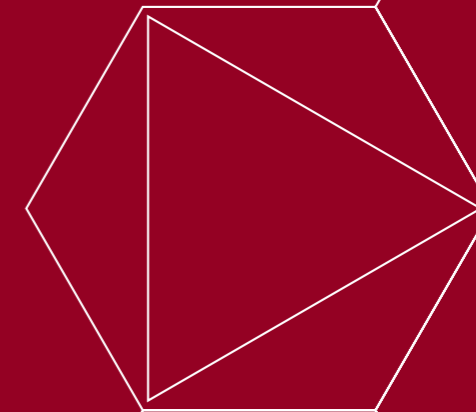
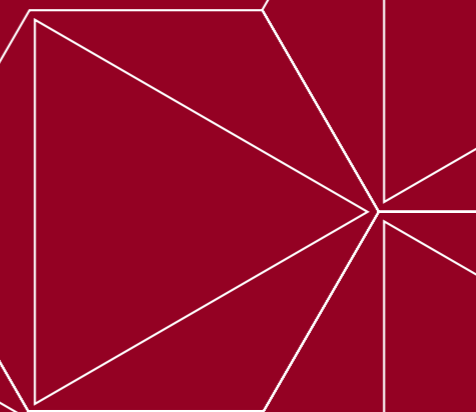
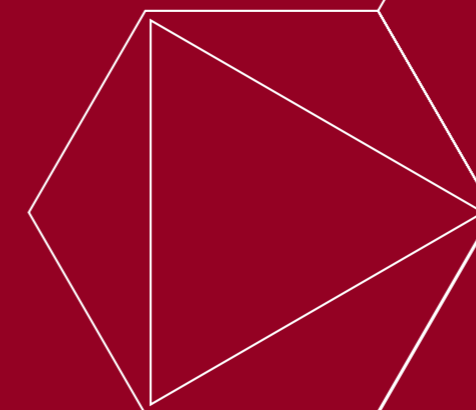
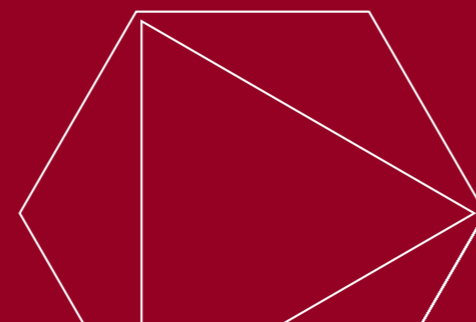
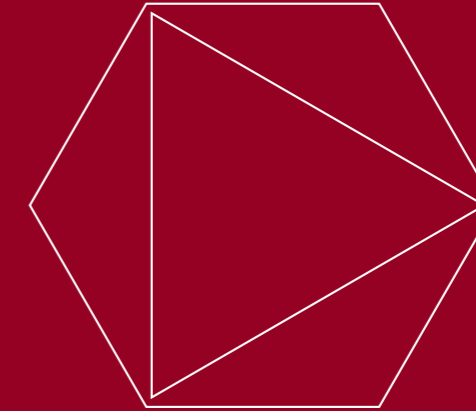
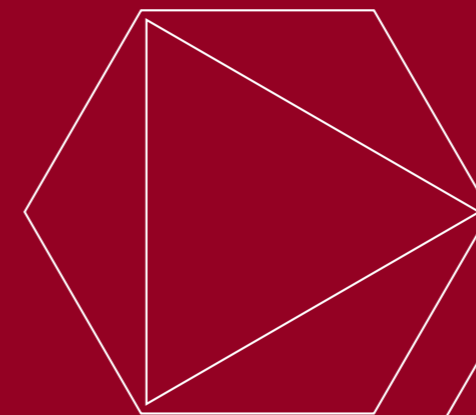
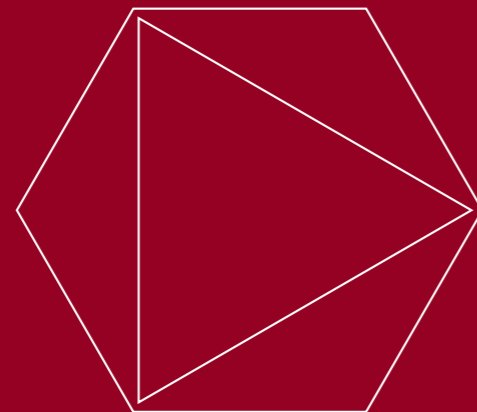
THE NEW PHILOSOPHY

The idea – to create a holistic approach to the construction of terminals and industrial objects – was vital to me. It was accomplished in 2013. It is a groundbreaking philosophy: from universal technologies we moved on to a specialised and high-performance approach. You have to raise efficiency – it is the formula for success of any business. We are the only ones to offer holistic solutions. It is a fact, substantiated by the four operating terminals in Ventspils, Klaipeda and Riga. We will also implement new projects in St. Petersburg, Riga and Murmansk. It is more beneficial, more rational and all in the same hands.

You are welcome to come and see for yourself!

Yours sincerely,
Chairman of the Council of LNK, D. Eng. Sc.
Alexander Milov ●

Achievements of JSC LNK Industries



**Project Managers
of LNK Industries**



From the Board of LNK Industries



Artyom Milov,
Chairman of the Board



Evgeny Lotsov,
Board Member

Academic Centre of the University of Latvia

The first new university building of the XXI century.
Riga, Latvia.
The project will be put into commission in 2015.

LADIES AND GENTLEMEN!

Growth of both the global and the Latvian economy in 2013 – attraction of European funds, a favourable environment for foreign investors – it has all contributed to the dynamic development of our region and our company in particular. Judging from the annual results we may cautiously talk about the end of the crisis of 2008-2013 in the construction and manufacturing industry. The portfolio of orders is constantly growing, investors' interest is increasing, LNK Industries has expanded its presence in the region. However, the dramatic

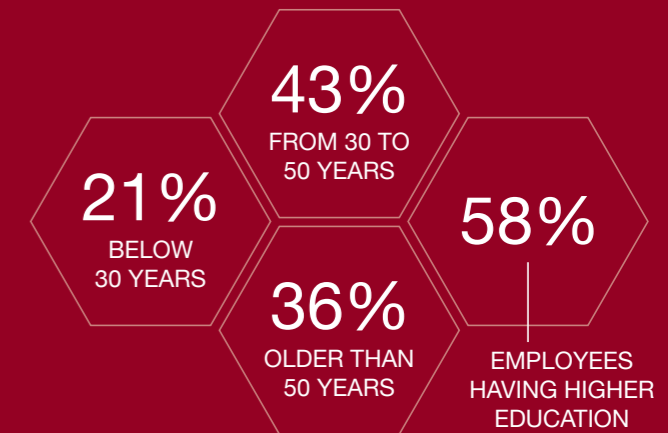
events in Ukraine and in the Middle East in 2014 proved once again that global political processes directly affect businesses across the globe. Strained relations between the EU and the Russian Federation, and the introduction of reciprocal sanctions cause a feeling of uncertainty among businessmen from both sides, which in turn affects their willingness to invest in new projects. The increased investment threshold for obtaining a residence permit has also had a negative effect on the growth of the market.

LNK INDUSTRIES GROUP



DEVELOPMENT INDICATORS

EBITDA - earnings before interest, taxes, depreciation and amortisation
 EQUITY RATIO - level of equity
 CAPEX - capital expenditure
 OCF - operating cash flow



“We have become the fastest growing company in the sector. In 2013/2014 our planned turnover is 153 mln euros. It is worth mentioning that this is not a sprint, but rather the beginning of marathon”

Development of a new multi-year financing plan for EU-financed projects leads to a delay in the start of technical implementation, because customers do not fully understand their own investments in this project or that. The adoption of the new construction law entails certain difficulties, as it will be necessary to do a great job of harmonising the law with other normative documents.

We have become the fastest growing company in the sector. In 2013/2014 our planned turnover is 153 mln euros. It is worth mentioning that this is not a sprint, but rather the beginning of a marathon. In 2013/2014 LNK Industries not only achieved an increase in turnover, but also launched several landmark projects that also show our progress rather than merely our financial achievements. We have completed the design and construction of several turnkey terminals: RFT and RBT in the Free Port of Riga, passenger and cargo terminal and berths No. 8-9 in Klaipeda, and berths No. 1, 12 and 25a in Ventspils. All these projects proved to be successful owing to the coordinated teamwork of designers and builders from different divisions of LNK Industries. Our high level of professionalism and quality of work were highly appreciated by international investors, government officials, and our partners in different countries. The design of the terminal in St. Petersburg has become clear proof of our recognition in the international arena.

Bridge construction has also reached a new level over the past period: completed viaduct in Vilnius and bridge in Jēkabpils, completed the construction of a bridge in Panemune on the border with the Russian Federation, construction of a two-level

junction of railway tracks in Klaipeda, designed and commenced work on the construction of two bridges in Tallinn, as well as launched the first reconstruction of Salu Bridge in Riga in the last 50 years.

The civil engineering sector also developed successfully: during the previous period we have completed the reconstruction of four buildings in the unique architectural ensemble of Riga 1st Hospital, successfully delivered the complex The Pearl in Baltezers, designed a new complex for several faculties of the University of Latvia which is currently in the process of construction, commenced work on the construction of a new laboratory building and renovation of the library of Riga Technical University, started construction works of a number of residential buildings in the city centre, designed and launched the construction of the first building of the Hilton hotel chain in Latvia, and another hotel is currently in the process of design, laid the foundations for a unique automated warehouse in the Free Port of Riga. Despite the good results, the company also faces challenges, which are to be solved on a daily basis. Some of the most significant challenges include questions related to strengthening team work and assuring constant quality. Even though we have implemented a system that ensures a high level of quality control, finding the best personnel is an ongoing task. Our dynamic company is constantly looking for both experienced and young energetic professionals who, working hand in hand, can achieve the best results for both - the customer and our company.

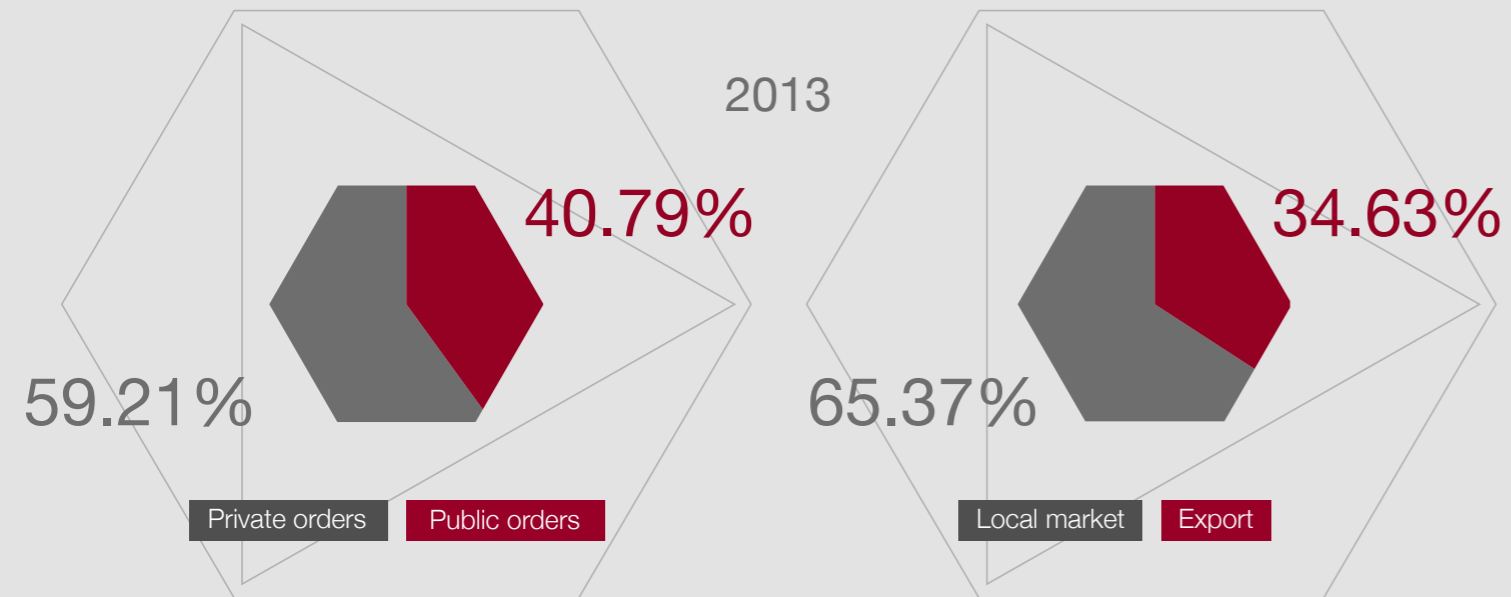
Riga Cargo Bulk Terminal

Reverse type terminal for handling bulk goods, both food and non-food. Riga, Latvia. The project was put into commission in 2013.



LNK INDUSTRIES SALES STRUCTURE

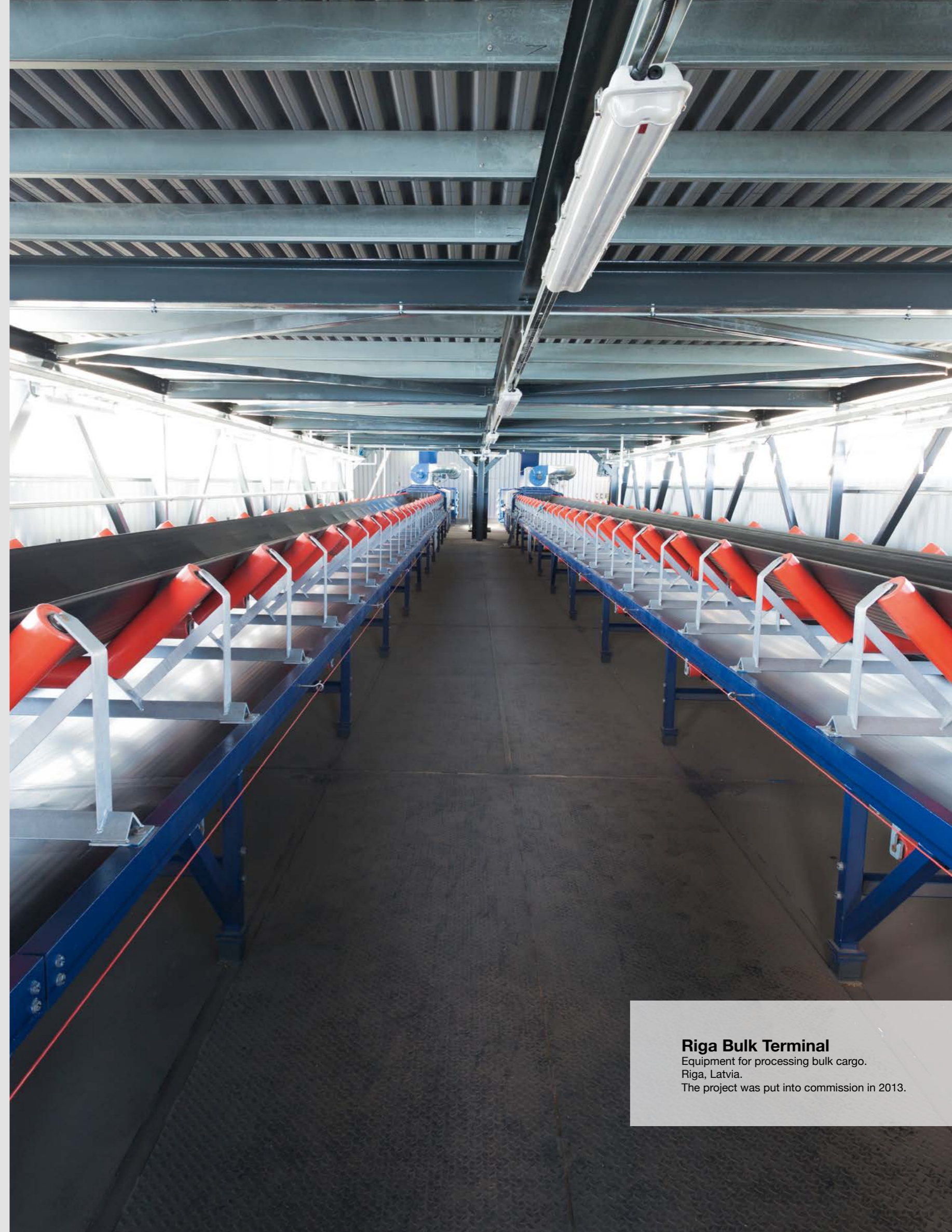
Export and public contracts account for one third each of the total sales of LNK Industries



To solve this problem our company has created a variety of programmes to attract and motivate new employees. It should be noted that our team includes experts from different countries with individual experience, which allows us to solve problems posed by customers efficiently, flexibly and in top quality. Another important factor enhancing the development of the company is its ability to adapt to different work conditions and the customer's requirements. The ability to build good relationships with the customer, to respond quickly to all queries while at the same time taking into account the interests of the company, are fundamental pre-conditions for implementing any project. The experience and flexibility of our employees allow us to implement projects of any scope and level of complexity. These ideas are kept in mind when preparing tender documents, which not only require a flexible attitude, but also accuracy in accounting and working with the necessary documentation, as well as in negotiations of the contract terms. It is also important working together with the customer's team and performing construction works. Our best

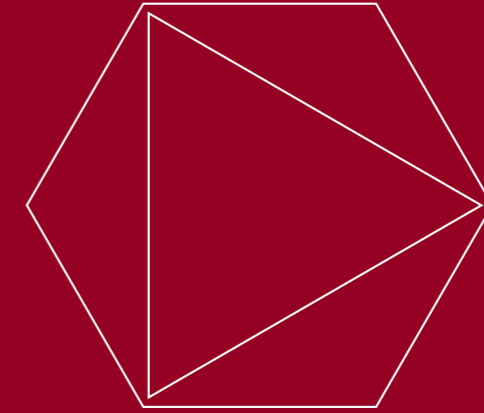
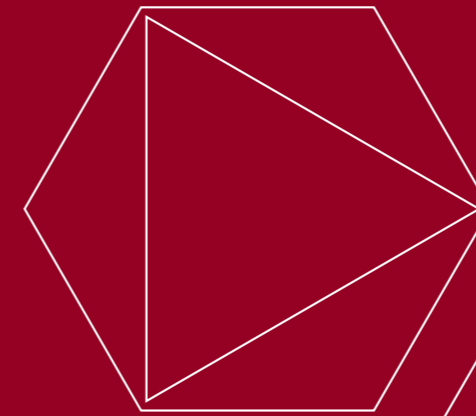
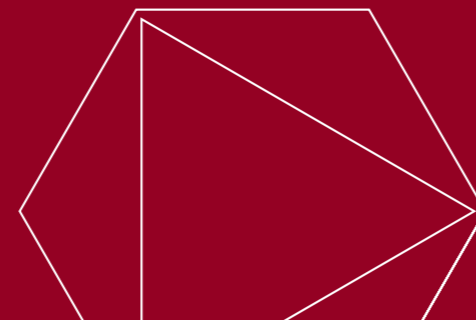
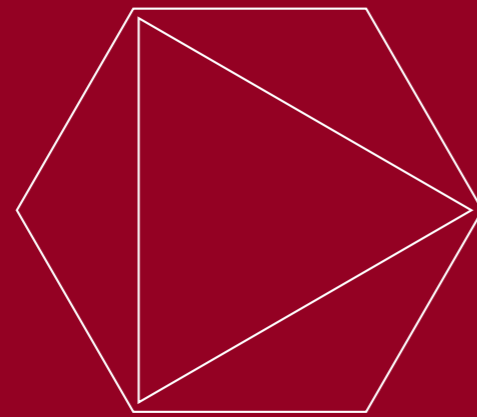
reward is the timely implementation of a top quality project. We would like to thank our team for performing their work with such good quality that customers return to us again and again, which in fact is the barometer for our achievements. I would like to note that our company has successfully completed the previously assigned tasks and increased its turnover and profit, as well as expanded its presence in new markets. Entering the Estonian market, increasing the market share in Lithuania, participation in tenders in Finland, Scandinavia, Russia, the Czech Republic, Poland, and other countries allow us to elaborate a long term development strategy not only for the Baltic region, but also for Eastern and Northern Europe. The introduction of the Euro, the ongoing integration in all EU countries, the favourable geographical position and the high efficiency of our personnel contribute greatly to our future plans.

Yours sincerely,
LNK Industries Board



Riga Bulk Terminal
Equipment for processing bulk cargo.
Riga, Latvia.
The project was put into commission in 2013.

Infrastructural construction





Riga Fertilizer Terminal
Automated storage and transshipment
facility for mineral fertilisers.
Riga, Latvia.
The project was put into commission in 2013.

Panemune – Sovetsk route

Route construction Panemune (Lithuania) - Soviet (Russia) including motorway, viaduct and bridge across the River Neman.

Panemune, Lithuania
The project will be put into commission in 2016.



How know-how is created

“Projects that look unrealistic fantasy even on paper are successfully implemented with the effort of our crew”

The work performed on Latvijas Tilti construction sites in recent years borders on fantasy. The pier of a cargo-passenger terminal in Klaipeda has been built, where a few years ago there was nothing but a splashing sea. In the bogged basin of the River Neman piles are being driven to a depth of 20 metres, ready for a concrete bridge abutment supporting a bridge with a 400-metre long span. The dismantling of an oil pier in Ventspils Port was complicated work, which included extraction of the enclosing sheeting and contaminated soil from its casing. It was performed by divers in harsh weather conditions, often waiting for storms to pass, and they even managed to finish it before the set deadline.

Projects that look unrealistic fantasy even on paper are successfully realised with the effort of our crew. It is what causes amazement: separate processes that involve dozens of people, where any mistakes are extremely expensive, connect in a perfect chain and provide the desired result.

Yes, there are hardly any innovations in conservative branches of building – especially in bridge construction and hydrotechnical construction; however, over the last ten years innovations have appeared and they allow very complex structures to be assembled with millimetre precision.



Gennady Kamkalov,
Chairman of the Board of Latvijas Tilti

“Testing of prestressed reinforcement wire units – there are very few people in Europe who are able to do it. We have found a few specialists here in the EU and in Russia, and now we partially delegate the task to them while continuing the reconstruction of the bridge that was once built by our company. This is how real know-how is created.”

WINNING BY A LANDSLIDE

Latvijas Tilti has a set of the most complex engineering competences in this field, not only in Latvia, but also in the whole region. When participating in yet another tender with a unique engineering task, we motivate ourselves with one thought: if we are not able to do it within the set timeframes and in top quality, then most likely – no one can. In addition, our victory might be achieved by offering the best price of works, which demands the constant application of engineering thought, very strict planning and the organisation of numerous interlinked but parallel processes. We have to prepare while keeping in mind that many unforeseen situations may appear, and the team must be ready to solve them. We have introduced strict planning of calendar and financial schedules and we manage to follow them. It is extremely important because if the project goes beyond the calendar schedule – it will most likely also go beyond the financial plan. If we finish the project earlier – not owing to, but despite all the circumstances – it automatically means that we have managed to comply with the project and construction estimate cost. It allows us to win tenders by a landslide.

100% RELIABILITY

In bridge construction and hydrotechnical construction, you cannot strive for cost-effectiveness at the expense of quality. It is like an aeroplane: you travel with the same safety in both business and economy class. Having vast experience in construction, we know how to calculate precisely and correctly. This is why we provide a price that will definitely cover all construction costs. We have a system that coordinates subcontractors' work and ensures an efficient purchasing system that is based on tenders. It is hard daily work for a large group of people, where everyone has to do the best job possible. We have developed an electronic system for the coordination and approval of decisions. Currently we are working on modernisation of the management of business processes in order to automate the decision making and information exchange process for all parties involved. All of our facilities have CCTV cameras in place. We also ensure the multilevel inspection of documentation turnover and a detailed decision taking procedure. It is the only way to operate within the conservative fields, where you do not have the right to make a mistake.

DEPARTMENT OF INFRASTRUCTURAL CONSTRUCTION

represented by JSC Latvijas Tilti in the group



40.40
mln euros
SALES

23.19
mln euros
EXPORT

TIME TO BE CREATIVE

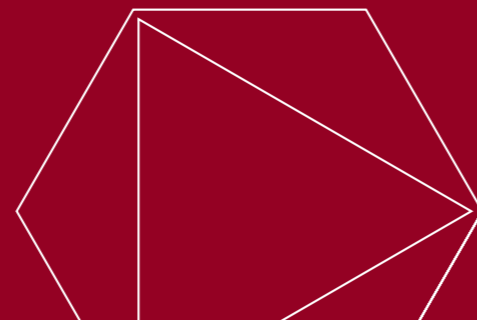
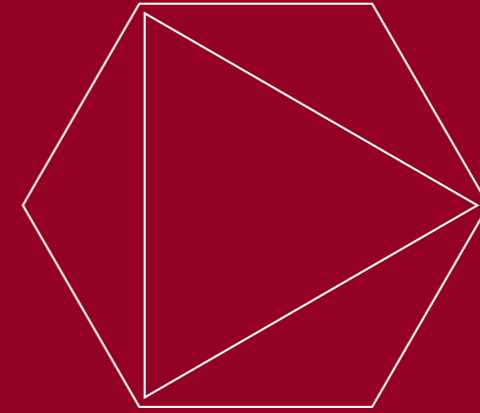
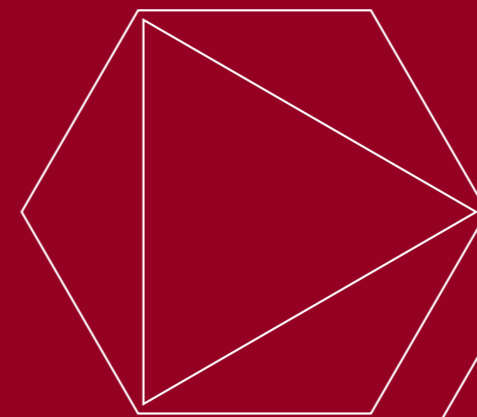
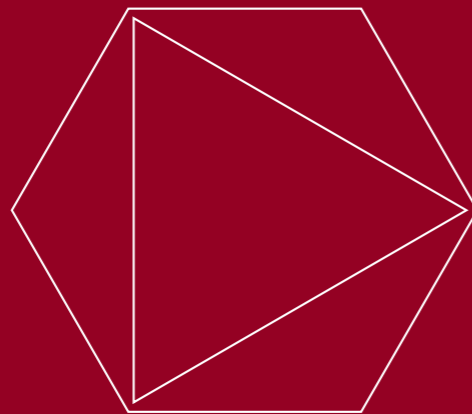
There is always room for some creativity. Of course, it depends on the tender conditions, and very often you already have a technical project. In Estonia, on the River Pirita, near Nehatu we will demolish two old bridges and build two new ones. We were given the basic conditions on traffic capacity and highway centrelines that we needed to comply with. Then we had a complex creative process, where we had to decide between several priorities: to construct a bridge that would look beautiful and would have a logical location (it is our first project in Estonia after all), fit within the budget limits, and finally to use our resources to the maximum. As a result, we came up with the best decision possible – reliable and appealing at the same time. The aesthetics of your engineering decisions are also significant. As times move on, it is getting more and more important. Currently we are solving a particularly hard task of testing prestressed reinforcement wire units, which were laid in Salu Bridge many decades ago – wires that retain the whole

structure. There are very few people in Europe who are able to carry out such tests. We have found a few specialists here in the EU and in Russia, and now we partially delegate the task to them while continuing the reconstruction of the bridge that was once built by our company. This is how real know-how is being created.

Shareholders have done enormous work in building a vertically integrated industrial structure that allows the holding company to solve any task. We work a lot with the TTS factory, which fulfils its obligations very strictly. Our general contractor LNK Industries provides us with all the necessary resources. We definitely have a mutual understanding and cohesion. A smooth running and thoroughly controlled chain of work leads to the desired result.

Yours sincerely,
Chairman of the Board of Latvijas Tilti
Gennady Kamkalov ●

Civil engineering



We simply make the best offer

“You are constantly improving, cultivating the business processes; you learn to see the system and problems, coming up with an algorithm to solve them”

In general the construction sector has witnessed a leap during recent years. Customers' requirements towards quality and work management have increased. Willingly or not, it has disciplined the sector. Constructions are now carried out more thoroughly than before the crisis. Those who could not keep up with the requirements left the market. We started to comply with these requirements before the others did. We had a meticulous and scrupulous attitude towards the acceptance of work. The enterprise has changed a lot, but as time goes on, you stop noticing it and it seems like it has always been this way.

CONSISTENCY IS WHAT MATTERS

What helps us win tenders? Perseverance, patience, an ability to prove that we have the best offer possible that complies with all the conditions of the tender. Engineering decisions are already included during the stage of preliminary design. In fact, we only need to add specifications. For this purpose we have our own technological design group in the enterprise. It always has a heavy workload. We try to audit projects and refine the details ourselves because it is convenient to work this way.

All technologies have been in use for a long period of time. Hydrotechnical construction in the “house on water” The Pearl, post-tensioned slabs in the new University of Latvia building – we are familiar with all of this and we have used it many times before. It is also worth mentioning a dewatering project for a three-level underground car park of Aļojs Busena Centrs – which is located near a street with dense traffic flow, in the middle of a real estate development area and 10 metres below the ground waters. We have built it all, and it will all be there in the future as well!



Sergey Komarov,
Chairman of the Board of Enfort
construction enterprise

The Pearl

Residential complex by Lake Mazais Baltezers,
Rīga, Latvia.
The building was put into commission in 2014.



Hotel Hilton Garden Inn Rīga Valdemāra

The first hotel Hilton Garden Inn in the Baltics.
Rīga, Latvia.
The project will be put into commission in 2016.

“Most of the work is done by our own forces. Flexibility and efficiency in process management prove that this decision works”

Practice is the best teacher. You constantly improve your results, upgrade business processes, learn how to notice systemic problems and invent algorithms to solve them. There are specific methods that help to avoid mistakes – decision coordination. With time Enfort becomes more and more systematic: in addition to the arrow diagram that has been used by builders since the dawn of time - finances, quality and labour safety are monitored consistently. We have been striving towards it for ten years, but unfortunately it cannot become an automated process. The Chinese figured out how to print houses using a 3D printer. Maybe one day we will get to this – we will print houses from sand and cement.

WE ARE A RESULT-ORIENTATED TEAM

The biggest advantage of working for a holding company is that there is always work for you to do. Even during the toughest years, we did not fire a single person, did not force anyone to take unpaid leave, and did not even reduce wages. For us, stability is more than just a beautiful word – it is our reality.

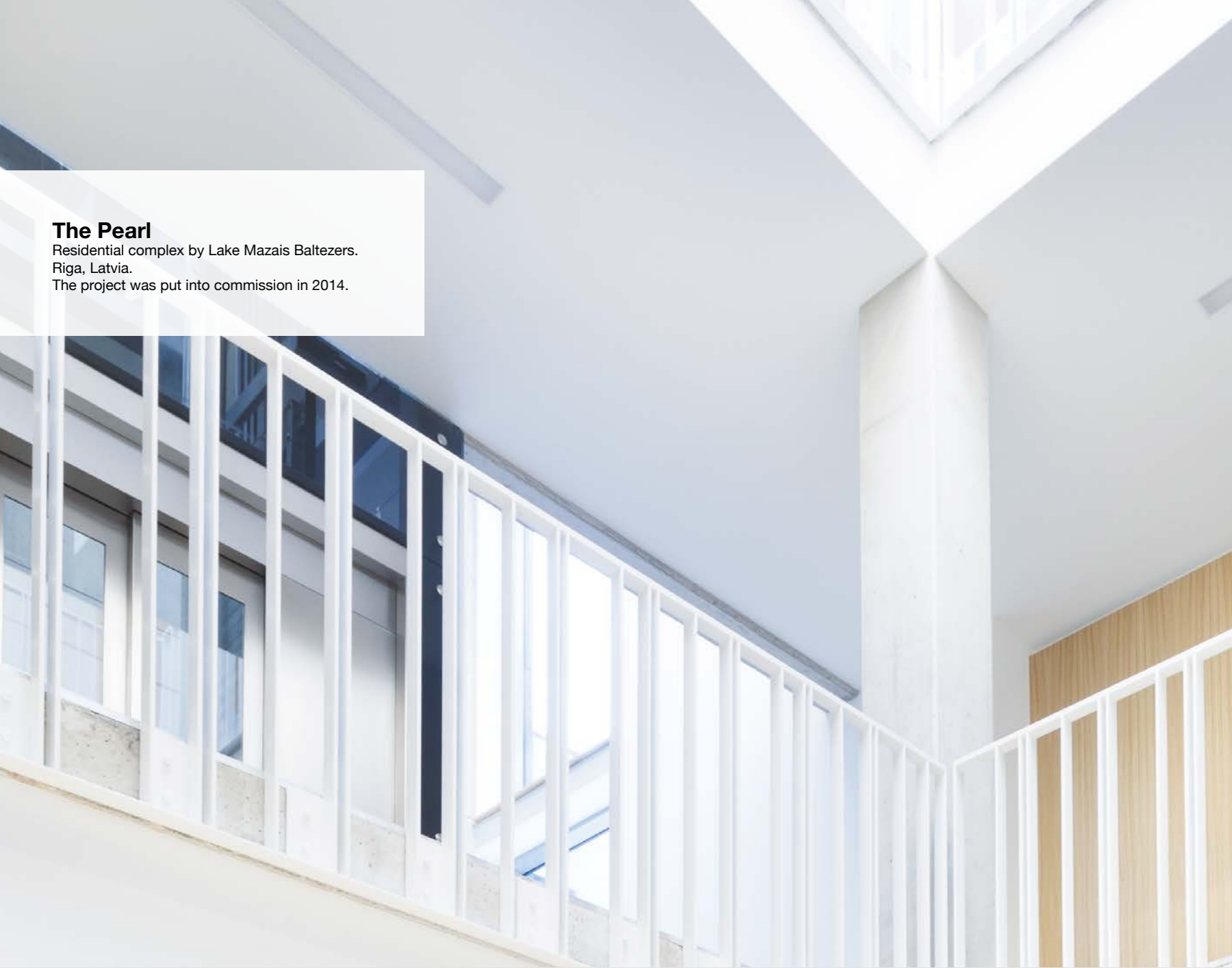
The personnel training in Latvia is quite weak, even in universities. We tend to come across a lack of qualifications at all levels. We have to take people in and teach them ourselves. If you create conditions for them and provide a regular wage, people start to notice that it is reliable – and it pays off.

Gathering all of the best under our wing is a principle of LNK Group. That is why we feel confident in any project: we receive engineering support that is essential when dealing with complex issues. There is always “help from a friend”: in hydrotechnical works – Latvijas Tilti, in the manufacture of mechanic and metal structures – TTS factory, in automatics – Aviatest.

One common holding strategy helps with management issues: in relations with banks, insurance companies and so on. We always have an opportunity to get all the necessary resources from the holding company. We aim for the desired result, for the best outcome. Our motto is “Look for a thousand opportunities, not a thousand reasons”.

The Pearl

Residential complex by Lake Mazais Baltezers.
Riga, Latvia.
The project was put into commission in 2014.



Baltijas Industriālais Parks

A-class technological park.
Riga, Latvia.
The second phase of infrastructure
development of the technological park
was completed in 2014.



DEPARTMENT OF INDUSTRIAL AND CIVIL ENGINEERING CONSTRUCTION

represented by Enfort LLC in the group

21.52
mln euros
SALES

22
EMPLOYEES



WE ARE WILLING AND ABLE

We ensure management of all projects by our own forces. Flexibility and efficiency in process management prove that this decision works. If we have to work a double shift – we do it. We even work 24 hours a day if required by the technological scheme (during the casting of silos on a concrete factory in Brocēni, the sliding formwork required such a schedule). Yes, there are many micro-enterprises that have lower overhead costs and they offer cheaper work implementation. But we involve subcontractors not because we want to save money, but because we need specific competences. Our tender price will be more beneficial because of the complete organisation of works. The human factor and responsibility are important. I work with great pleasure and it seems like it is all I can do. We hire those who are interested in working with us. Our team is

established, the staff determines everything, and they contribute to our success 100%. Without the people, there is nothing. Each project, even the simplest one, can be interesting. When you are laying the foundation – you anticipate the work ahead of you; when you deliver the work – you are pleased with it. It is difficult to name one project I am proud of; it seems fine, but as time passes by, you think that you could have done it in a more functional, prettier, and more technical way. There is always room for improvement. You just have to do it.

Yours sincerely,
Chairman of the Board of Enfort construction enterprise
Sergey Komarov ●

Awards and recognition

Competition “Latvian Civil Engineer of the Year – 2013”

1st place in the category “Project Manager of the Year in Latvia – 2013” was awarded to Sergey Komarov for the administration of the project for reconstruction of the buildings of Riga 1st Hospital.

3rd place in the category “The Youngest Specialist in Latvia - 2013” was awarded to specialist Ivars Kājiņš for the achievements in the construction of Riga Cargo Bulk Terminal.

Special prize of the journal “Latvijas Arhitektūra” in the category “Latvian Project Manager of the Year – 2013” was awarded to Juris Latvels for the administration of building robots in the construction of the residential building The Pearl.

Grand Prix in Architecture in Riga – 2013

Public recognition – renovation project of the Outpatient Clinic and building 17 (for day-care services) of Riga 1st Hospital.

Support

LNK Industries supports a number of cultural and sporting events, charity projects, and orphanages. LNK Industries also organises projects to promote an active lifestyle.

“Sports Laureate Jēkabpils – 2013”

Supported by LNK Industries, Jēkabpils basketball team has won prizes in the following categories:

- Team Sports
- Coach of the Year
- The most popular team

LNK Industries has supported the following events and institutions:

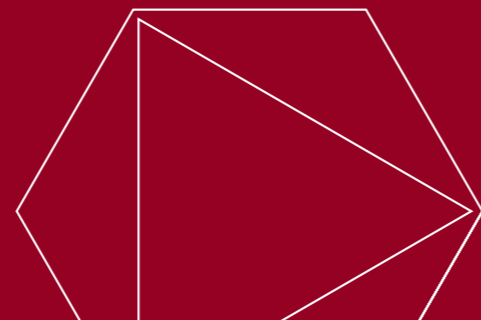
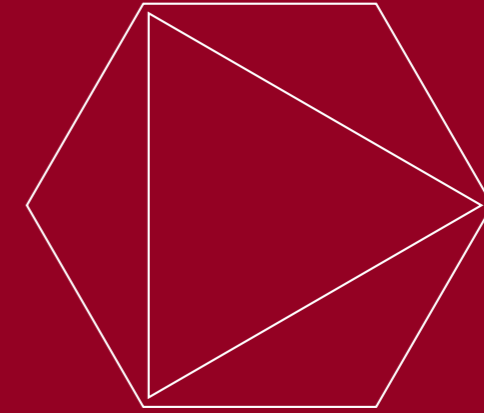
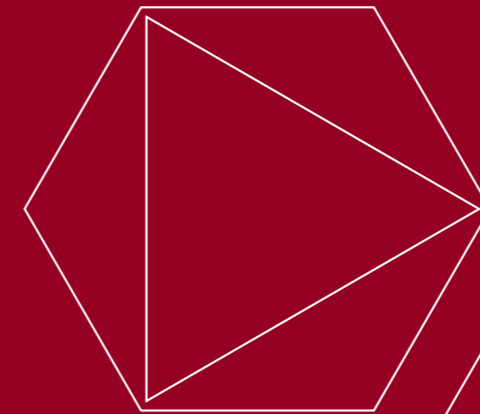
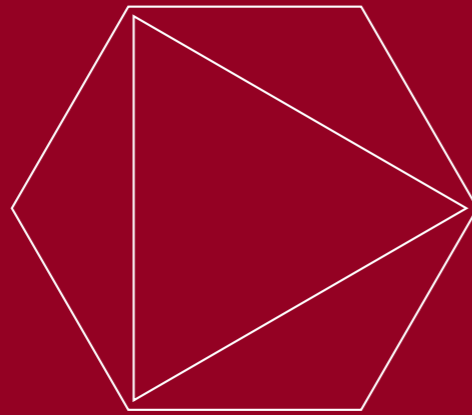
- XXII International Opera Festival in Sigulda
- Classical Music Festival “Summertime – Inese Galante & Friends 2013”
- Football club “Nikars”
- Social care and social rehabilitation institution for orphans “Sprīdītis” ●



Outpatient Clinic of Riga 1st Hospital

Reconstruction of historical building with full renovation of the indoor space. Riga, Latvia. The project was put into commission in 2013.

Production



TTS: new technological era

“Technical innovations, which we are the first to introduce in the Baltic region, and often even in the whole of Eastern Europe, are gradually expanding”

It is hard to overestimate the investment of the transportation technology systems factory TTS in the development of LNK Industries. In fact, our team of engineers and designers prepares, explores and implements all the technological breakthroughs which raise the manufacturing and construction services of LNK Group holding to a new level of development. Technical innovations, which we are the first to introduce in the Baltic region, and often even in the whole of Eastern Europe, are gradually expanding – and people now have no idea how they could live without them before.

HYDRAULIC RAMPS

Constructing the cargo-passenger terminal in Klaipeda, our engineers, consulted by our German colleagues – calculated, designed, manufactured and assembled hydraulically controlled and fully automated ramps with an adjustable lifting range, which ensure the acceptance of any type of ship.

In fact, it is the key point of the whole project: it guarantees the most important factor regarding ferry traffic – speed. It is fair to assume that this kind of ramp will be installed in all ferry terminals that are currently under construction or renovation. It is worth noting that we also developed a ramp delivery technology which uses regular means of transport, and thus significantly lowers the cost and complexity of logistics.



Anatoly Gubenko,
Chairman of the Board, TTS

Bulk metal working machine WRD 150

The only machine in the Baltics designed for metal cutting, will be used for work on the transportation technology systems factory TTS.
Riga, Latvia.
The machine was commissioned in 2014.

“This is why TTS began working with new quality standards, new materials and new welding technologies with pre-heat, which are later 100% checked using ultrasound”

AUTOMATED TERMINALS

During the last two years TTS has developed, manufactured and tested automated transshipment systems for marine terminals and put them into commission. We have developed an innovative design, manufacture and assembling technology that guarantees the precision of unit assembly, its scope of delivery to the facility, followed by trouble-free operation round-the-clock and all year long. Such customer requirements towards the reliability of the equipment and complexity of the project itself are so far unprecedented on the Baltic region market. High-performance specialised terminals are a reflection of the latest tendency in cargo port logistics, where the maximum effectiveness is accentuated. The manufacturing process of the equipment was organised to raise our efficiency. LNK Industries coordinated the entire order, which consisted of construction and mechanical parts, as well as energetics and automatics. All the mechanics were run by TTS, which collaborated with a wide range of subcontractors and delivered the equipment at first request. This was done by our young team, headed by Maxim Shelyakov, and RFT and RBT project manager Dmitry Balyec.

BRIDGE STRUCTURES

In 2013 the TTS factory became familiar with the manufacture of bridge structures. For this to happen, we once again had to take some innovative decisions. Since bridges are complex and extremely important engineering structures, which are supposed to remain operational for decades or even hundreds of years, the quality of their construction is strictly monitored step-by-step. This is why TTS began working with new quality standards, new materials and new welding technologies with pre-heat, which are later 100% checked using ultrasound. For the assembly of the bridge constructions we designed and manufactured a unique building slipway, which ensures the conformance of complex geometric structures and precise adhesion of joining elements. Already during the second year of working with this slipway, we put together a unique designer bridge made of tube structures. It demands even higher proficiency of engineers and workers in preparing the details for welding. In this way the TTS factory became one of the few enterprises in the region that is capable of manufacturing bridge structures. It provided LNK Industries with new advantages, and the TTS factory itself faced an unforeseen upturn in workload in 2013.



TTS (Transportation Technology Systems) factory
15 Granīta Street, Rumbula, Riga, Latvia

PRODUCTION DEPARTMENT

represented by TTS LLC in the group

23.93
mIn euros
SALES

223
EMPLOYEES



“TTS factory implements numerous unique projects in collaboration with European machine manufacturing enterprises for various industrial fields – mining industry, woodwork and timber industry, as well as metallurgy”

TTS achieved its ambitious goals with great creative enthusiasm, and also by meeting the deadlines several months early.

A NEW LEVEL OF ORDERS

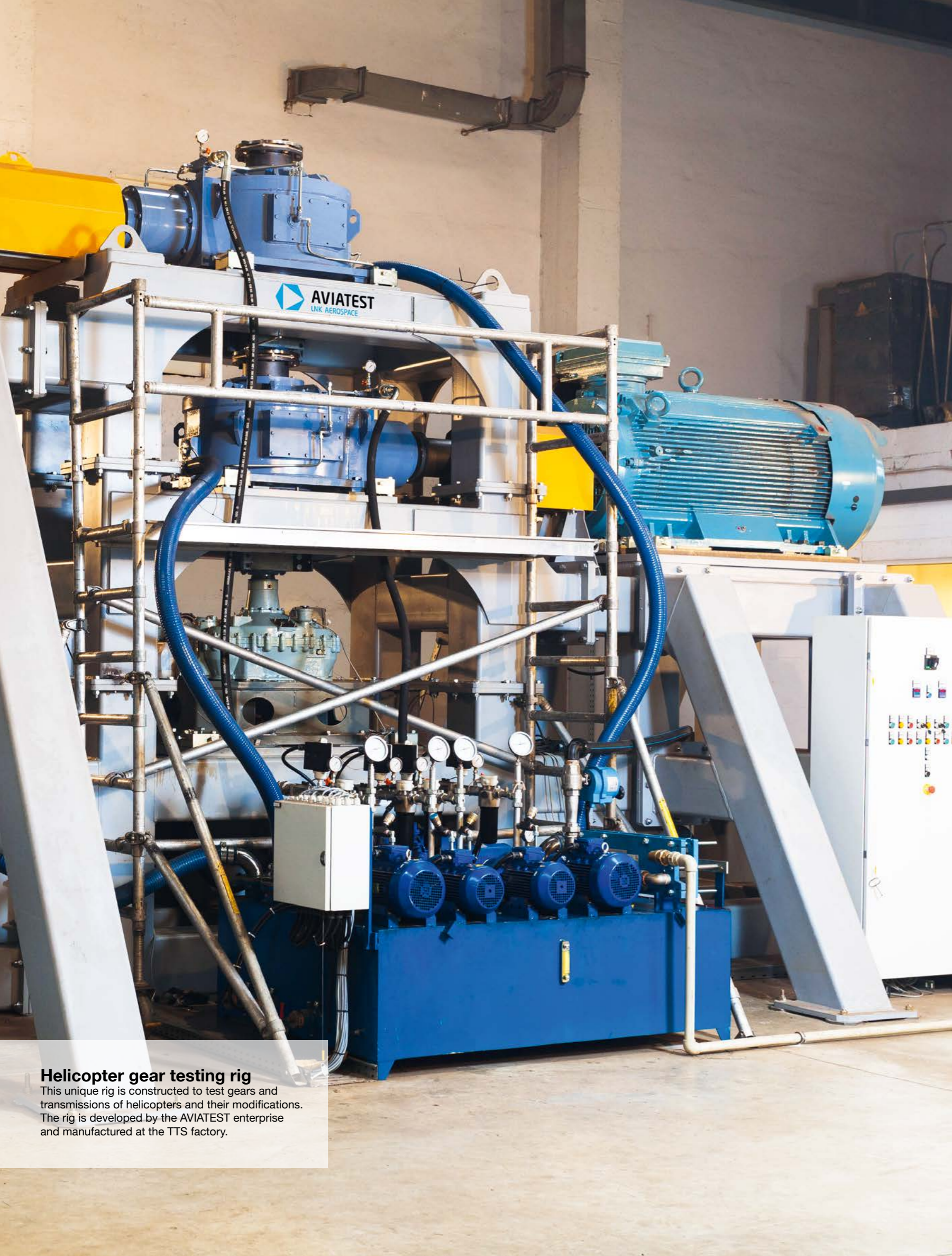
TTS factory implements numerous unique projects in collaboration with European machine manufacturing enterprises for various industrial fields – mining industry, woodwork and timber industry, as well as metallurgy. We ensure the manufacturing, transportation and chief installation of large-scale equipment. In 2014 we decided to reach a new level of proficiency by

purchasing a high-precision milling machine for processing parts weighing several tonnes. There are very few machines like this in the region, while the demand for processing parts is huge. It will not only allow LNK Industries to take over more complex and interesting projects, but will also give new life to the whole Latvian machine building industry.

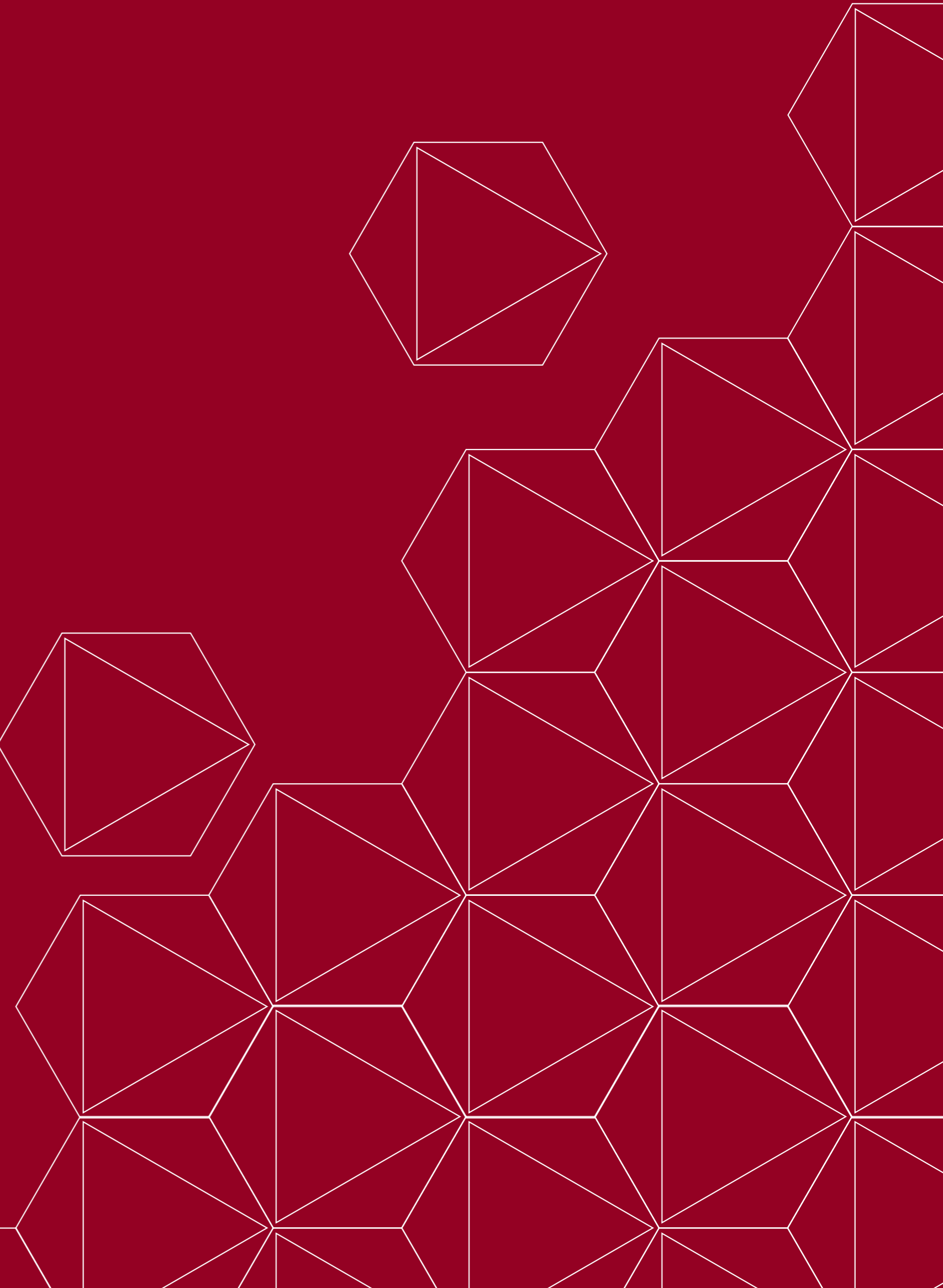
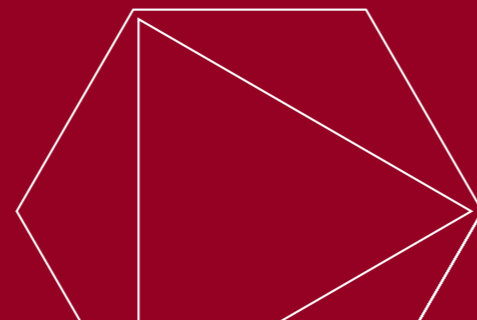
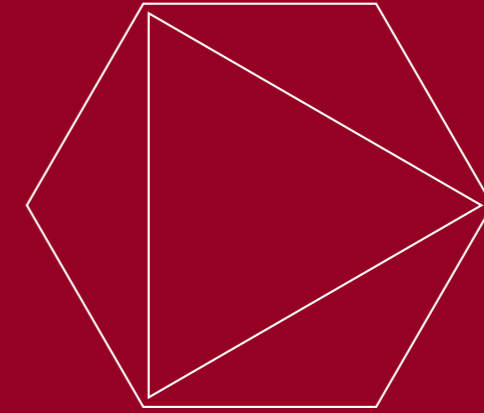
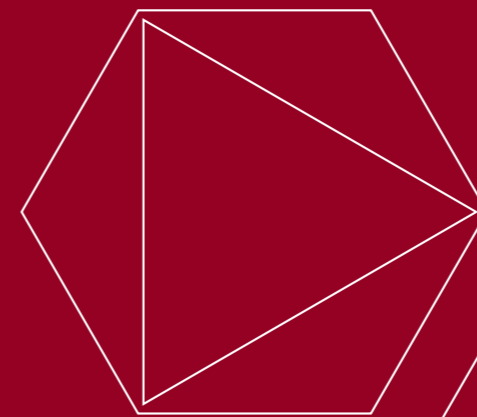
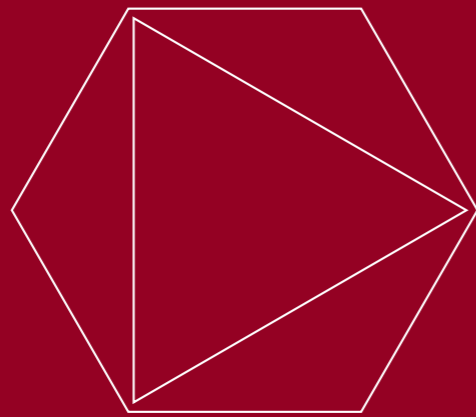
Yours sincerely,
Chairman of the Board, TTS
Anatoly Gubenko ●

Helicopter gear testing rig

This unique rig is constructed to test gears and transmissions of helicopters and their modifications. The rig is developed by the AVIATEST enterprise and manufactured at the TTS factory.



Major projects



Riga Fertilizer Terminal

The most modern and secure terminal for the transloading and short-term storage of mineral fertilisers in the region of Northern Europe.

In its work, the terminal uses effective and modern methods of cargo transloading and storage that are environmentally safe.

Facts and figures

Riga, Latvia. Project put into commission: in 2013

2 mln t
mineral fertilisers
per year

6
dome-type
warehouses

2 000 t / h
productivity

1.5 km
total length
of conveyors

130 thsd t
total simultaneous
storage



Riga Bulk Terminal

Universal terminal for bulk cargo transloading. The terminal has four operating lines. The integrated automation system provides continuous monitoring of the operation of the terminal equipment and coordinated work of all lines.

Facts and figures

Riga, Latvia. Project put into commission: 2014

2 mln t
bulk cargo

1 mln t
turnover in the
1st stage of development

2 mln t
turnover in the
2nd stage

333 m
length of coast
line

900 m
total length
of conveyors

4
loading station /
wagon unloading

8
types of cargo

> 1 100 m³/h
(to 900 t/h)
productivity of the lines
"ship - railway wagon"

> 1 200 m³ / h
(600 t / h) productivity
of the lines
"railway wagons - ship"





Passenger and Cargo Terminal

Multifunction terminal in Klaipeda Port – the largest in Lithuania with unique automated Ro-Ro ramps to service ships.

Facts and figures

Klaipeda, Lithuania Project put into commission: 2013

9 ships per day	716 m berth length	25 160 m² berth area
> 500 t weight of each ramp in the terminal	31.6 x 30.4 m length and width of the ramp	4.6 m change of position ramp (lowering / lifting)

12th berth in the Free Port of Ventspils

This is a project intended to develop the infrastructure of Ventspils Free Port, and it foresees the construction of berth 12. The ongoing tasks include restructuring of the urban sewer siphon, reconstruction of the railway, construction of the berth and bulk sites, as well as deepening of the area around the berth and the underwater channel. Ventspils 12th berth will be one of the largest berths accepting Panamax type ships. It will increase the cargo acceptance opportunities and create new jobs in the city.

Facts and figures

Ventspils, Latvia. The project will be put into commission in 2014/2015

321 m
berth length

12.5 m
depth of the area around
the berth and channel

21 050 m²
area of bulk site





Dismantling the 1st pier of Ventspils Free Port

The largest project in Latvia for cleaning up soil contaminated with petroleum products. The cleaning is done by flushing the soil with microbiological technologies developed in Latvia. In the future it will be possible to significantly increase the amount of transloaded coal in the territory adjacent to the port terminal.

Facts and figures

Ventspils, Latvia. Project was put into commission in 2014

> 197 m
length of the pier

> 27 000 m³
of treated soil

1959-1961
years of design
and construction

Reconstruction of streets and the construction of an overpass

Reconstruction of Geležinė Vilko Street includes the construction of a new overpass across Geležinė Vilko Street.

Facts and figures

Vilnius, Lithuania. The project will be put into commission in 2015

1.121 km

length of streets to be reconstructed

0.610 km

length of the streets to be constructed

6.5 m

overpass width

6

overpass width

7

supports

22 m, 35.4 m

distance between supports



Panemune – Sovetsk route

Panemune (Lithuania) – Sovetsk (Russia) route includes highway, overpass and bridge construction across the River Neman in Panemune, Lithuania.

Facts and figures

Panemune, Lithuania. The project will be put into commission in Summer 2015

477 m

bridge length

82 m

overpass length of the bridge across the River Neman

11

bridge spans

17 m

depth of piles

12

supports

42 m

distance between supports

1 532 t

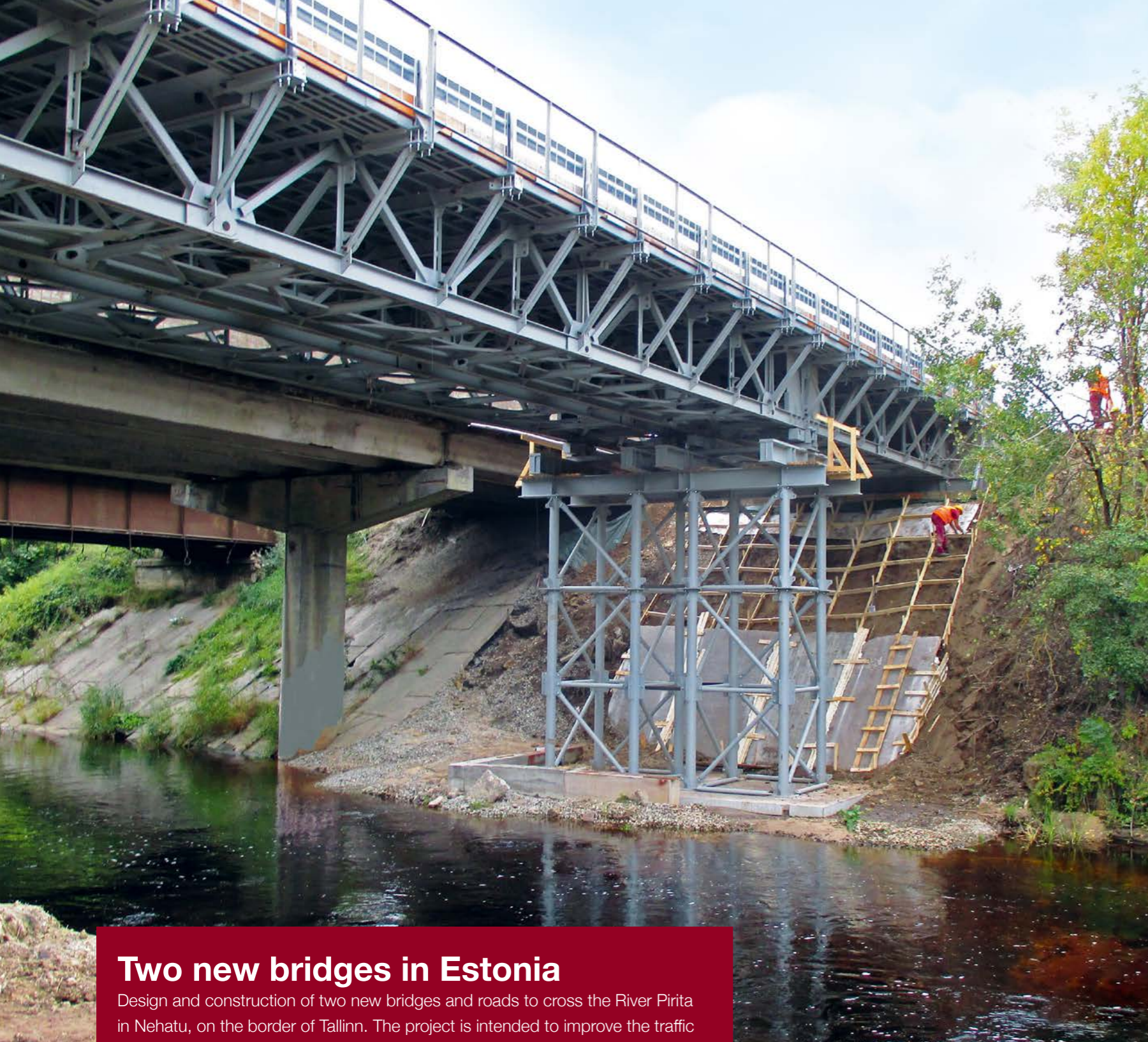
steel superstructure

1 875 m³

continuous monolithic concrete slab roadway

4 550 m³

monolithic concrete supports



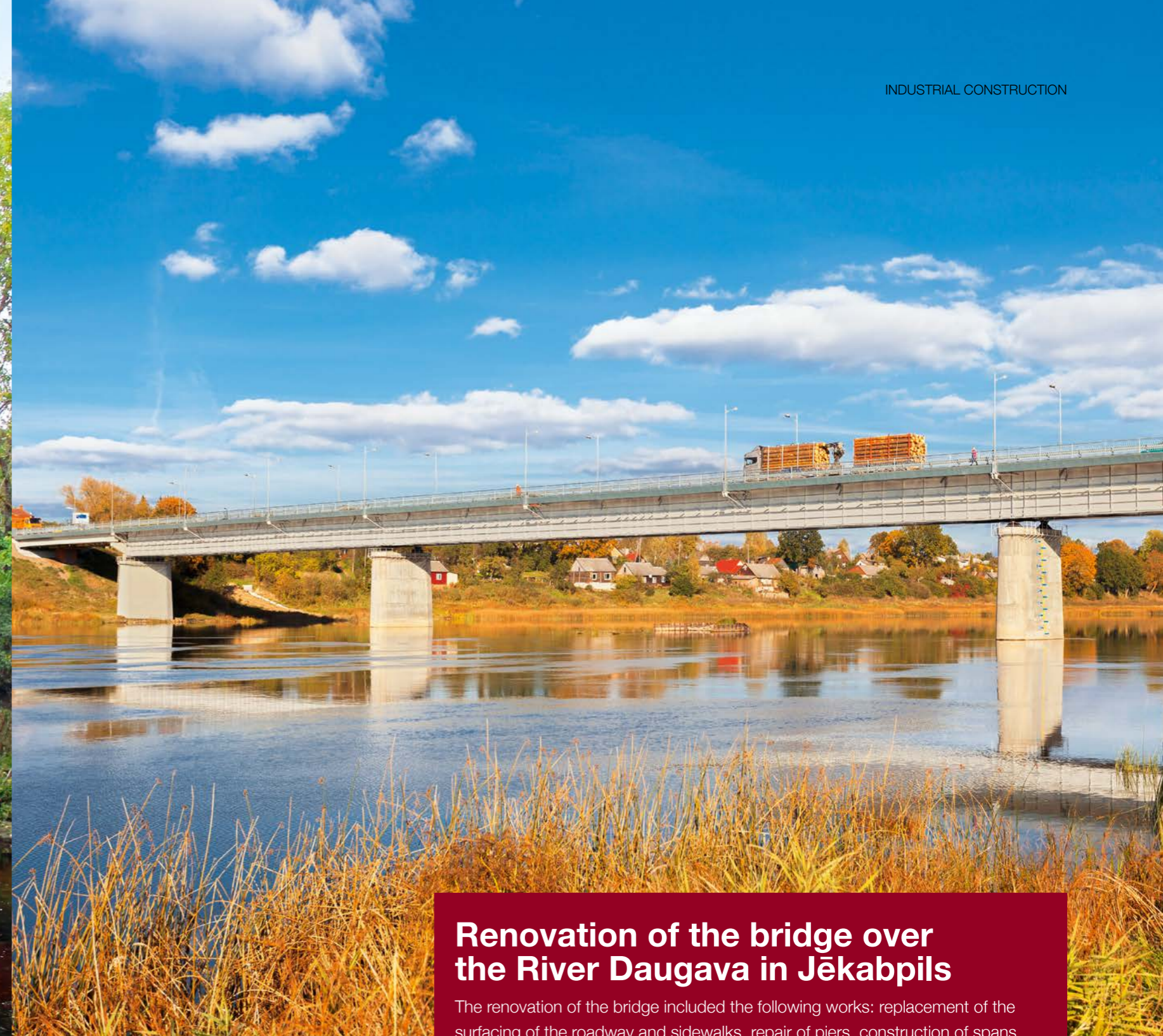
Two new bridges in Estonia

Design and construction of two new bridges and roads to cross the River Pirita in Nehatu, on the border of Tallinn. The project is intended to improve the traffic conditions, making the traffic flow more uniform, to improve the safety of pedestrians and cyclists, as well as upgrade the infrastructure of the region.

Facts and figures

Nehatu, Tallinn. The project will be put into commission in 2015

2 4-lane bridges	> 500 m length of the road section to be reconstructed Tallinn - Narva with bridges	17.2 m width of the roadway of Bridge Nehatu I
2.5 and 3.5 m width of the pedestrian way	233 t steel metal bridges	6 spans



Renovation of the bridge over the River Daugava in Jēkabpils

The renovation of the bridge included the following works: replacement of the surfacing of the roadway and sidewalks, repair of piers, construction of spans, dismantling and replacement of handrails, barriers and lamp posts, replacement of sewers and painting works of the bridge.

Facts and figures

Jēkabpils, Latvia. Project was put into commission in 2014

274.4 m bridge length	1963 year of construction	1995 last renovated
3 000 m² replaced roadway and sidewalk surfacing	8 400 m² steel structures of the bridge cleaned and painted	120 m³ damaged concrete surface removed and concreted anew

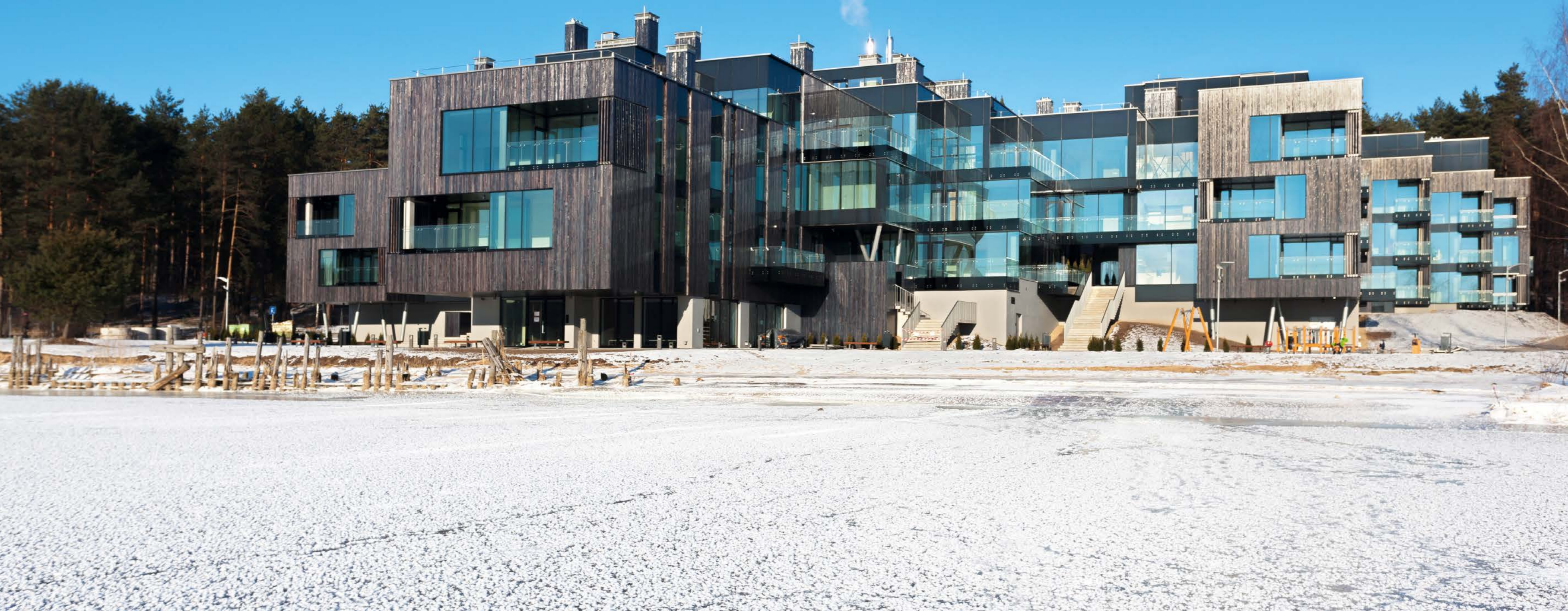
Residential complex The Pearl

The modern residential complex includes apartments with full finish and the entire infrastructure: internal roads, technical systems of the building, berth, and fully developed adjacent territory. The material used on the façade of the building - Siberian larch. The project is located in the elite suburban residence of Riga - Baltezers (White Lake).

Facts and figures

Baltezers, Riga, Latvia. Project was put into commission in 2014

4 floors	65 apartments	16 000 m² total area of the building
6 000 m³ concrete	11 m length of piles	3 815 m² building area



Residential complex Blueberry

Low-rise eco-housing in a cosy and quiet place Bulduri (Jūrmala), next to a pine forest, between the River Lielupe and the Baltic Sea.

Facts and figures

Jūrmala, Latvia. Project was put into commission in 2014

4
floors

1
underground
floor

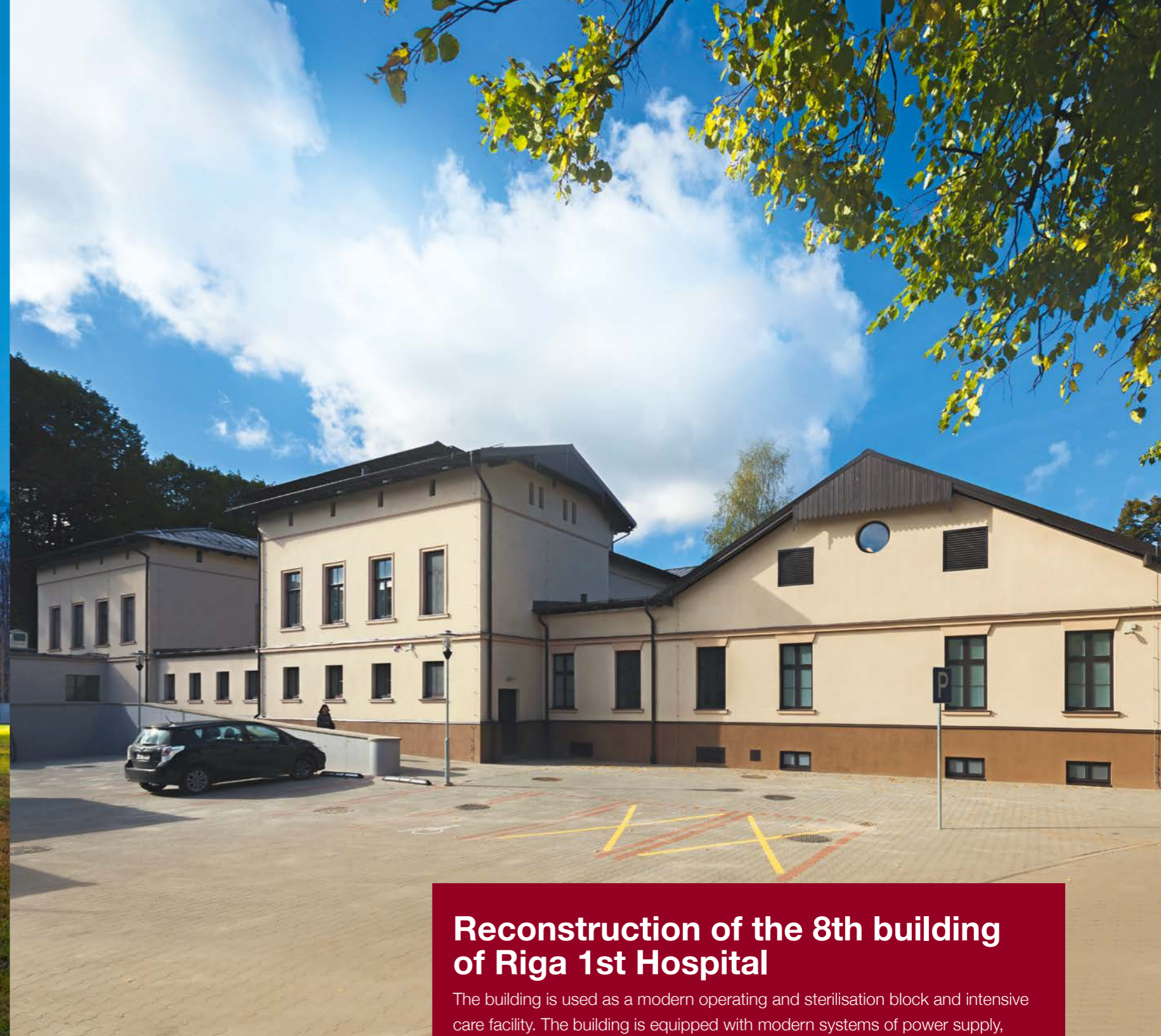
59
apartments

6 073.90 m²
total area
of the building

≈ 5 000 m³
concrete

12 months
from the laying of the first
stone to putting
into commission





Baltijas Industriālais parks

Owing to the developed infrastructure, convenient transportation, the location near the South Bridge in Dārziņi, it is an ideal place for an A-Class technological park. One of the most important complexes of warehouse, offices, retail and industrial buildings in Riga.

Facts and figures

Riga, Latvia. Project was put into commission in 2014

17 000 m²
total area of production,
warehouse and office space

52 000 m²
area of the park

25
tenants

Reconstruction of the 8th building of Riga 1st Hospital

The building is used as a modern operating and sterilisation block and intensive care facility. The building is equipped with modern systems of power supply, water supply, heating, ventilation, refrigeration, and sanitation and low-voltage systems.

Facts and figures

Riga, Latvia. Project was put into commission in 2014

3 772.6 m²
total building area

14 300 m³
construction volume
of the building

2
above-ground
floors

1
underground
floor

6
operating
rooms

2
intensive therapy
wards



Academic Centre of the University of Latvia

The Centre for Natural Science is one of the most state-of-the-art centres of education and science in Europe. The complex will be home to the Faculties of Biology, Chemistry, Geography and Earth Sciences, Medicine, the Institute of Microbiology and Biotechnology, and the Institute of Chemical Physics.

Facts and figures

Riga, Latvia. Building will be put into commission in 2015

300 seats in the Great Hall	7 floors	36 m building height
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≈ 20 000 m² total area of the building	≈ 11 000 m³ concrete	124 large bored piles
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Hotel complex

The modern apartment complex includes a hotel and apartments with full finish. On the first floor there will be a commercial area, on other floors - apartments. Beginning of construction - August 2014.

Facts and figures

Riga, Latvia. Project will be put into commission in 2015

7 floors	1 underground floor	140 t fittings
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23.2 m building height	800 m³ concrete	2 100 m² glass on the façade of the building
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Hotel Hilton Garden Inn Rīga Valdemāra

The first Hilton Garden Inn hotel in the Baltic states will be located in Pārdaugava not far from the exhibition centre Ķīpsala. LNK Industries will not only perform the construction works, but also ensure the installation of external communications. For the construction of the building the technology of prestressed reinforced concrete will be used.

Facts and figures

Riga, Latvia. Building will be put into commission in 2016

10 floors	4 lifts	38.540 m building height
1 322.7 m² building area	135 bored piles	≈ 4 000 m³ concrete



Complex Astor Residence

New state-of-the-art multifunctional project in the centre of Riga. Created for those who appreciate time, comfort and modern technologies. A panoramic view of the city opens out from the windows and terraces of the residence.

Facts and figures

Riga, Latvia. Building will be put into commission: 2015

7 floors	40 apartments	24 m building height
4 574.6 m² total area of the building	3 227.7 m² total area of the apartments	2 360 m³ concrete

JSC LNK Industries
JSC Latvijas tilti
LLC TTS (Transportation
Technology Systems)
LLC Enfort

CONDENSED
CONSOLIDATED
FINANCIAL STATEMENT

FOR THE 12 MONTHS ENDING 31 DECEMBER 2013



BALANCE SHEET

ASSETS	31.12.13 (EUR)	31.12.12 (EUR)
Non-current assets		
Intangible assets		
Concessions, patents, licences, trademarks and similar rights	48 810	27 883
Total intangible assets:	48 810	27 883
Fixed assets		
Land and buildings	3 243 960	3 049 913
Leasehold improvements	109 864	13 142
Equipment and machinery	5 381 058	4 690 433
Other fixed assets	1 891 787	1 046 625
Fixed assets under construction	451 674	240 078
Advances for fixed assets	9 458	72 491
Total fixed assets:	11 087 801	9 112 682
Non-current financial investments:		
Investments in associates	16 007	18 953
Other loans and non-current receivables	12 139	18 745
Own stock and shares	2 864	2 864
Total non-current financial investments:	31 010	40 562
Deferred income tax assets:	10 702	5 117
Total non-current investments:	11 178 323	9 186 243
Current assets		
Inventories		
Raw materials and consumables	3 114 237	2 515 797
Finished goods and goods for sale	362 326	845 623
Advances for inventories	22 267	493 097
Total inventories:	3 498 830	3 854 517
Accounts receivable:		
Trade receivables	13 301 578	11 486 382
Receivables from group companies	988 708	1 036 623
Receivables from associates	1 283 156	431 687
Other receivables	3 644 514	3 091 731
Deferred expense	135 302	151 857
Accrued income	6 579 984	3 059 115
Total receivables:	25 933 242	19 257 395
Current financial investments		
Other securities and participation interest	-	6
Total current financial investments:	-	6
Cash and bank:	9 106 774	3 146 322
Total current assets:	38 538 846	26 258 240
Total assets	49 717 169	35 444 483

EQUITY, PROVISIONS AND LIABILITIES	31.12.13 (EUR)	31.12.12 (EUR)
Equity		
Share capital	2 372 696	2 372 696
Reserves:		
other reserves	42 661	42 661
Retained earnings		
previous year's retained earnings	6 590 492	4 677 155
current year's profit or losses	3 972 753	1 913 337
Total equity:	12 978 602	9 005 849
Provisions:		
Other provisions	73 479	20 038
Liabilities		
Non-current liabilities		
Loans from banks	1 703 788	-
Other borrowings	2 690 632	2 452 855
Deferred income	196 521	233 247
Deferred income tax liabilities	294 213	238 318
Total non-current liabilities:	4 885 154	2 924 429
Current liabilities		
Loans from banks	1 980 465	2 368 904
Other borrowings	1 210 545	924 071
Advances from customers	3 198 287	7 401 396
Trade payables	15 182 978	10 041 844
Payables to group companies	2 985 694	10 993
Payables to associates	1 844 711	139 803
Taxes and social insurance payments	595 957	492 470
Other liabilities	377 228	321 714
Deferred income	68 987	36 727
Accrued liabilities	4 335 082	1 756 254
Total current liabilities:	31 779 934	23 494 176
Total liabilities:	36 665 088	26 418 596
Total equity, provisions and liabilities	49 717 169	35 444 483

Artyom Milov
Chairman of the Board of LLC LNK
(Latvijas Novitātes Komplekss)
Rīga, 31 July 2014

INCOME STATEMENT

	2013 (EUR)	2012 (EUR)
Net sales	85 423 064	43 734 767
Cost of sales	(77 744 055)	(39 337 933)
Gross profit or losses	7 679 009	4 396 834
Distribution expenses	(268 725)	(255 948)
Administrative expenses	(1 798 365)	(1 176 014)
Other operating income	319 937	226 316
Other operating expenses	(753 723)	(488 917)
Interest and similar income	23 894	5 660
Interest and similar expenses	(558 940)	(450 810)
Profit or losses before taxes	4 643 087	2 257 121
Corporate income tax	(637 209)	(306 196)
Other taxes	(33 125)	(37 588)
Net profit or losses	3 972 753	1 913 337

STATEMENT OF CHANGES IN EQUITY

	Share capital (EUR)	Other reserves (EUR)	Retained earnings (EUR)	Total (EUR)
31.12.2011	2 372 696	42 661	5 118 678	7 534 035
Dividends	–	–	(441 523)	(441 523)
Profit for the year	–	–	1 913 337	1 913 337
31.12.2012	2 372 696	42 661	6 590 492	9 005 849
Profit for the year	–	–	3 972 753	3 972 753
31.12.2013	2 372 696	42 661	10 563 245	12 978 602

Artyom Milov
Chairman of the Board of LLC LNK
(Latvijas Novitātes Komplekss)
Rīga, 31 July 2014

CASH FLOW STATEMENT

	2013 (EUR)	2012 (EUR)
Cash flow from operating activities		
Profit or losses before taxes	4 643 087	2 257 121
Adjustments for:		
depreciation of fixed and intangible assets	1 611 165	1 312 057
write-off of fixed assets	33 105	1 656
(profit)/losses from sale of fixed assets	(4 104)	4 970
changes in provisions	120 052	104 496
interest expenses	440 954	242 659
interest income	(21 184)	(5 660)
other taxes	(33 124)	(37 588)
Cash flow prior to changes in current assets and liabilities	6 789 951	3 879 711
Inventory (increase)/decrease	5 359	(1 162 212)
Accounts receivable (increase)/decrease	(15 630 998)	(7 477 249)
Accounts payable increase/(decrease)	16 154 655	8 195 670
Gross cash flow generated from operating activities	7 318 967	3 435 920
Corporate income tax paid	(447 331)	(344 984)
Net cash flow generated from operating activities	6 871 636	3 090 936
Cash flow from investing activities		
Acquisition of fixed and intangible assets	(1 506 551)	(2 074 085)
Proceeds from sales of fixed assets	41 516	168 862
Loans issued	(970 290)	(2 642 010)
Loans repayment received	525 000	2 500 000
Loans interest received	10 736	5 127
Net cash flow generated from investing activities	(1 899 589)	(2 042 106)
Cash flow from financing activities		
Received cash from credit lines, net	1 315 350	1 962 263
Finance lease payments	(1 254 629)	(1 155 166)
Loans received	5 070 000	4 697 266
Loans repaid	(3 750 000)	(4 559 236)
Interest paid	(394 939)	(264 451)
Funding received	2 623	140 001
Dividends paid	–	(441 523)
Net cash flow generated from financing activities	988 405	379 154
Net increase / (decrease) in cash and cash equivalents	5 960 452	1 427 984
Cash and cash equivalents at the beginning of the financial year	3 146 322	1 718 338
Cash and Cash equivalents at the end of the financial year	9 106 774	3 146 322

Artyom Milov
Chairman of the Board of LLC LNK
(Latvijas Novitātes Komplekss)
Rīga, 31 July 2014



INDEPENDENT AUDITOR'S REPORT

on the summary financial statements

to the Shareholders of LNK (Latvijas Novitātes Komplekss) LLC

We have audited the accompanying summary financial statements of LNK (Latvijas Novitātes Komplekss) LLC four subsidiaries - LNK Industries JSC, Latvijas Tilti JSC, TTS (Transportation Technology Systems) LLC and Enfort LLC (all together - Production and construction division of the Group). These summary financial statements comprise the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and statement of cash flow for the period from 1 January 2013 to 31 December 2013 (the Reporting year).

The summary financial statements are derived from the audited financial statements of the Production and construction division of the Group for the Financial year. The audited financial statements have been prepared based on the shareholders' request to disclose the financial results and financial position for the Financial year separately for the Production and construction division of the Group irrespective of the moment of acquisition of subsidiaries and split of equity between the Group and minority shareholders (Special purpose framework). On 31 July 2014 we have issued the audit report with an emphasis of matter paragraph on these audited financial statements.

The summary financial statements do not contain all the disclosures required by the law On Consolidated Annual Reports. Reading the summary financial statements is therefore not a substitute for reading the audited financial statements of the Production and construction division of the Group.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary financial statement based on audited financial statements which has been prepared in accordance with the Law of the Republic of Latvia On Consolidated Annual Reports as far as it does not contradict the Special purpose framework.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on the procedures which were conducted in accordance with the International Standard on Auditing (ISA) 810, Engagements to the Report on Summary Financial Statements.

Opinion

In our opinion, the accompanying summary financial statements derived from the consolidated financial statements are consistent in all material respects with the consolidated financial statements of the Production and construction division of the Group which has been prepared in accordance with the Law of the Republic of Latvia On Consolidated Annual Reports, as far as it does not contradict the Special purpose framework.

In the emphasis of matter paragraph we draw attention to the fact that these financial statements have been prepared with a specific purpose to disclose the financial results and financial position for the Financial year separately for the Production and construction division of the Group irrespective of the moment of acquisition of subsidiaries. Therefore, the parent company and other subsidiaries of the Group have not been consolidated and minority shareholders' interest in the Reporting year's financial result and financial position at the end of the Reporting year has not been separately disclosed. Accordingly, these financial statements may not be suitable for other purposes.

Baker Tilly Baltics LLC

Licence No. 80

Jekaterina Dzikeviča

Certified Auditor
Certificate No. 194

Handwritten signature of Jekaterina Dzikeviča in black ink.

Ēriks Bahirs

Chairman of the Board

Handwritten signature of Ēriks Bahirs in black ink.

Rīga, 31 July 2014