



Cross-Sectoral
Coordination Centre
Republic of Latvia



Public Report on the State-Owned Enterprises and Shares in 2015

Riga 2016



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This is the latest annual report on the state-owned enterprises and shares prepared by the Cross-Sectoral Coordination Centre of the Republic of Latvia, and it provides information on the governance of state-owned enterprises and performance results in 2015.

Dear cooperation partners and citizens,

The year 2015 has been an important time of change in the field of governance of state-owned enterprises. At the beginning of the year, the new “Law on Governance of Capital Shares of a Public Person and Capital Companies” came into force, the drafting of which was based on the OECD Guidelines on Corporate Governance of State-Owned Enterprises. In accordance with the law, on May 2015, the Cabinet of Ministers appointed the Cross-Sectoral Coordination Centre (CSCC) as the institution performing the tasks of an institution responsible for coordination of governance of state-owned enterprises. During the reporting period, the CSCC developed a legitimate legal framework at the level of the Cabinet of Ministers, including for such important issues as the dividend policy of state-owned enterprises, selection of supervisory council and management board members and evaluation of performance results of state-owned enterprises.

Alongside the introduction of the new law, both general accessibility to information about performance of state-owned enterprises and government’s awareness of strategic issues of state-owned enterprises have improved, thereby contributing to more balanced and valid decisions on the development of state-owned enterprises, incl., by taking into account a detailed analysis by a coordination institution and an evaluation that is independent of shareholders. The practice of selecting and appointing the management board and supervisory council

members has been substantially changed and is now based on previously defined experience and competence requirements; compulsory public call for application of candidates is ensured and nomination committees are being developed, which include independent experts and observers, in order to select the best professionals for the positions of supervisory council and management board members in state-owned enterprises through a professional and transparent selection process.

State-owned enterprises have a major impact on State development, employment and State budget revenues; that is why it is particularly important to ensure efficient use of the capital invested by the State, thus improving the rates of return and contributing to an increase in value of state-owned enterprises. This report allows us to find out more about the progress in achieving these indicators and assess the efficiency of measures attempted while being open-minded and encouraging suggestions for the improvement of governance of state-owned enterprises and its coordination.

Finally, I would like to say thank you for jointly achieved results and wish a smart and professional public asset management!

Pēteris Vilks
Head of the Cross-Sectoral Coordination Centre

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Introduction

The annual public report (hereinafter – the annual report) has been drafted by the Cross-Sectoral Coordination Centre (hereinafter – the CSCC) pursuant to Paragraph 5 of Part 2, Section 22 of the Law on Governance of Shares and Enterprises owned by Public Entities. Starting from 1 June 2015, pursuant to Order of the Cabinet of Ministers No. 273 “On Institution Coordinating the Governance of State-Owned Enterprises and Shares” of 26 May 2015, the CSCC is providing coordination and supervision of corporate governance of state-owned enterprises and state-owned shares. For this purpose, the Corporate Governance Division was created at the CSCC, providing uniform coordination and supervision of state-owned enterprises and shares, common direction of the state-owned enterprises and shares reform, and fulfils the tasks laid down in the “Law On Governance of Capital Shares of a Public Person and Capital Companies, including:

develops the guidelines and Cabinet Regulations concerning the practice of corporate governance of state-owned enterprises (SOEs);

- evaluates the draft operational strategies and annual reports submitted by SOEs and subordinate institutions (agencies and public institutions) for their enforcement, and provides opinions thereof;

- provides opinion on the grounds for state participation in a SOE – its preservation, termination or initiation;

- consults the Prime Minister, the Cabinet of Ministers, holders of state-owned shares (ministries) and the management of enterprises and responsible personnel, as well as organizes training on issues relating to SOE governance;

- produces an annual consolidated report on SOEs and shares;

- ensures regular exchange of information with the Working Party on State-Owned Enterprises and Privatization Practices of the Organization for Economic Co-operation and Development (OECD) and contributes to the implementation of the OECD guidelines for SOE governance, as well as the compliance of the Latvian SOEs with the best corporate governance practices recognized by developed countries.

Pursuant to Cabinet Regulation No.518 “Regulation of the Council of the Institution Coordinating Corporate Governance of State-Owned Enterprises and Shares” of 8 September 2015, the Cabinet of Ministers has established the Council of Institution Coordinating Governance of State-Owned Shares and Enterprises (hereinafter – the Coordination Institution Council). The Coordination Institution Council is a collegial institution that examines and, prior to approval, harmonises the draft guidelines developed by the Coordination Institution in the field of governance of capital shares of a public person and, in cases required by law, examines the opinion of the Coordination Institution if the holder of state-owned shares or a SOE Board (if any) disagrees with it or has requested that the matter be raised at the Coordination Institution Council. The Coordination Institution Council is entitled to make proposals to the Coordination Institution also regarding other issues relating to governance of shares owned by a public person. The Coordination Institution is composed of representatives

of eight ministries and representatives delegated by the Free Trade Union of Latvia, the Latvian Association of Local Governments and the Employers’ Confederation of Latvia. The Coordination Institution Council began active work in early 2016 when a number of draft guidelines produced by the CSCC were examined at its meetings.

One of the key tasks of SOEs governance in 2015 was to draft all regulations of the Cabinet of Ministers for which respective delegation is provided in the Law On Governance of Shares and Enterprises owned by Public Entities.

The following regulations of the Cabinet of Ministers were drafted and approved in 2015:

- Cabinet Regulation No.518 “Regulation of the Council of the Institution Coordinating Corporate Governance of State-Owned Enterprises and Shares” of 8 September 2015” that stipulates the composition of the Coordination Institution Council and the decision making procedure;

- Cabinet Regulation No.680 “Procedure for Making Deductions to the Privatisation Agency for the Privatisation of Public Property, Disposal of State-Owned Shares and other Activities Laid Down in Laws and Regulations, as well as for Establishing and Using a Reserve Fund and Making Payments to the State Budget”. This regulation replaces the previous regulations, which ceased to apply, because the regulatory act on the grounds of which it was issued, expired. The new regulation includes a number of amendments as compared with the previous legislation, the most important being the changes to the amount of deductions to the Privatisation Agency from the privatisation and leasing of public property;

- Cabinet Regulation No.686 “Procedure for Nomination of Candidates for Posts of Management Board Members in Capital Companies where the State as a Participant (Shareholder) has the Right to Nominate Board and Supervisory Council Members and Board Members in SOEs with a Supervisory Council” of 1 December 2015. This regulation was in part based on the previously adopted Cabinet Instruction No. 6 “Procedure for Selection of Candidates for Posts of Management Board and Supervisory Council Members in enterprises where the State as a Shareholder (Stockholder) has the Right to Nominate Management Board or Supervisory Council Members” of 23 September 2014. The regulation was drafted in line with the OECD recommendations on the openness of the nomination process and professionally managed process to ensure that professional managers are appointed to the posts of management board and supervisory council members who are capable of successful managing and developing an undertaking by bringing the required value added. The main novelties in the process of nomination of management board and supervisory council members are clearly defined basic requirements for candidates, such as language proficiency, education and work experience, compulsory public application procedure, a number of additional criteria for independent supervisory council members, candidates’ confidentiality rules (prohibition to disclose or transfer to third parties information about candidates), clear requirements (for example, the experience in managing limited liability companies, recruitment or

in the sector where a capital company operates) for the composition of the Nomination Commission, the regulation for making the information about the nomination process public and open.

- Cabinet Regulation No.791 "Regulations on the Number of Management Board and Supervisory Council Members in Capital Companies of a Public Person and Public Private Capital Companies in Accordance with Indicators Characterising the Size of a Capital Company, Maximum Amount of Monthly Remuneration of Management Board and Supervisory Council Members". This regulation replaces the previous regulation of the Cabinet of Ministers while making substantial changes regarding the groups of capital companies' size and maximum amount of remuneration for management board and supervisory council members depending on the size of a capital company. Also the main principles have been established for determining specific amount of remuneration in a specific capital company, namely, the resources, which are at the disposal of a capital company for remuneration, the proportion of capital company's own revenues and the proportion of public financial resources, as well as a number of other additional criteria need to be evaluated;

- Cabinet Regulation No.806 "Procedure for State-Owned Enterprises and Public Private Capital Companies where the State is a Shareholder (Stockholder) to Anticipate and Determine the Share of Profit to be Paid in Dividends and Make Payments in the State Budget for the Use of Public Capital" of 22 December 2015. This regulation that replaces the previous regulation provides an essentially new approach to determining a share of profit to be paid in dividends, by linking it with the medium-term operational strategy of a capital company and the investment and development plans laid down therein, as well as by anticipating that if a share (as a percentage) of profit to be paid in dividends that is anticipated for respective time period in a draft strategy differs from that fixed in laws and regulations, then the shareholder submits a respective proposal to the Cabinet of Ministers. If the Cabinet of Ministers, when examining this proposal and the CSCC's opinion, makes a decision to allow to determine a distinctive share (as a percentage) of profit to be paid in dividends, then the shareholder approves the strategy and dividends are paid in the state budget in line with the strategy rather than with laws and regulations.

Cabinet Regulation No.95 "Procedure for Assessment of Performance Results and Financial Indicators for a Capital Company where the State Exerts an Effective Control" of 9 February 2016 was drafted in 2015 and approved in 2016. This regulation provides a procedure for assessment of performance results of a capital company by establishing that the initial assessment and information on performance results is provided by the board of a capital company; they are examined by a line ministry (as regards the implementation of sectoral policy objectives) and a shareholder that submits the initial assessment of the board and a shareholder to the Coordination Institution. The Coordination Institution presents its assessment regarding the fulfilment of financial objectives of a capital company, by considering it in context with other financial indicators and

fulfilment of non-financial objectives.

The following four guidelines were drafted in the area of governance of capital companies in 2015 and approved in 2016, the drafting of which is delegated in the Law on Governance of Capital Shares of a Public Person and Capital Companies:

- The Guidelines for Setting General Strategic Goals for ownership of the State in a Capital Company;
- The Guidelines for Drafting Medium-Term Operational Strategies of State-Owned Enterprises;
- The Guidelines for Publishing the Information for State-Owned Enterprises and Shareholders;
- The Guidelines for Assessment of Performance Results in Capital Companies where the State Exerts an effective control.

In the autumn of 2015, the CSCC organized training for responsible officials of line ministries and SOEs' board members. Nine training seminars were organised, including on the drafting of operational strategies of capital companies, on corporate governance and enforcement of the Law On Governance of Shares and Enterprises owned by Public Entities. The training seminars were attended by 115 participants who gave a positive overall assessment of the training opportunities provided and submitted their recommendations for organising further training.

In the autumn of 2015 and spring of 2016, the CSCC worked actively on the process of negotiations on Latvia's accession to the OECD, by considering the recommendations made in the OECD's report on the governance of SOEs of Latvia. The key OECD recommendations were attributable to establishing professional supervisory councils and drafting of annual reports of large SOEs in line with international financial reporting standards, practical implementation of the Law On Governance of Shares and Enterprises owned by Public Entities, particularly in respect of development of medium-term operational strategies of capital companies, financial and non-financial target setting, clear definition of the ownership policy criteria and strengthening the capacity of the Coordination Institution. The CSCC's representatives ensured active cooperation with responsible officials of line ministries and the OECD Secretariat in order to ensure the implementation of recommendations of the OECD report in Latvia, as well as attended the meetings of the OECD Corporate Governance Committee and the Working Party on State-Owned Enterprises and Privatisation Practices to inform about Latvia's accomplishments regarding the implementation of recommendations and its stance on ways to implement the recommendations. In April 2016, the technical negotiations on the accession were concluded in the Corporate Governance Committee and the Working Party on State-Owned Enterprises and Privatisation Practices and the assessment procedure was completed on SOE governance, leading to a favourable opinion of the Corporate Governance Committee regarding Latvia's compliance with the OECD Guidelines on Corporate Governance of State-Owned Enterprises, while providing for the implementation of a number of recommendations after Latvia's accession to the OECD, on which Latvia will need to inform the Working Party on State-Owned Enterprises and Privatisation Practices in April 2017.

Financial summary of the financial indicators of use of state-owned assets

The State is a significant owner of assets in Latvia. The analysed enterprises are operating in many areas. In this annual report the SOEs have been grouped into eight sectors: energy, forestry and agriculture, transport and logistics, communications, real estate, health care, culture and other sectors. SOEs of other sectors have been grouped into five sub-sectors: certification, conformity assessment and metrology, financial services, public electronic media, education and sports, other SOEs. These groups have been used to analyse trends in the sectors and activities of the SOEs subject to the specific characteristics of the sector.

Table 1. Aggregate financial indicators characterising the operation of SOEs and capital companies with state-owned equity shares

Financial indicators, EUR '000 000		
Indicators	2014	2015
Turnover	3 566.2	3 404.5
Profit/loss	17.4	164.4
EBITDA	531.7	673.2
EBIT	98.4	217.3
Total assets	11 082.4	8 170.3
Share capital	3 898.5	3 905.5
Equity	3 805.9	3 809.8
Factors		
Profit and turnover ratio, %	0.5	4.8
EBITDA and turnover ratio, %	14.9	19.8
Return on assets, ROA, %	0.2	2.0
Return on equity, ROE, %	0.5	4.3
Total liquidity indicator	4.6	2.8
Liabilities-to-equity ratio	1.9	1.1
Other indicators		
Number of employees on average per year	54 135	52 239
Gross remuneration average per employee ¹ , in thousands of euros	13.2	13.3
Investment in fixed assets	674.7	676.5
Dividends paid into the national budget from the profits of the previous year	110.9	127.0
All payments in the budget (including, dividends, taxes, duty)	802.3	815.2
Funding received directly or indirectly from the national budget (subsidies, payment for services and other financial recourses)	565.6	558.0

Role of SOEs in the national economy of Latvia

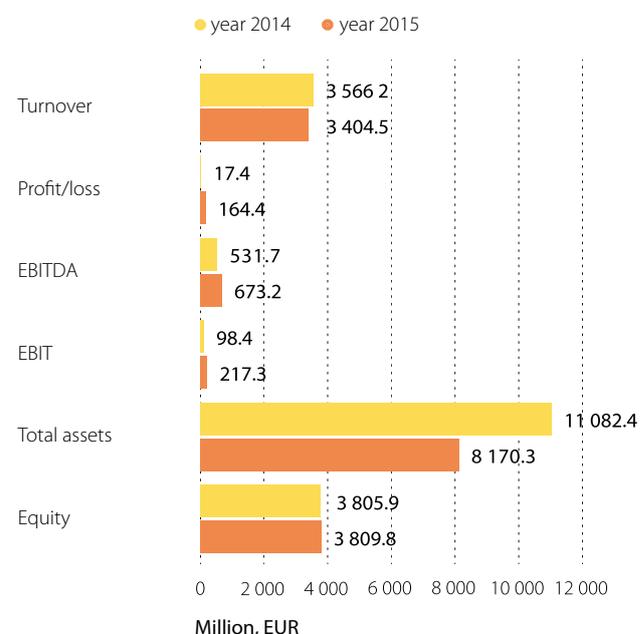
In terms of turnover, balance sheet total and indicators of the number of employees, the key sectors where SOEs are operating are energy, forestry and agriculture, transport and logistics and

¹ Average remuneration is calculated by weighted average method. Average remuneration = $\frac{\sum \text{all sectors Average remuneration in the sector} \times \text{number of employees in the sector}}{\sum \text{all sectors number of employees}}$

² Source: Annual Report of JSC "Privatizācijas aģentūra" of 2015, p.6.

communications. A number of SOEs that ensure rendering of important public services operate in the fields of health care and culture.

Figure 1. Main financial indicators characterising the operation of SOEs

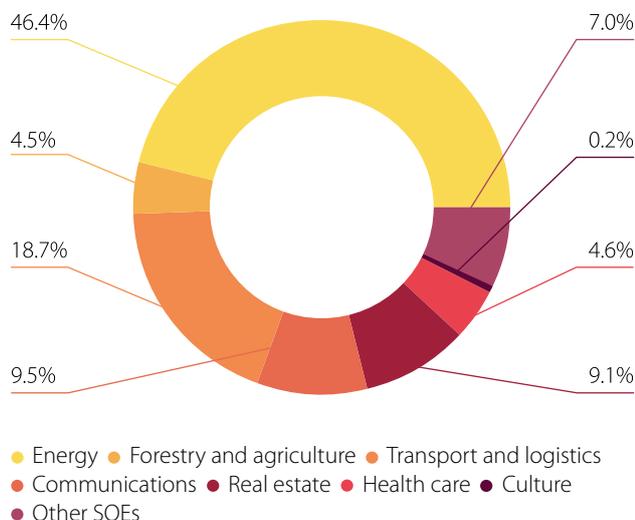


Total amount of assets of SOEs

The total balance sheet value of SOEs decreased in 2015 by 2.9 billion euros or 26.3%, and in 2015 it was almost 8.2 billion euros. This figure only includes the assets listed on the balance sheets of SOEs, and it does not include, for example, forests (the owner of Latvia's forests is the State as represented by the Ministry of Agriculture. The value of state forests is not reflected in the assets of JSC Latvijas Valsts meži), real estate and roads. The energy sector has the highest proportion (46.4%) in the assets of SOEs. Transport and logistics ranks next in the amount of assets in the SOEs balance sheet – 18.7%; the following are the communications and real estate governance sectors with 9.5% and 9.1%. A considerable decrease in SOEs total assets is associated with the selling of JSC Citadele Banka in the first half of 2015. Assets of JSC Citadele Banka at the end of 2014 added up 2.9 billion Euros. Taking into account the exclusion of JSC Citadele Banka assets from the 2015 assets, the assets of the rest of undertakings in 2015 decreased by 57.5 million Euros or by 0.7%.

In terms of value of assets, the four largest SOEs on 31 December 2015 were JSC Latvenergo Group (3.5 billion euros), SJSC Latvijas Dzelzceļš (1 billion euros), SJSC Valsts nekustamie īpašumi (409.5 million euros) and JSC Attīstības finanšu institūcija Altum (404 million euros).

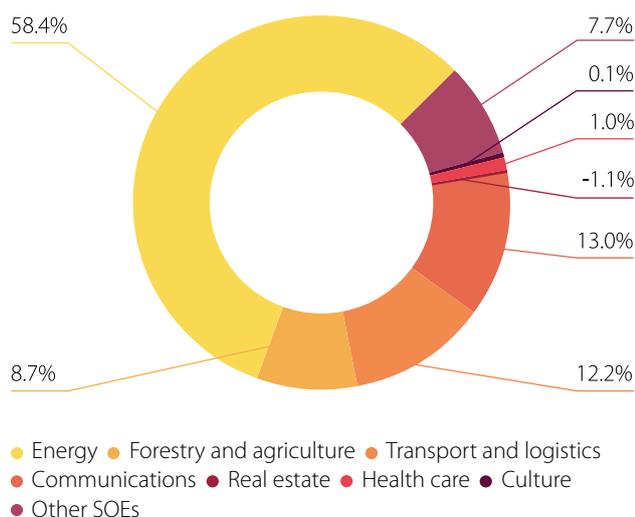
Figure 2. Total assets of SOEs by sector in 2015



Total equity capital of SOEs

The total value of the equity capital of SOEs increased in 2015 by 3.9 million euros or by 0.1%, and on 31 December 2015 it amounted to 3.8 billion euros. JSC Latvenergo Group was the largest SOE by the equity balance sheet value - it was 2.1 billion euros or 55% of the total equity capital of SOE. The energy sector forms 58.4% of the total equity capital of SOEs. In terms of equity capital, the second and third largest SOEs are SJSC Latvijas dzelzceļš and JSC Latvijas Valsts meži with a proportion of 356.7 million euros or 9.4% and 329.6 million euros or 8.7% respectively in the total equity capital of SOEs.

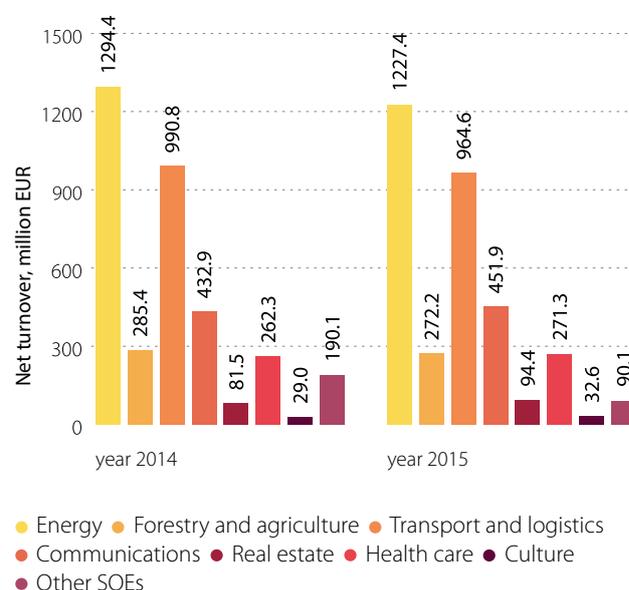
Figure 3. Equity capital of SOEs by sector in 2015



Total turnover of SOEs

The total turnover of SOEs fell by 4.5% (from 3 566.2 million euros in 2014 to 3 404.5 million euros in 2015). In terms of turnover, the largest sectors are energy and transport and logistics - both make almost two thirds of the total turnover of SOEs (64%). In the transport sector, about 73.1% of turnover is formed by SJSC Latvijas dzelzceļš and JSC Air Baltic Corporation with 420.2 million euros and 284.6 million euros respectively. JSC Latvenergo Group with 929.1 million euros was the largest SOE in terms of turnover in 2015 and made up 27.3% of the total turnover of SOEs.

Figure 4. Net turnover of SOEs by sector, million EUR



Total EBITDA and EBIT

In 2015, the total EBITDA of SOEs was 673 million euros and the total EBITDA/turnover ratio was 19.8%.

In 2015, the greatest contributions to total EBITDA were made by JSC Latvenergo Group (45.6%), JSC Latvijas Valsts meži (14.8%), SJSC Latvijas dzelzceļš Group (11%), LLC Lattelecom Group (10.6%) and LLC Latvijas Mobilais Telefons (8.7%).

The greatest contributions to total EBIT in 2015 were from JSC Latvenergo Group (49.8%), JSC Latvijas Valsts meži (32.9%), LLC Lattelecom Group (16.8%), LLC Latvijas Mobilais Telefons (11.7%) and SJSC Latvijas Loto (3.3%).

Among the sectors, in 2015, the largest contributions to total EBITDA were from energy (48.2%) and communications (21.2%), and the largest contributions to total EBIT were from energy (51.1%), forestry (32.9%) and communications (30.5%).

SOEs return on equity

The total return on equity (ROE) of SOEs in 2015 was 4.3%. Just as in 2014, the forestry and agriculture as well as communications sectors had the highest ROE values. The lowest ROE values with negative return were for health care and culture. The existing SOEs of those sectors receive a significant national budget financing for public service rendering.

The best ROE indicators among the ten largest companies by turnover were for JSC Latvijas Valsts meži (18.0%, change comparing to 2014 -4.2%), LLC Latvijas Mobilais telefons (16.8%, change +14.4%) and LLC Lattellecom (12.26%, change +0.71%). In 2014, the best indicators were for JSC Latvijas Valsts meži (22.2%), JSC RĪGAS SILTUMS (17.0%) and LLC Lattellecom (11.55%).

The highest return on equity indicator (ROE) in 2015 was in SJSC Latvijas Loto – 58.4%. It was followed by LLC Veselības aprūpes nekustamie īpašumi (51.7%), SLLC Kremerata Baltica1 (51.1%), LLC Biroju centrs Ezerparks (20.0%), SJSC Latvijas Pasts (19.4%) and JSC Latvijas Valsts meži (18.0%)

Number of employees and average remuneration

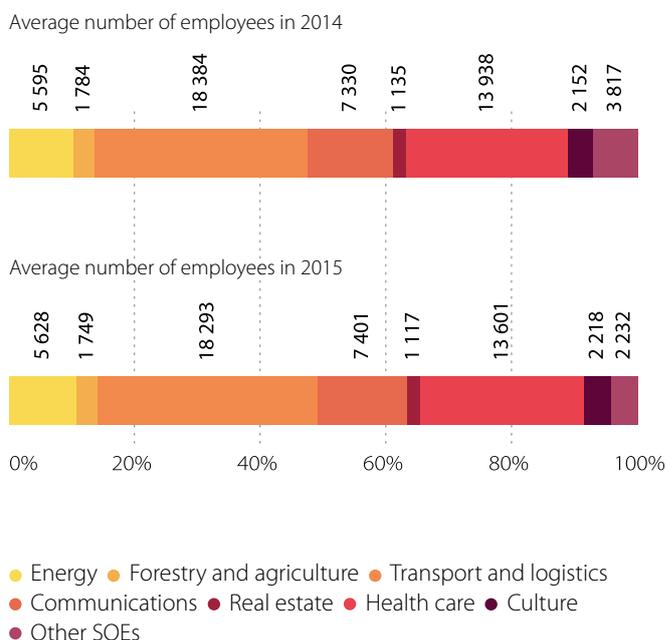
In 2015, around 52.2 thousand people worked in SOEs or 5.4% of all persons employed in Latvia. In comparison with 2014, it is by 1.9 thousand or by 3.5% less than before. The largest number of employees is in the transport sector (18 293 people), health care (13 601 people) and communications (7 401 people) sectors.

According to the data, the largest SOEs – employers – SJSC Latvijas dzelzceļš, which employs 12 260 people, LLC Rīgas Austrumu klīniskā universitātes slimnīca with 4 543 employees, SJSC Latvijas Pasts with 4 236 people, and 4 162 people are working in JSC Latvenergo Group.

³ On 31 December 2015, SLLC Kremerata Baltica equity was 610 euros

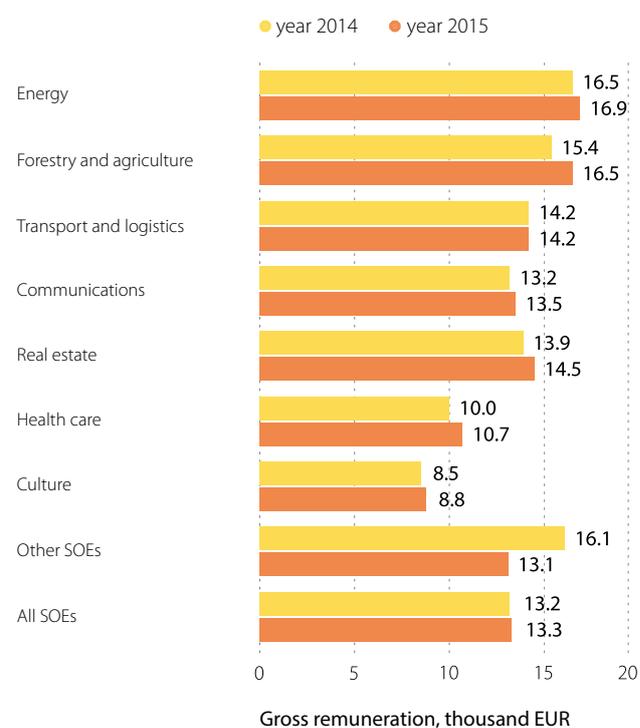
⁴ According to the data of the Central Statistics Bureau, the number of economically active residents in 2014 and 2015 was 965.8 and 965.2 thousands respectively (source: www.csb.gov.lv).

Figure 5. Number of employees in SOEs by sector, average per year



Weighted average gross payment per employee has increased by 0.8% – from 13.2 thousand euros in 2014 to 13.3 thousand euros in 2015. The highest average remuneration is in the energy, forestry and agriculture sectors.

Figure 6. Gross remuneration on average per one employee per year, thousand EUR

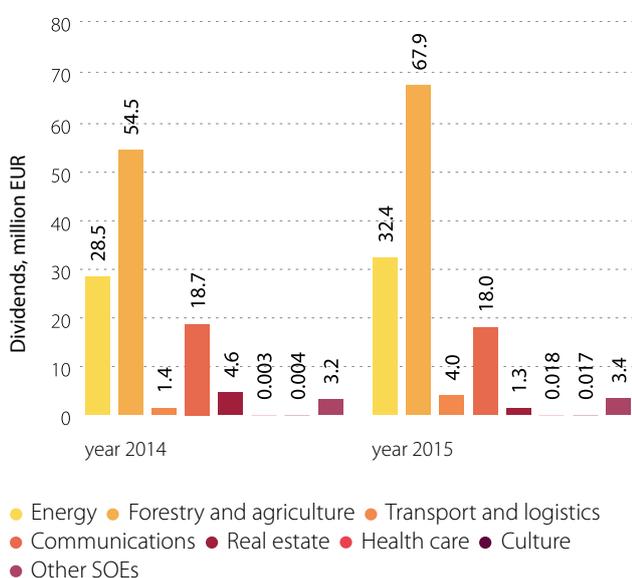


The highest average remuneration in 2015 was in JSC Reverta group –40 296 euros. It is followed by SJSC Elektroniskie sakari – 31 531 euros, SJSC Latvijas gaisa satiksme –31 522 euros and JSC Air Baltic Corporation – 30 503 euros per year.

Dividends

In 2015, 127 million euros was paid out to the State in dividends that is by 16.1 million or by 14.5% more than in 2014. The largest dividends were paid by forestry and agriculture, energy and communications sector SOEs.

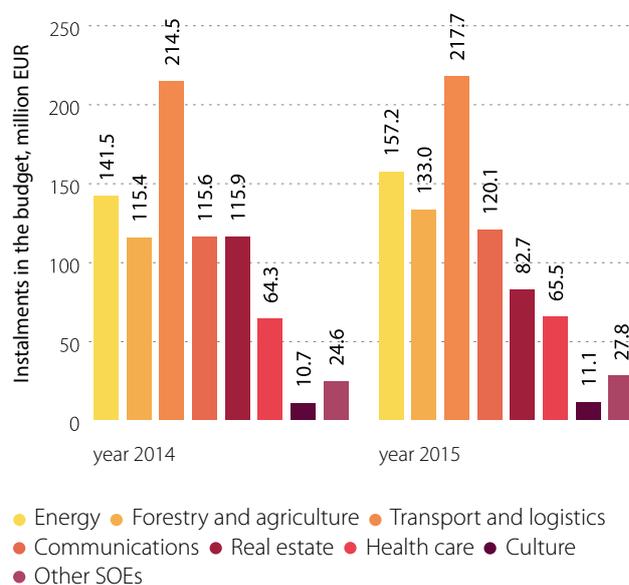
Figure 7. Dividends paid by SOEs for the previous year, million EUR



Instalments made by SOEs in the state budget⁵

In 2015, instalments made by SOEs in the budget amounted to 815.2 million euros. The largest instalments in the budget were made by the transport and logistics, energy, forestry and agriculture sectors.

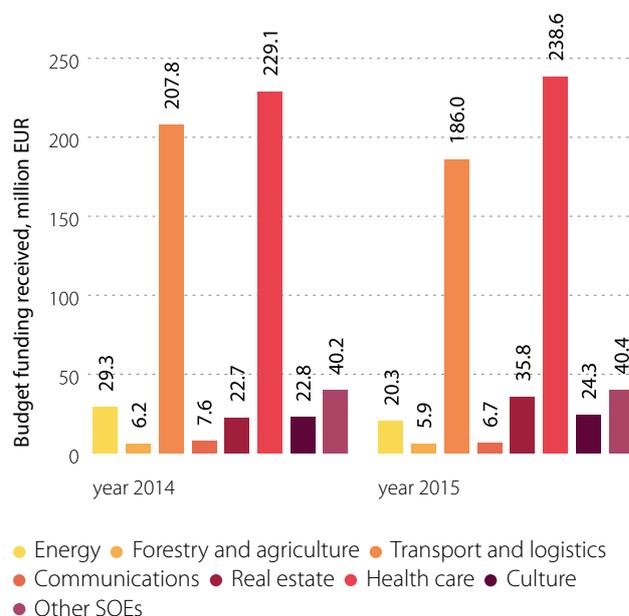
Figure 8. Instalments made by SOEs in the budget, million EUR



Budget funding received by SOEs⁶

The funding received by SOEs in 2015 amounted to 558 million euros. Most of the funding was provided to health care, transport and storage sectors.

Figure 9. Budget funding received by SOEs, million EUR

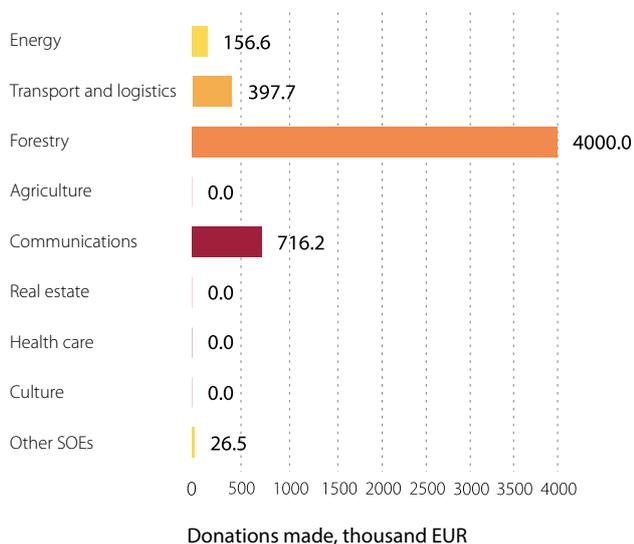


⁵ Taxes, duties and dividends

⁶ Budget allocation and other direct or indirect state budget funding (e.g. on contractual basis, co-funding of the European Union funds, targeted aid to restrict increase in compulsory procurement component)

Donations made by SOEs

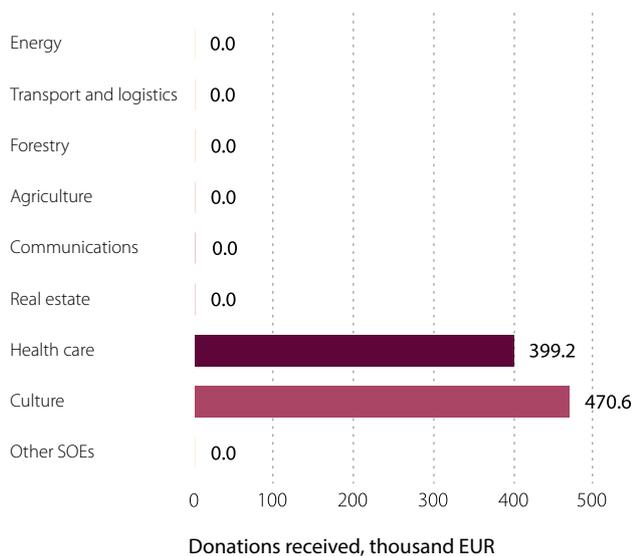
Figure 10. Donations made by SOEs by sector, thousand EUR



In 2015, the donations made by SOEs amounted to 5.3 million euros, and the largest donors were the SOEs of the forestry and communications sectors.

Donations received by SOEs

Figure 11. Donations received by SOEs by sector, thousand EUR



In 2015, SOEs received donations in the amount of 869.8 thousand euros. The donations were received by SOEs of two sectors – health care and culture.

Gender representation in boards and councils of SOEs

According to shareholder data, in 2015, SOEs boards and councils had 161 member – 114 or 71% of them were men and 47 or 29% were women.

Methodology used in the report

The report lists and analyses all of the direct state-owned shares in the SOEs and most of the indirect state-owned shares in the enterprises in order to promote efficient State asset governance. To ensure continuity, the annual report and analysis are prepared on an annual basis, as well as the measures are taken to improve compliance of SOEs performance indicators with SOEs form of operation, including in the fields of finance and corporate governance. This report analyses and compares the financial data of SOEs from 2014 to 2015. Essential information and indicators are also given about the SOEs related sectors. The report does not analyse non-financial indicators of companies.

Analysis of SOEs

The Annex to the annual report "SOEs, State-Owned Equity Shares, Equity Shares belonging to the SOEs and enterprises Effectively Controlled by the State" includes various enterprises – SOEs, their dependent companies, Public-Private SOEs, state-owned subsidiaries and SOEs effectively controlled by the State, as well as private SOEs where the State has no controlling power, but more information in the report is provided about the SOEs or the enterprises effectively controlled by the State and economically (JSC RĪGAS SILTUMS) or publicly (LLC Latvijas Olimpiskā vienība) relevant enterprises where the State is a shareholder. The data of 2014 include also SOEs that in 2015 closed their sales process (JSC Citadele Banka) and reorganised SOEs (JSC Attīstības finanšu institūcija, consolidated data are included in 2014). The State owns many SOEs that serve the public and their objectives are social rather than commercial. This circumstance makes financial analysis more complicated because the evaluation techniques and methods, which are intended for the assessment of typical commercial companies, are not so well suited to analysing and objectively evaluating the benefits for the general public and non-financial goals achieved.

Data collection methodology

The financial information provided in this annual report has not been additionally audited, and it has been received from the representative of the shareholder, from annual reports audited by sworn auditors and published by the SOEs and from other publicly available data and registers. Data required for the report was not available regarding several enterprises categorised as Other Sectors (these are enterprises where the State holds less than 20% of the shares).

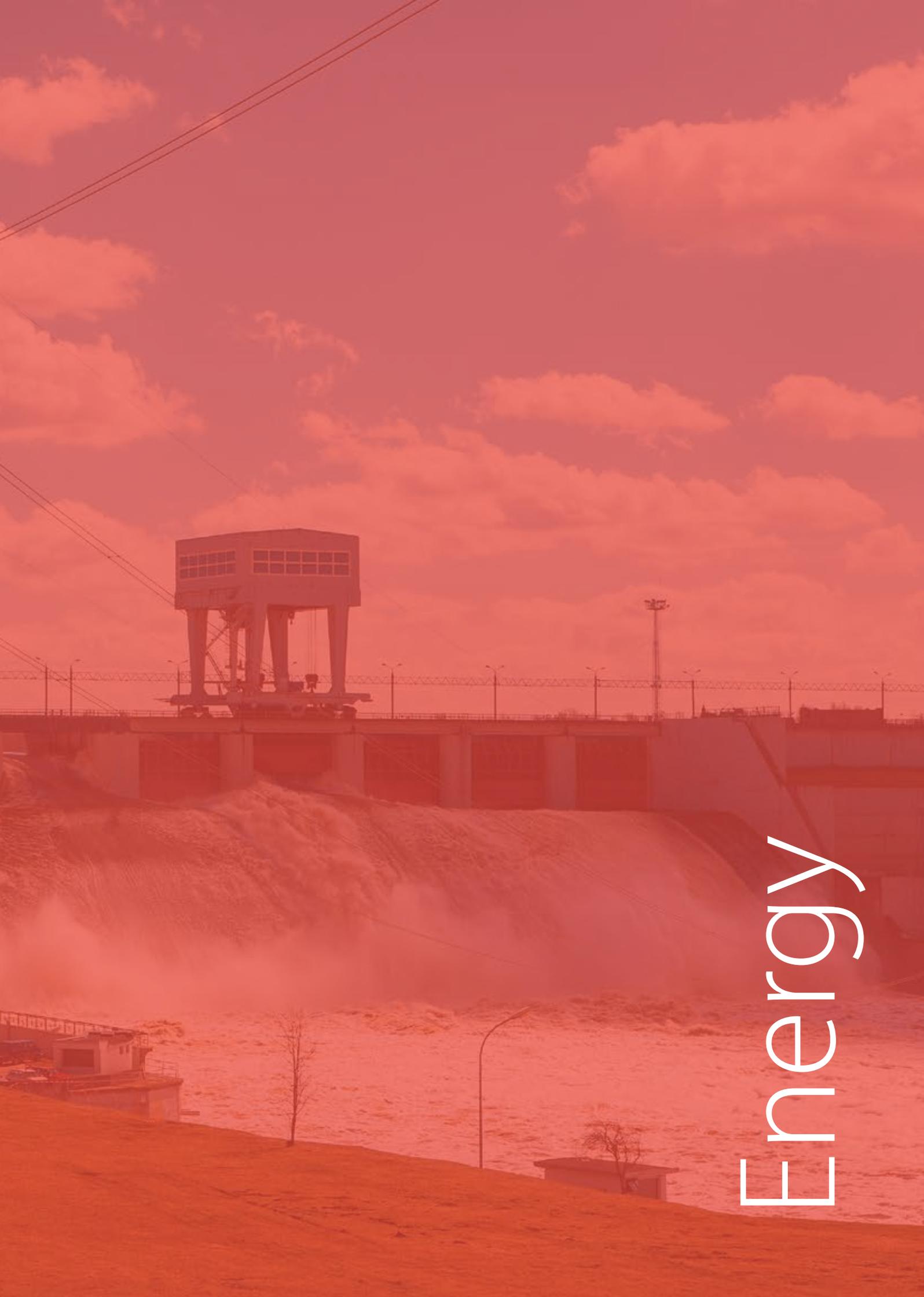
It should be taken into account that financial reports of the SOEs have been prepared by using different standards – some have been prepared according international financial reporting standards (IFRS), others according to the Latvian legislation that applies to accounting. In general, the Latvian legislation is in

conformity with the IFRS; however there are some disparities that could also affect the assessment of assets and liabilities. The Latvian legislation is not so strict with respect to the disclosure of financial information.

Since the consolidated financial reports (in terms of the IFRS) were not available for all SOEs, then, in some cases, summarised financial data have been used. Mutual transactions between the enterprises were not excluded from the calculations because the justification required for that is not available in the financial report. The enterprises may have different accounting principles, for example, fixed assets have been counted both by the acquisition price and the results of re-evaluation, investment in property – both by the purchase price and the true value. Other major disparities may arise due to accounting of loss in relation to the loss of value of long-term assets, saving policy, classification and accounting of employee benefits.



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Energy

Energy

In this report, the energy sector has been divided into two large groups: electricity and the centralised supply of heating. The energy sector makes up approximately 3% of the GDP in Latvia. Latvia's energy policy is focused on enhancing the security of energy supply by reducing the country's dependence on external supplies, by diversifying their supply routes and sources, as well as by strengthening the security of the power supply networks and systems. Energy sustainability and competitive energy price for the consumers are essential aspects in the implementation of energy policy.

Operation of the sector is governed by the Energy Law, the Electricity Market Law, the Subsidised Electricity Tax Law and the Law on Regulators of Public Utilities. On 9 February 2016, the National Energy Development Guidelines for 2016-2020 were adopted.

As the result of global price decline for energy resources, in 2015, electricity wholesale prices in Latvia and other Baltic States decreased; it was also promoted by further integration in the Nordic electricity market. It is foreseen that by the end of 2015, the completed new electricity transmission system cross-border connections (Lithuania and Sweden's cross-connection NordBalt, as well as Lithuania and Poland's cross-connection LitPolLink) will substantially influence the functioning of electricity market, by balancing trade flows and electricity prices in the Baltic States.

Development of the energy sector is closely linked to the liberalisation of the market. As of 1 January 2015, the Latvian electricity market has been fully liberalised. Complete liberalisation of the natural gas market is scheduled by April 2017, by separating the transmission and storage system operator from the activities related to natural gas distribution or trade, as well as by providing the opportunity for all natural gas users to freely choose the company selling them natural gas. Gradual opening of the market is planned for households by maintaining the right to receive natural gas at the rates set forth by the regulator.

Electricity

The key elements of the Latvian electricity market are electricity generation, transmission, distribution and trade. In the Latvian electricity sector, there are 256 economic operators for public service rendering; 102 or 39% are active while 14 economic operators are authorised to render more than one electricity service at the same time - generation, transmission, distribution and trade.

Electricity generation

The Latvian electricity market is supplied by the local electricity generation enterprises and by electricity imported from other countries. At the end of 2015, there were 200 electricity producers registered in Latvia, only 77 of which are active in producing electricity. During 2015, 16 economic operators were excluded from the register of electricity producers.

The largest electricity producer is JSC Latvenergo with capacity of

2 569 MWh. Most of the electricity consumed is produced in power plants – Riga TEC-1, Riga TEC-2 and the Daugava Hydro Power Plant complex, which is the largest source of generation in the Baltic States. Since 2014, the electricity wholesale market transactions have been taking place through the Nord Pool Spot exchange, the remaining electricity is delivered to the market directly from the producer to the consumer, where the market players agree on the price.

Electricity trade

At the end of 2015, the Electricity Producer Register included 76 economic operators, from which 16 economic operators provided electricity trade service. Within a year, 16 economic operators were excluded from the register, while one new economic operator of electricity trade was included. At the same time, 12 economic operators were registered in the Electricity wholesale bureau "Nordpool" in Latvia's trade district.

In 2015, JSC Latvenergo Group successfully maintained the position of electricity sales leader in the Baltic States. The market share of the JSC Latvenergo Group in the Baltic States accounted for 32% of the total Baltic electricity market. Under conditions of an open electricity market, most of the Latvian households have chosen Latvenergo as their electricity trader.

Electricity transmission

JSC Augstsprieguma tīkls is managing the transmission network that is receiving electricity from the hydro power plants and thermal power plants of Latvia, as well as from Lithuania, Estonia and Russia, and is transferring it further to the enterprises of the distribution network. It is servicing all 330kV and 110 kV power lines in the territory of Latvia, providing for the operation, maintenance and repair of equipment installed in the substations and distribution points. In 2015, the total length of the electricity transmission networks in Latvia reached 1,359 km for power lines with 330 kV voltage and 3,891 km for power lines with 110kV voltage.

Electricity distribution

To ensure electricity supply to users' objects (there are more than one million in Latvia), the provision of high-quality services of the distribution system plays a major role. The functions of the distribution system operator in Latvia are performed by 11 enterprises, the largest being JSC Sadales tīkls that is a company of the JSC Latvenergo Group. It supplies electricity to more than 99% of electricity users in the country and the connection of power equipment of new electricity users to the electricity network, as well as monitors the use of electricity, records electricity consumption and activities to reduce losses in the distribution network. 7 distribution system operators have also registered in the Electricity Trader Register; 6 of them are active in trade.

The total length of the electricity distribution network in Latvia

in 2015 reached 94,120 km. The supply of electrical installations for users connected to the electricity network is provided for by 26,858 transformer substations (6-20/0.4 kV).

Heat supply

The key elements of the Latvian heat supply market are electricity generation, transmission, distribution and trade. In order to be able to offer one of the above-mentioned services, an economic operator needs to receive a licence or register in the Electricity Generator and/or Electricity Producer Register. The supply of heat to consumers in Latvia is provided by using centralised heat supply systems, local heat supply and individual heat supply. Most of the thermal energy produced in the centralised heat supply systems is produced in Riga, 90% of which is produced in a highly efficient cogeneration process.

In the heat supply of Latvia, the heat supply services of around 240 economic operators are being regulated, and the regulated services make around 93% of the whole heat supply market; moreover, most of economic operators are heat producers. At the end of 2015, 79 economic operators were included in the Heating Traders Register.

In 2015, the heat capacity of heat generating equipment installed in the plants of JSC Latvenergo Group amounted to 1,844 MWh and 2,408 GWh of electricity was produced. JSC Latvenergo owns two large thermal power stations that are operating in cogeneration mode – Riga TEC-1 and Riga TEC-2. In 2015, thermal energy output in Riga TEC reached 2,175 GWh that is by 6% less than in the previous year, taking in to account consumption that depends on air temperature and duration of the heating season. The remaining amount of thermal energy is produced in the heat sources belonging to JSC RĪGAS SILTUMS: five heating plants as well as several dozen small and medium boiler rooms. It transmits and distributes 76% of all thermal energy required for users.

SOEs of energy sector

Table 2. Performance indicators of SOEs of energy sector

State-owned equity shares in the energy sector in 2015						
Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
JSC Latvenergo Group	Electricity and thermal energy production, transmission, distribution and trade in Latvia, trade in electricity, IT and telecommunications services	929 128.0	85 039.0	3 517 372.0	4 162	100%
JSC RĪGAS SILTUMS	Thermal energy production, transmission and supply in Riga; technical maintenance of heat supply systems	173 484.8	2 422.5	164 022.8	953	48.995%, 0,005% JSC "Latvenergo" ⁷
JSC Augstsprieguma tīkls	Independent electricity transmission system operator of the Republic of Latvia	124 775.8	172.6	107 187.7	513	100%

⁷ Other owners: Riga City Council – 49% shares, LLC Enerģijas Risinājumi.RIX – 2% shares.

Table 3. Financial indicators of SOEs in the energy sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	1 294 355.7	1 227 388.6
Profit/loss	33 540.2	87 634.1
EBITDA	254 744.2	324 780.7
EBIT	53 608.8	110 960.8
Total assets	3 730 011.0	3 788 582.5
Share capital	1 361 105.8	1 361 190.8
Equity	2 145 649.0	2 223 246.7
Factors		
Profit and turnover ratio, %	2.6	7.1
EBITDA and turnover ratio, %	19.7	26.5
Return on assets, ROA, %	0.9	2.3
Return on equity, ROE, %	1.6	3.9
Total liquidity indicator	2.3	2.0
Liabilities to equity ratio	0.7	0.7
Other indicators		
Number of employees on average per year	5 595	5 628
Gross remuneration, average per employee	16.5	16.9
Investment in fixed assets	192 312.5	207 415.4
Dividends from the profits of the previous year paid into the national budget	28 540.4	32 377.5
All instalments in the budget (incl. dividends, taxes, fees)	141 479.7	157 241.2
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	29 264.0	20 335.0

Latvenergo Group⁸

JSC Latvenergo is the largest electricity producer in the Baltic States that generates and sells electricity and thermal energy, ensures thermal energy distribution and lease of transmission assets.

All Latvenergo shares are owned by the State and the holder is the Ministry of Economics. JSC Latvenergo shares cannot be disposed. Latvenergo Group consists of the following subsidiaries: JSC Sadales tīkls (with 100% shareholding); LLC Elektrum Eesti, OÜ with 100% shareholding, LLC Elektrum Latvija with 100% shareholding; Elektrum Lietuva UAB with 100% shareholding; JSC Latvijas elektriskie tīkli with 100% shareholding, LLC Liepājas enerģija with 51% shareholding; LLC Enerģijas publiskais tirgotājs with 100% shareholding.

In 2015, the profit of JSC Latvenergo Group was 85 million euros (in 2014–29.8 million euros). The results of the Group were positively influenced by the opening of the electricity market for the households in Latvia from 1 January 2015. The results were negatively influenced by smaller output of the Daugava Hydroelectric Power Plant, as well as smaller distributed electricity and, thus, smaller revenues from distribution services. Compared to the previous year, in 2015, the amount of electricity sold by JSC Latvenergo Group in the Baltic States was by 9% less and made up 7 869 GWh. The amount of electricity sold outside Latvia made up more than 1/3 of the total electricity sold in retail and made up 2 539 GWh.

At the end of 2015, JSC Latvenergo Group sold electricity to around 864.6 thousand customers in Latvia, Lithuania and Estonia. The largest number of clients or more than 96% was in the household segment, less than 1% were clients of the industry segment and around 3% – other clients (trade, state and local-government institutions, etc.)⁹

The total amount of JSC Latvenergo Group's investments in 2015 is 190.5 million euros that is by 7% more than in the previous year (2014 - 177.6 million euros). The increase in the investment amount is due to the implementation of the Daugava HPP unit restoration program, which encourages investments in projects that are environmentally friendly and improve environment.

In June 2015, JSC Latvenergo Group issued green bonds in the amount of 75 million euros, by successfully continuing the diversification of the sources of funding. Thus JSC Latvenergo has become the first SOE in Eastern Europe that has issued green bonds. This year, JSC Latvenergo has prepared the Sustainability Report in accordance with GRI (Global Reporting Initiative) G4 guidelines, by extensively involving stakeholders in drafting of the report. The content of the report analyses important aspects of

performance of the Group in the area of economic responsibility, society, responsibility for the product, environmental protection, employee and working environment.

In accordance with the State Budget Law for 2016, the foreseen amount of dividends payable to JSC Latvenergo is 77.4 million euros (31.5 million euros for 2014), which according to the decision of the shareholder will be diverted towards various objectives, including, support for the provision of electricity services for the low-income citizens, large families, as well as people with group 1 disability and families with a disabled child and for partial compensation of compulsory procurement component, ensuring that the compulsory procurement component remains at the same level (26.79 euros/MWh).

Table 4. Main financial indicators of JSC Latvenergo Group

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	1 010 757.0	929 128.01 ¹⁰
Profit/loss	29 790.0	85 039.0
EBITDA	236 838.0	307 015.0
EBIT	49 243.0	108 188.0
Total assets	3 486 576.0	3 517 372.0
Share capital	1 288 446.0	1 288 531.0
Equity	2 020 801.0	2 096 702.0
Factors		
Profit and turnover ratio, %	2.9	9.2
EBITDA and turnover ratio, %	23.4	33.0
Return on assets, ROA, %	0.9	2.4
Return on equity, ROE, %	1.5	4.1
Total liquidity indicator	1.3	1.9
Liabilities to equity ratio	0.7	0.7
Other indicators		
Number of employees on average per year	4 559	4 162
Gross remuneration, average per employee	16.4	16.9
Investment in fixed assets	177 607.0	190 461.0
Dividends from the profits of the previous year paid into the national budget	23 605.0	31 479.0
All instalments in the budget (incl. dividends, taxes, fees)	134 122.0	142 268.0
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	29 264.0	20 335.0

⁸ JSC Latvenergo group consolidated report 2015 <http://www.latvenergo.lv/files/news/Latvenergo%20koncerna%20lgtspijas%20un%20Gada%20paskats%202015.pdf>

⁹ http://www.latvenergo.lv/lat/par_mums/pardosana/, accessed on 10.10.2016

¹⁰ Decrease in revenues is mainly due to changes in principles of recording the financial results as of 1 April 2014 when JSC Enerģijas publiskais tirgotājs launched its operation because the revenues of Latvenergo Group the revenues of compulsory procurement component are no longer recognized

JSC Augstsprieguma tīkls¹¹

JSC Augstsprieguma tīkls (hereinafter - AST) is an independent transmission system operator of the Republic of Latvia that provides transmission system services and ensures balancing and stability in the transmission system. The electricity transmission system includes connections and networks with the voltage of 110 kilovolts and higher. AST is the only transmission system operator in Latvia, and the area of operation of its licence is the entire territory of Latvia.

All AST shares belong to the State and its shareholder is the Ministry of Finance. AST works in a regulated industry. In accordance with the decision by the Public Utilities Commission (hereinafter - PUC), AST's authorised annual profit is 172 400 euros. In 2015, AST profit is 172 605 euros, from which 155 345 euros were paid as dividends in the State budget.

In 2015, AST delivered 5 803 GWh electricity to its customers in Latvia. The major cooperation partner of AST is JSC Latvenergo and its subsidiaries.

For the purposes of implementing the PUC council's decision, starting from 1 January 2015, AST has overtaken a business direction of active maintenance and development of transmission system from JSC Latvijas elektriskie tīkli, as well as employees needed to ensure the aforementioned business direction – a total of 430 employees.

PUC decision No 121 of 18 August 2016 approves the AST electricity system transmission plan for 2017 - 2026. Within the framework of the plan, it is planned to invest 518 million euros in the transmission system's infrastructure. Investments in the transmission system are planned in projects relating to security of the energy system, development and implementation of licence requirements.

In order to further incorporate Latvia in the single European internal energy market, AST joined the European day-ahead electricity market management system in 2015, and plans to participate in the common European project for current day market bonding. AST was one of the first European transmission system operators that met the requirements of the European

Information Transparency Platform, in accordance with the European Commission Regulation 543/2013 requirements by delivering information to the platform in appropriate quantity and quality.

Table 5. Main financial indicators of JSC Augstsprieguma tīkls

Main financial indicators, EUR '000

Overall indicators	2014	2015
Turnover	110 502.8	124 775.8
Profit/loss	998.3	172.6
EBITDA	1 318.8	668.9
EBIT	1 274.7	-145.0
Total assets	77 492.0	107 187.7
Share capital	5 691.5	5 691.5
Equity	9 191.5	8 465.6
Factors		
Profit and turnover ratio, %	0.9	0.1
EBITDA and turnover ratio, %	1.2	0.5
Return on assets, ROA, %	1.3	0.2
Return on equity, ROE, %	10.9	2.0
Total liquidity indicator	4.5	4.9
Liabilities to equity ratio	7.4	11.7
Other indicators		
Number of employees on average per year	66	513
Gross remuneration, average per employee	25.4	17.1
Investment in fixed assets	1 867.9	1 489.5
Dividends from the profits of the previous year paid into the national budget	2 485.7	898.5
All instalments in the budget (incl. dividends, taxes, fees)	3 675.7	10 225.5
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

¹¹ 2015 Annual Report of JSC Augstsprieguma tīkls

JSC RĪGAS SILTUMS¹²

JSC RĪGAS SILTUMS (hereinafter - RS) is the largest heat supply company not only in Latvia but in the entire Baltic region. Latvia owns 48.995% RS shares; other owners of RS are Rīgas dome – 49% shares, LLC Enerģijas risinājumi. RIX – 2%; JSC Latvenergo – 0.005% shares. RS owns 50% share capital of LLC Rīgas BioEnerģija.

In accordance with RS statutes and licences, the company is allowed to pursue commercial activities in supply of steam and hot water, electricity generation, transmission, distribution and realisation as well as commercial activities relating to construction, designing, repair work, technical controls and upgrading of qualification. RS operates in a regulated industry and coordinates its rates with PUC.

RS priority in the financial year 2014/2015 (01.10.2014 - 30.09.2015), like in the previous years, was constant and secure heat supply to clients in Riga. In the financial year 2014/2015, RS purchased 99% of all thermal energy from JSC Latvenergo production units TEC-1 and TEC-2, while 1% from LLC Juglas Jauda. The amount of thermal energy purchased in the financial year 2014/2015 made up 69% of the total amount of thermal energy supplied to the network of the joint stock company. The rest of 31% of the necessary thermal energy was produced in RS heat sources. In the financial year 2014/2015, 2.8 million MWh of thermal energy was sold; RS delivered 76% of thermal energy required for the city. As the price of natural gas dropped in the financial year 2014/2015, the average rate for thermal energy in relation to the previous year was by 3% less – 55.54 euros/MWh. Alongside heat generation in the co-generation process, 95 thousand MWh of electricity were produced, from which 89 thousand MWh were sold to JSC Latvenergo and JSC Enerģijas publiskais tirgotājs. 156 million euros derived from the sale of thermal energy and 13 million euros – from the sale of electricity.

Results of RS commercial activity relating to thermal energy generation and realisation mostly depend on climatic conditions. Last season was by seven days longer than the previous one, and the average air temperature was by 0.3°C lower.

The annual net profit of RS in the reporting period was 2.4 million euros that is by 0.33 million euros less than the year before. At the end of the financial year, receivables amounted to 8.3 million euros.

Table 6. Main financial indicators of JSC RĪGAS SILTUMS

Main financial indicators, EUR '000

Overall indicators	2014	2015
Turnover	173 096.0	173 484.8
Profit/loss	2 751.9	2 422.5
EBITDA	16 587.4	17 096.9
EBIT	3 091.1	2 917.8
Total assets	165 943.0	164 022.8
Share capital	66 968.3	66 968.3
Equity	115 656.6	118 079.1
Factors		
Profit and turnover ratio, %	1.6	1.4
EBITDA and turnover ratio, %	9.6	9.9
Return on assets, ROA, %	1.7	1.5
Return on equity, ROE, %	2.4	2.1
Total liquidity indicator	1.0	0.8
Liabilities to equity ratio	0.4	0.4
Other indicators		
Number of employees on average per year	970	953
Gross remuneration, average per employee	16.5	16.8
Investment in fixed assets	12 837.6	15 464.8
Dividends from the profits of the previous year paid into the national budget	2 449.7	0.0
All instalments in the budget (incl. dividends, taxes, fees)	3 681.9	4 747.7
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

¹² Report of the Financial Year 2014/2015 of JSC RĪGAS SILTUMS
http://www.rs.lv/sites/default/files/page_file/rs_gada_parskats_2015.pdf.

An aerial photograph of a rural landscape, showing a patchwork of green agricultural fields, a winding road, and a dense forest. The sky is blue with scattered white clouds. The entire image has a green color overlay.

Forestry and Agriculture

© Photo: Kaspars Daļeckis

Forestry and Agriculture

Latvia's forests are a strategic resource that both provides employment and income for residents and a national wealth repository for biodiversity conservation; also, in the light of great proportion of forests, Latvia is internationally recognized as a green country.

Already over a long-term, the forest area statistics show increasing dynamics resulting from overgrowing of unproductive agricultural lands and purposeful implementation of a sustainable forest management policy. When analyzing an increase in forest areas, it needs to be taken into account that, in the Latvian legislation, the term 'forest' implies an ecosystem in all stages of its development where trees are the main producer of the organic mass¹³.

Undeniably, forest is the source of the processing industry and the energy sector that makes a positive contribution to economic growth, by exporting the resource to a number of countries. For example, the largest export markets for the Latvian timber products are in the United Kingdom (in 2015, 19.6% of the total timber export, with the exception of furniture), Germany (10.6%), Sweden (9.4%) and Estonia (6.3%)¹⁴.

The role of forest and land in promoting greenhouse gas (GHG) and CO₂ emission removals should also be mentioned, thus both discussions and activities in action policy are anticipated in the coming decade to reduce climate changes in the global context. According to the United Nations Framework Convention on Climate Change and obligations for Latvia laid down for period 2 (2013 - 2020) in its Kyoto Protocol, a specific objective is defined for forest management - forest management reference level - 16.302 million tons of CO₂ eq that might be difficult to reach for Latvia given the role of forest and related sectors in the national economy and employment.

In Latvia, forests occupy 3 356 thousand hectares¹⁵ and cover 52 % of country's territory.

In 2015, forestry¹⁶ and timber industry¹⁷ provided jobs for about 40 thousand people. The overall role of the sector in economic growth is positive, taking into account its share in gross domestic product that in 2015 accounted for 5 per cent.

The forestry sector continued to grow in 2015, while the decline in economic activity in Q1 was largely due to warm weather at the beginning of the year. By contrast, in the coming quarters, the sector

experienced growth that was promoted by the development of the timber sector and strong demand for timber¹⁸.

To determine sustainable development of the sector, in 2015, the Guidelines for Forest and Related Sectors' Development for 2015-2020 (hereinafter – GFRSD 2020) were drafted and approved by the Cabinet of Ministers. GFRSD 2020 describes current situation in the forest sector of Latvia, identifies industry challenges and paths of development for sustainable forest management.

Challenges for the industry in 2016 could be attributed to the fall in exports of timber, more focused work on a deeper resource processing (Bioeconomy Development Strategy) and setting of new measures for stabilizing the climate change. The agricultural sector, although experienced a significant loss in 2014 due to food embargo of the Russian Federation, still provides jobs in rural areas and creates innovations in a range of food products, thus adapting to consumer interests. To ensure the acquisition of the necessary expertise in agriculture and successful diversification of production of existing farms, LLC Latvijas Lauku konsultāciju un izglītības centrs provides farmers with varied competences to ensure the implementation of economically justified economic activity, as well as offers private consultations and develops the production development plans of farms. Although slowly, the proportion of land used for agriculture is gradually increasing, amounting to 1 884.8 thousand hectares in 2015; there is also progress in the consolidation of farms where the average size of one household in 2015 is 34.8 hectares, i.e. by 18 % more than in 2010.

Both SLLC Zemkopības ministrijas nekustamie īpašumi and SLLC Meliorprojekts play an essential role in ensuring optimal humidity of agricultural and wooded land, by ensuring effective functioning of amelioration systems. The state owns SLLC Meliorprojekts, SLLC Zemkopības ministrijas nekustamie īpašumi and 99.32% of shares of LLC Latvijas Lauku konsultāciju un izglītības centrs. One of the unresolved issues of the Latvian agricultural policy are outdated and uncared amelioration systems where, within the framework of measures of the Latvian Rural Development Program for 2014 – 2020, the land owners and SLLC Zemkopības ministrijas nekustamie īpašumi will be able to ensure targeted renovation and reconstruction of amelioration systems.

SOEs of forestry and agricultural sector

Table 7. Performance indicators of SOEs in the forestry sector

State-owned equity shares in the forestry sector in 2015						
Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
JSC Latvijas valsts meži	Forestry	261 551.1	59 300.1	360 102.9	1 233	100%
LLC Meža un koksnes produktu	Product research, development and testing services	1 956.6	46.8	1 122.0	27	40%, JSC Latvijas valsts meži

¹³ <http://likumi.lv/doc.php?id=2825>

¹⁴ <https://www.makroekonomika.lv/meza-nozare-latvija-cela-uz-augstu-pievienoto-vertibu>

¹⁵ <http://appsso.EURstat.ec.EURpa.eu/nui/submitViewTableAction.do>

¹⁶ NACE 2. red. A02 (forestry and logging)

¹⁷ NACE 2. red. C16 (manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials) and C31 (manufacture of furniture). Informative report "On the Macroeconomic Situation in the Country" (28.04.2016)

¹⁸ Informative report "On the Macroeconomic Situation in the Country" (28.04.2016)

Table 8. Performance indicators of SOEs in the agricultural sector

State-owned equity shares in the agricultural sector in 2015						
Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
LLC Latvijas Lauku konsultāciju un	Vocational further education and consultations for field experts and residents	8 303.2	13.8	5 062.4	461	99.32%
SLLC Meliorprojekts	Design, engineering and construction of amelioration systems in hydro-ameliorative construction	375.0	-29.8	214.6	28	100.00%

Table 9. Financial indicators of SOEs in the forestry sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	277 382.4	263 507.7
Profit/loss	75 555.5	59 346.9
EBITDA	116 167.9	99 831.0
EBIT	89 756.2	71 495.0
Total assets	368 230.4	361 224.9
Share capital	265 462.1	271 680.3
Equity	340 141.2	330 252.5
Factors		
Profit and turnover ratio, %	27.2	22.5
EBITDA and turnover ratio, %	41.9	37.9
Return on assets, ROA, %	20.5	16.4
Return on equity, ROE, %	22.2	18.0
Total liquidity indicator	4.5	4.4
Liabilities to equity ratio	0.1	0.1
Other indicators		
Number of employees on average per year	1 300	1 260
Gross remuneration, average per employee	17.8	19.0
Investment in fixed assets	31 264.0	29 171.5
Dividends from the profits of the previous year paid into the national budget	54 447.3	67 908.4
All instalments in the budget (incl. dividends, taxes, fees)	112 023.9	129 066.6
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

Table 10. Financial indicators of SOEs in the agricultural sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	8 003.4	8 678.2
Profit/loss	15.6	-16.0
EBITDA	301.3	210.5
EBIT	57.9	-33.1
Total assets	4 844.8	5 277.0
Share capital	960.0	1 255.0
Equity	1 344.3	1 613.2
Factors		
Profit and turnover ratio, %	0.2	-0.2
EBITDA and turnover ratio, %	3.8	2.4
Return on assets, ROA, %	0.3	-0.3
Return on equity, ROE, %	1.2	-1.0
Total liquidity indicator	2.8	3.0
Liabilities to equity ratio	2.6	2.3
Other indicators		
Number of employees on average per year	484	489
Gross remuneration, average per employee	8.8	9.9
Investment in fixed assets	193.0	622.8
Dividends from the profits of the previous year paid into the national budget	3.8	10.1
All instalments in the budget (incl. dividends, taxes, fees)	3 360.9	3 920.9
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	6 193.1	5 873.6

JSC Latvijas valsts meži

The state has assigned the JSC Latvijas Valsts meži (hereinafter – LVM) to manage and operate 1.63 million hectares of land in the Republic of Latvia, including 1.60 million hectares of forest land, of which 1.41 million hectares is forest.

The operational goal of LVM is to ensure sustainable management of the state forest. Through balancing various interests of society, LVM plans the forest management that now and in the future ensures as high added value as possible and more job opportunities. Strategic environmental goals of LVM are to preserve diversity of nature; to develop respect of society to the forest environment; reduce the impact of economic activity on the environment; increase the contribution of forests managed by LVM to minimising global climate change. The strategic economic objectives are as follows: providing for a stable profit and positive cash flow from economic activities; increasing the value of SOE assets and tree stands managed by it; increasing customer service quality; becoming a stable and reliable partner for its customers, suppliers and service providers; increasing the efficiency of business processes and enhancing the efficiency of service providers; promoting and developing the production of timber products with high value-added, as well as high end services and knowledge.

The task of LVM is to pursue national interests in forest management by ensuring the conservation and enhancement of forest value, as well as to gain maximum possible revenue from forest management. At the same time, this SOE is also involved in hunting and recreation services, ensuring and obtaining seeds and planting materials for high quality reforestation, and making available sand, gravel and peat for the market. The main product of the SOE is timber. This SOE is managing about a half of the total forest area of Latvia. Upon developing the functional zoning of the territory of LVM, 5% of the managed areas have been designated as recreation areas; the main objective of managing these areas is recreation and environmental research. More than 75 thousand hectares of total land area of LVM have been designated for recreation.

LVM owns a subsidiary: LLC Jaunmoku pils, which provides tourist and business services, as well as 40% of the shares in LLC Meža un koksnes produktu pētniecības un attīstības institūts and 31 share in JSC Latvijas Finieris.

Table 11. Financial indicators of JSC Latvijas Valsts meži

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	275 717.1	261 551.1
Profit/loss	75 453.8	59 300.1
EBITDA	115 850.6	99 603.7
EBIT	89 645.7	71 442.3
Total assets	367 097.7	360 102.9
Share capital	264 052.4	270 270.6
Equity	339 506.2	329 570.8
Factors		
Profit and turnover ratio, %	27.4	22.7
EBITDA and turnover ratio, %	42.0	38.1
Return on assets, ROA, %	20.6	16.5
Return on equity, ROE, %	22.2	18.0
Total liquidity indicator	6.9	6.1
Liabilities to equity ratio	0.04	0.05
Other indicators		
Number of employees on average per year	1 272	1 233
Gross remuneration, average per employee	18.0	19.1
Investment in fixed assets	31 255.5	29 055.2
Dividends from the profits of the previous year paid into the national budget	54 447.3	67 908.4
All instalments in the budget (incl. dividends, taxes, fees)	111 779.5	128 837.5
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0



Transport
and
Logistics

Transport and Logistics

The transport and logistics sector is vital to ensuring the economic growth in Latvia, taking into account that in 2015 the contribution of the transport and logistics sector accounted for 9.5% of GDP. The sector includes railway transport, air transport, operation of ports and sea shipping. The volume of freight transport in 2015 has slightly decreased compared to 2014, with a relatively larger decrease in the aviation sector, while in total numbers the volume of transport has decreased most dramatically in the railway sector. This is also reflected in performance indicators of ports, as the volume of freight shipped in the Latvian ports has decreased by about 3.5 million tons, but the volume of freight received has decreased by about 2.1 million tons; the largest decrease in volume of transshipment was in the port of Ventspils. The above-mentioned indicators are essentially subject to performance results of SJSC Latvijas dzelzceļš that is a manager of state-owned rail infrastructure and its dependent company LDz Cargo which, by freight volume transported, is the largest freight operator in Latvia. In the railway area, the most important development projects are the development of the international rail network connection Rail Baltica, for which the research of possible rail track positioning options has been done; the most important future projects are the electrification of current rail network and reconstruction of current rail hubs.

The largest enterprises of the air transport sector in Latvia are national air company JSC Air Baltic Corporation, SJSC Starptautiskā lidosta Rīga and air navigation service provider SJSC Latvijas gaisa satiksme. In 2015, SJSC Starptautiskā lidosta Rīga serviced 5.161 million passengers that is by 349 thousand more than in 2014. At the same time, there was a substantial decrease in freight volume in the aviation sector that is indicative of high dependency of this type of transport on external conditions. In the context of the aviation sector development, national air company JSC Air Baltic Corporation plays an essential role and has competitive capacity, especially taking into account trends in air transport development in the other two Baltic States. It should also be taken into account that there is huge competition within the air transport sector, in particular in view of activities and destinations offered by the so-called low cost airlines - Ryanair and Wizzair, from the Riga airport and other Baltic airports.

In the road traffic sector, there are four SOEs – SJSC Latvijas autoceļu uzturētājs, SJSC Latvijas valsts ceļi, SJSC Ceļu satiksmes drošības direkcija and SLLC Autotransporta direkcija. The total length of roads and streets in the country - 69 923 km. The average density of the road network is 1.083 km per 1km². The overall condition of roads can be characterised as poor, because in 2015, 43% of main roads were in poor and very poor condition, 49% of regional roads and 43% of local roads were in poor and very poor condition. Information provided by the Ministry of Transport shows that, at beginning of 2016, the country considerably (by 120 million euros) lags behind the performance indicators defined in the State Road Adjustment Programme for 2014-2020, and it is expected that without proper financial resources, the situation

will only become worse. The condition of bridges in the road network is particularly critical. Bridges on the main roads are in better condition as they are given the highest priority because of higher traffic volume. The road safety is an essential part of the transport sector, and it depends on various factors – the condition of the roads, average age and technical condition of the vehicle, habits of vehicle drivers. The number of accidents with casualties in the past years had the tendency to increase. However, the number of accidents has slightly decreased in 2015 compared to 2014; nevertheless, it still is assessed as negative because the number of casualties has increased. In order to improve the road safety, informative campaigns have been organised, installation of speed controlling devices (speed cameras) was launched. The investment in 2015 ensured 600 km of fully rebuilt and paved roads while in 2016, it is planned to rehabilitate 507 km of roads. A negative tendency in the public transport sector is the fact that the number of passengers transported by the public transport has decreased; it applies to all types of public transport, but especially the rail transport. The transition to electronic payment and recording of passengers who have the right to reduced passenger fees in the public transport, while introducing non-cash payment system in the public transport has been considerably delayed.

As regards SOEs that work in the transport and logistics sector, the year 2015 can be characterised by higher profit margin and return on equity compared to 2014. It also needs to be mentioned that the payments in the national budget increasingly exceed the funding received from the national budget. In 2015, SOEs representing the sector paid dividends in the amount of 4 million euros in the national budget, which makes on average 25% of the profit in 2014.

SOEs in the transport and logistics sector

Table 12. Performance indicators of SOEs in the transport and logistics sector

State-owned equity shares in the transport sector in 2015						
Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
SJSC Latvijas dzelzceļš (group)	Rail transport and infrastructure, real estate management, electricity transmission and IT	420 163.0	583.0	1 014 784.0	12 260	100%
JSC Air Baltic Corporation	Passenger and freight transportation by air	284 606.9	19 547.6	119 805.6	891	80.05% ¹⁹
JSC Pasažieru vilciens	Domestic passenger transportation by rail	63 275.7	556.0	55 173.5	1 047	100%
SJSC Latvijas autoceļu uzturētājs	Road network maintenance	61 911.7	3 000.4	60 994.8	1 353	100%
SJSC Starptautiskā lidosta "Rīga"	Servicing planes, passengers and freight in the airport terminal and airfield maintenance	49 090.2	1 150.9	186 027.8	1 186	100%
SJSC Ceļu satiksmes drošības direkcija	Vehicle registration and technical inspection, drivers' training and other services	39 364.7	1 513.7	40 973.4	618	100%
SJSC Latvijas gaisa satiksme	Aviation navigation services	24 965.4	470.9	30 545.3	354	100%
SJSC Latvijas Valsts ceļi	National road administration	13 581.2	57.8	6 131.8	340	100%
SJSC Latvijas Jūras administrācija	Maritime transportation	4 239.4	49.4	5 393.3	147	100%
SLLC Autotransporta direkcija	Road transport carrier licensing and supervision	3 387.2	516.0	3 468.8	94	100%
LLC Eiropas dzelzceļa līnijas	European track gauge infrastructure implementation and management in Latvia	4.6	-21.0	1 342.4	3	100%

¹⁹ From 2 May 2016, the proportion of equity shares is 80.05%, until then 99.998%.

Table 13. Financial indicators of the Transport and Logistics sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	990 780.0	964 590.1
Profit/loss	15 862.1	27 424.6
EBITDA	106 379.1	107 679.9
EBIT	16 013.8	8 672.1
Total assets	1 463 138.9	1 524 640.6
Share capital	393 833.8	519 837.8
Equity	353 822.0	465 872.9
Factors		
Profit and turnover ratio, %	1.6	2.8
EBITDA and turnover ratio, %	10.7	11.2
Return on assets, ROA, %	1.1	1.8
Return on equity, ROE, %	4.5	5.9
Total liquidity indicator	2.7	4.4
Liabilities to equity ratio	3.1	2.3
Other indicators		
Number of employees on average per year	18 384	18 293
Gross remuneration, average per employee	14.2	14.2
Investment in fixed assets	252 988.8	297 546.6
Dividends from the profits of the previous year paid into the national budget	1 436.6	4 007.9
All instalments in the budget (incl. dividends, taxes, fees)	214 470.5	217 720.7
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	207 838.3	186 048.4

SJSC Latvijas dzelzceļš

In 2015, SJSC Latvijas dzelzceļš (hereinafter - LDZ) is the third largest SOE by the amount of assets (second largest group after JSC Latvenergo group) and the largest by the number of employees. LDZ is the most important SOE in the transport and logistics sector.

The principal activity of LDZ is the governance of public rail infrastructure, and it owns the rail road network with the length of 3 171 km.

LDZ is the group's prevailing enterprise. At the end of 2015, the group consists of one prevailing company and six dependent enterprises (five of them are under direct decisive influence and one under indirect decisive influence):

- LLC LDZ Cargo – a freight transport company;

- LLC LDZ infrastruktūra – a track repair company;
- LLC LDZ ritošā sastāva serviss – a rolling stock maintenance and repair company;
- LLC LDZ apsardze – a security service company;
- JSC LatRailNet – an infrastructure manager function company;
- LLC LDZ Cargo – a subsidiary of LLC LDZ Cargo Loģistika

With the Order of the Cabinet of Ministers No 307 of 26 May 2016, LDZ was allowed to acquire direct participation (100% of shares) in LLC Cargo Loģistika; thereby, it became a subsidiary under LDZ direct decisive influence. The general strategic goal of LLC LDZ Cargo Loģistika is marketing and sales of intermodal logistics services, involving new clients in the Latvian transit sector and thus promoting the use of the public railway infrastructure.

With Order No 308 of 26 May 2016, the Cabinet of Ministers made a decision on the authorisation for LDZ to gain indirect decisive influence in LLC Rīgas vagonbūves uzņēmums Baltija, which was done in LLC LDZ ritošā sastāva serviss thus acquiring 100% of shares. The general strategic goal of LLC Rīgas vagonbūves uzņēmums Baltija is the manufacture of railway rolling stock locomotives and rolling stock, manufacture of steel constructions, incl. to provide the support for transportation of NATO military equipment by rail.

In 2015, the group's consolidated income was 420.2 million euros. The consolidated income decreased by 20.7 million euros or by 4.7% compared to 2014 that is mainly due to the decrease in volume of total freight transport. Consolidated net profit was only 0.6 million euros or 0.1% of turnover. On 7 July 2016, the Cabinet of Ministers decided to authorize LDZ not to pay dividends from the net profit for 2015, but to redirect them for the implementation of already launched and planned public railway infrastructure projects.

Most of the LDZ group's profit is provided by LLC LDZ Cargo dealing with local and international rail freight transportation, providing traction services, offering services for freight car usage, as well as organising international passenger transportation, and which is the largest rail freight carrier in the Baltic States. LLC LDZ Cargo's net turnover in 2015 was 332.7 million euros and profit – 2.9 million euros. The management board made a suggestion to divert the profit towards the rest of the reserves that were planned for further development.

Table 14. Financial indicators of the SJSC Latvijas dzelzceļš group

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	440 898.0	420 163.0
Profit/loss	1 161.0	583.0
EBITDA	68 985.0	74 086.0
EBIT	6 080.0	6 668.0
Total assets	972 032.0	1 014 784.0
Share capital	256 720.0	256 720.0
Equity	358 066.0	356 718.0
Factors		
Profit and turnover ratio, %	0.3	0.1
EBITDA and turnover ratio, %	15.6	17.6
Return on assets, ROA, %	0.1	0.1
Return on equity, ROE, %	0.3	0.2
Total liquidity indicator	0.8	0.6
Liabilities to equity ratio	1.7	1.8
Other indicators		
Number of employees on average per year	12 316	12 260
Gross remuneration, average per employee	12.2	12.1
Investment in fixed assets	174 037.0	241 632.0
Dividends from the profits of the previous year paid into the national budget	0.0	1 931.0
All instalments in the budget (incl. dividends, taxes, fees)	140 618.0	143 845.0
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	87 509.0	60 262.0

In 2015, LDZ made the major capital investments in company's history – invested 216.9 million euros in restoration, modernisation, acquisition of fixed assets, intangible investments and construction of new objects. The largest funding source was the European Union Funds (65.8%), however, own funds and borrowed capital made up 30.6%.

One of the most essential LDZ projects that were accomplished in 2015 is the entry into service of the railway station "Bolderāja 2" with a connecting route to Krievu salas terminals. As the result, there will be the opportunity to gradually redirect cargo flows from the city centre to Krievu sala.

Other significant projects in 2015 were the railway track renovation projects, modernisation of the alarm, telecommunication and electricity-supply systems in zone Bolderāja 1 – Zaslauks, modernisation of the alarm system, modernisation of the trunk data transmission network, modernisation of the rail passengers' infrastructure and reconstruction of sorting facility at the Šķīrotava Rail station.

One of the most important projects co-financed by the

European Union Cohesion Fund in the 2014 - 2020 programming period could be the electrification of the Latvian railway network that could provide a significant reduction in CO2 emissions, as well as contribute to technological modernization of railway and enhance operational efficiency.

Changes in the regulation of the railway sector, particularly, in the European Union's Directive Establishing the Single European Railway area (2012/34 / EU) and the amendments to the Railway Law would require that the methodology for calculation of the new price for rail power sales service is changed.

It is expected that the new methodology will become operational in 2018. The amendments to the Railway Law provide for a multi-annual agreement between the infrastructure manager and the Ministry of Transport, which will determine the infrastructure's scope and quality indicators, as well as proper financial resources.

It is expected that the freight volume will reduce in 2016 and 2017. Significant risks that may affect the results of LDZ group are the current instability in the Eastern region market, the uncertain political and economic environment, as well as the development of Russia's ports that may result in diversion of cargoes from the Latvian ports.

The major contributors of the LDZ group were LLC LDz Cargo, which in 2015 donated 189.95 thousand euros (including 60 thousand euros in support of the Children's Fund projects and 56.5 thousand euros in support of sporting events). LDZ donated 132.996 thousand euros (including 64 thousand euros to promote social assistance and 53.9 thousand euros to promote sports). The donations have also been made by LLC LDZ ritošā sastāva serviss - 70.7 thousand euros, and LLC LDZ infrastruktūra - 4 thousand euros.

LLC Eiropas dzelzceļa līnijas

The Rail Baltica project that will integrate the Baltic States in the common European rail network and covers the four EU countries - Poland, Lithuania, Latvia and Estonia, and, indirectly, also Finland, by extending the route with a connection Tallinn - Helsinki, is implemented by JSC RB Rail. The three Baltic States are its equal shareholders. In Latvia, this project is implemented by LLC Eiropas dzelzceļa līnijas where the state owns 100% of shares, and the Ministry of Transport is the shareholder. Rail Baltica project will be financed from the European Union funds and, more specifically, through the Fund for the Connecting Europe Facility (CEF), by combining it with the national co-financing. It is expected to acquire 442.2 million euros by 2020 (total eligible costs - 540.4 million euros).

JSC Pasažieru vilciens

The principal activity of JSC Pasažieru vilciens (hereinafter - PV) is domestic carriage of passengers by rail. In 2015, trains owned by PV carried passengers in four electric train and five diesel-engine train routes in Latvia.

Regarding the investment projects, within the framework of the

EU Cohesion Fund projects, by the end of 2015, 19 diesel-engine train carriages were handed over for modernisation.

On 17 July 2015, the PV shareholder meeting adopted the PV medium-term operational strategy. On the basis of the adopted strategy, a business model for electric trains was developed. The most important activity will be the purchase of a new electric train rolling stock.

In 2015, PV's profit was 556 037 euros. Compared to 2014 profit of 16 742 euros, it has increased by more than 33 times. The management board suggested diverting the profit towards covering the previous periods' losses as they amount to 6 million euros. Neither in 2014 nor in 2015, PV paid dividends for the use of State capital.

In 2015, only 30.9% of revenues constituted own revenues. The State compensates fee for the use of railway infrastructure (in 2015 – 35.4 million euros), for public transport services and passengers who receive fee concessions (8.3 million euros).

As regards the financial situation of PV, it should be mentioned that PV liquidity ratio in 2015 was 0.74, which is more than in 2014 (0.51). The amount of loans from credit institutions has considerably increased (from 3 million euros at the beginning of 2015 to 17.4 million euros at the end of 2015) and 14.6 million euros are repayable within a year.

Table 15. Financial indicators of JSC Pasažieru Vilciens

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	62 835.9	63 275.7
Profit/loss	16.7	556.0
EBITDA	2 298.7	3 078.1
EBIT	354.8	678.9
Total assets	38 177.3	55 173.5
Share capital	20 868.0	20 868.0
Equity	15 901.2	16 457.2
Factors		
Profit and turnover ratio, %	0.0	0.9
EBITDA and turnover ratio, %	3.7	4.9
Return on assets, ROA %	0.0	1.0
Return on equity, ROE %	0.1	3.4
Total liquidity indicator	0.5	0.7
Liabilities to equity ratio	1.4	2.4
Other indicators		
Number of employees on average per year	937	1 047
Gross remuneration, average per employee	10.7	11.8
Investment in fixed assets	3 939.7	2 823.7
Dividends from the profits of the previous year paid into the national budget	0.0	0.0

All instalments in the budget (incl. dividends, taxes, fees)	5 166.9	6 341.7
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	42 316.0	43 697.8

SJSC Latvijas autoceļu uzturētājs

On 18 December 2013, the Delegation Agreement with the Ministry of Transport was concluded, providing that, as of 1 January 2014, the Ministry of Transport will delegate to SJSC Latvijas autoceļu uzturētājs (hereinafter LAU) a public administration task – the planning and performance of complex daily maintenance works on national roads in the entire territory of Latvia. The agreement was concluded for the next seven years, and expires on 31 December 2020.

LAU is a strategic national road infrastructure maintenance company that provides the planning and performance of integrated daily maintenance works on national roads, the daily maintenance of local government main, transit streets and other roads as well as the production of construction materials: dolomite broken stones, crumbled gravel and prepared sand.

In 2015, the net turnover of LAU was 61.9 million euros, which is by 3% less than in the previous year. The implementation of the Delegation Agreement makes 86.9% of income. The LAU profit amounted to 3 million euros, i.e. almost twice the figure in 2014. The management board suggested diverting 90% of profit towards the payment of dividends.

In 2015, the enterprise made long-term investments in the amount of 3.8 million euros. The most important long-term investments were for the purchase of technological equipment and trucks with deadweight tonnage up to 10 tonnes (1.2 million euros), rebuilding, renovation, construction, simplified renovation of existing buildings (0.6 million euros), as well as purchase and construction of new buildings or their parts – salt warehouse building "Bērzkalni" in the Garkalne district (0.3 million euros) and the purchase of salt-sand spreader (0.3 million euros).

Table 16. Financial indicators of SJSC Latvijas autoceļu uzturētājs

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	63 843.3	61 911.7
Profit/loss	1 540.2	3 000.4
EBITDA	8 409.5	9 777.5
EBIT	2 266.2	3 826.1
Total assets	62 967.4	60 994.8
Share capital	35 186.3	35 186.3
Equity	41 105.6	42 719.8
Factors		
Profit and turnover ratio, %	2.4	4.8

EBITDA and turnover ratio, %	13.2	15.8
Return on assets, ROA, %	2.4	4.9
Return on equity, ROE, %	3.7	7.0
Total liquidity indicator	1.2	1.5
Liabilities to equity ratio	0.5	0.4
Other indicators		
Number of employees on average per year	1 368	1 353
Gross remuneration, average per employee	15.3	15.8
Investment in fixed assets	2 349.8	3 757.7
Dividends from the profits of the previous year paid into the national budget	0.0	1 386.2
All instalments in the budget (incl. dividends, taxes, fees)	21 243.8	20 858.1
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	62 690.6	65 108.0

SJSC Ceļu satiksmes drošības direkcija

In the road traffic sub-sector, the services within the traffic safety area are provided by SJSC Ceļu satiksmes drošības direkcija (hereinafter – CSDD). CSDD is registering vehicles, boats, motor boats, water bikes, rowing boats and is issuing them registration documents and national registration plates; granting and revoking the right to drive vehicles and issuing driver's licenses; providing for and maintaining the National Register of Vehicles and Drivers; performing the state technical vehicle inspection, technical control of vehicles on the roads and vehicle and their component conformity assessment, road safety audits and general monitoring as well as providing for the operation and development of the Riga Motor Museum and the Bīķernieku Sports Complex.

The largest investments in fixed assets made by the CSDD in 2015 and major projects were the reconstruction of the Riga Motor Museum and construction of the customer service centre, reconstruction of a route section of Bīķernieki Sports Centre, construction of Jūrmala department building, as well as the acquisition and installation of fixed speed cameras.

The CSDD Operational Strategy for 2015 – 2017 is effective. It will be further implemented in 2016 in accordance with the approved action plan for the implementation of the strategy.

The net turnover in 2015 was 39.4 million euros, i.e. by 5.6% more than in 2014. In terms of revenues, the most essential scope of activity is technical control of vehicles that increased by 5.8% in 2015 compared to 2014. This is due to a general upswing in economic activity in 2015 and the rapid increase in volume at the end of 2015 because the tax policy was changed as of 1 January 2016, and technical inspection requirements were increased. As a result a large number of vehicles passed a roadworthiness test

in December.

In 2015, the profit made up 1.5 million euros, which is by 13.5% more than in the previous year. With the Order of the Cabinet of Ministers, the 2015 profit will be diverted to the purchase of fixed speed cameras, and the remaining part of the profit (34 372 euros) will be paid into the state budget.

CSDD is characterised by low liquidity and high short-term liabilities. The liquidity ratio declined from 0.84 in 2014 to 0.6 in 2015. Short-term liabilities make up 57% of all creditors, however, the ratio of liabilities to equity ratio is only 0.3, which is indicative of solvency in the long-term.

CSDD has one subsidiary - LLC Auteko & TUV Latvia (51% equity share proportion) and three associated companies with 20-50% equity share proportion - LLC Scantest, LLC Venttests and LLC Autests. Income from subsidiaries' and associated companies' dividends in 2015 was 546.8 thousand euros. In 2015, the services were purchased from affiliated and associated companies for 9.5 million euros.

Table 17. Financial indicators of SJSC Ceļu satiksmes drošības direkcija

Main financial indicators, EUR '000

Overall indicators	2014	2015
Turnover	37 284.7	39 364.7
Profit/loss	1 333.7	1 513.7
EBITDA	5 140.8	5 319.3
EBIT	1 623.5	1 859.6
Total assets	38 795.8	40 973.4
Share capital	23 117.3	23 117.3
Equity	29 001.7	30 495.7
Factors		
Profit and turnover ratio, %	3.6	3.8
EBITDA and turnover ratio, %	13.8	13.5
Return on assets, ROA, %	3.4	3.7
Return on equity, ROE, %	4.6	5.0
Total liquidity indicator	0.8	0.6
Liabilities to equity ratio	0.3	0.3
Other indicators		
Number of employees on average per year	610	618
Gross remuneration, average per employee	14.4	15.1
Investment in fixed assets	10 490.9	7 790.7
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	8 877.3	8 529.0
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

SJSC Starptautiskā lidosta "Rīga"

SJSC Starptautiskā lidosta "Rīga" (hereinafter – the Airport) is the largest international aviation company in the Baltic States and the main air traffic centre of this region. The Airport provides regular passenger traffic, freight and mail transport by civil aircraft to European and other world countries. The airport also provides non-aviation services (rental of premises and territory, parking, VIP centre services, etc.). It serves both local and international airlines and has become one of the few European airports serving full-service and low-cost airlines. In 2015, it cooperated with 21 airline.

In 2015, the Airport served 5.16 million passengers, i.e. by 7.2% more than in the previous year. In terms of the number of passengers, the highest number of passengers ever - 5.11 million in 2011 - was exceeded in 2015. Almost 49% of the total number of passengers, who were serviced in 2015, were carried by the national airline airBaltic and 18% - by the airline Ryanair.

The net turnover of the Airport in 2015 was 49.1 million euros, which is by 9.4% more than in 2014, while in 2015 the profit amounted to 1.15 million euros, which is significantly higher than in the previous year when it was only 0.1 million euros. In 2015, the Airport did not make contributions to the budget for the use of state capital (dividends), but the net profit gained in 2014 was diverted for purchase of airport security equipment to ensure higher efficiency of security process and compliance with the European Union requirements regarding safety standards.

In order to ensure the infrastructure, which corresponds to the intensity of the Airport passengers and to promote the development of transfer / transit, in 2015 the Airport completed the implementation of stage 5 – round 1 of the construction of Northern landing and has launched the implementation of stage 5 of the expansion of passenger terminal – realisation of round 2 of construction of Northern landing. In case of implementation of round 1 and 2 of stage 5 of the passenger terminal the servicing of passengers will significantly improve, the flight connection time will be reduced for transfer passengers, new commercial areas will be created, as well as additional access to aircrafts will be provided.

In addition to the expansion and improvement of the passenger terminal infrastructure, the Airport implemented the agreement signed on 4 August 2010 with the Ministry of Transport on the European Union project "Infrastructure Development of the International Airport "Rīga"". Within the framework of the project, the following major projects were implemented: renovation of top layer of runway and strengthening of a runway strip, construction of additional manoeuvring roads E and D, construction of category II light system, reconstruction of platform 1, 2 and 3, construction of anti-icing and de-icing field in sections Z and D of the aerodrome, construction of rainwater pipes and construction of aerodrome's drainage, construction of vehicle washing hangar, construction of waste collection hangar and fire depot, simplified renovation of manoeuvring roads C and G, the acquisition of specialized aviation rescue and fire fighting vehicle, purchase of equipment for security measures.

In addition, the following investment projects were implemented in 2015: the development of airfield perimeter security solutions and reconstruction of the fence, purchase of X-ray detector and ramp equipment, as well as other projects.

In December 2015, the Airport approved the Business Plan and the Action Plan for 2016-2036.

Table 18. Financial indicators of SJSC Starptautiskā lidosta "Rīga"

Main financial indicators, EUR '000

Overall indicators	2014	2015
Turnover	44 885.5	49 090.2
Profit/loss	134.7	1 150.9
EBITDA	8 955.7	10 792.0
EBIT	2 832.6	3 817.5
Total assets	185 610.2	186 027.8
Share capital	28 608.9	28 608.9
Equity	40 868.4	42 019.2
Factors		
Profit and turnover ratio, %	0.3	2.3
EBITDA and turnover ratio, %	20.0	22.0
Return on assets, ROA, %	0.1	0.6
Return on equity, ROE, %	0.3	2.7
Total liquidity indicator	1.4	1.7
Liabilities to equity ratio	3.5	3.4
Other indicators		
Number of employees on average per year	1 162	1 186
Gross remuneration, average per employee	14.1	13.5
Investment in fixed assets	46 978.8	27 020.5
Dividends from the profits of the previous year paid into the national budget	541.2	0.0
All instalments in the budget (incl. dividends, taxes, fees)	13 393.7	11 056.6
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	97.4	73.4

SJSC Latvijas gaisa satiksme

SJSC Latvijas gaisa satiksme (hereinafter - LGS) is operating in the field of civil aviation and its objective and mission is to provide air navigation services and offer safe services to all airspace users in the Riga Flight Information Region. The conditions of service provision are defined in the Latvian Aeronautical Information Publication.

Provision of air navigation services is the main type of LGS activity. In 2015, a total of 245 264 flights were handled, which is by 1 918 flights more than in 2014, and is also the highest number of flights in LGS history per calendar year. The revenues from air navigation services in 2015 amounted to 24.7 million euros - by 1.2% more than in 2014. In 2015, LGS ensures profit of 0.5 million euros (in

2014, it was 0.2 million euros). In accordance with international legal acts, the profit that will not be used to ensure air navigation services is not acceptable, thereby the net profit of LGS in 2014 was diverted towards the implementation of launched and planned investment projects, as well as improvement of safety and quality, to ensure increase in LGS competitiveness and sustainable development.

The largest investments in 2015 were:

1) modernization of Air Traffic Control System for Riga Area Control Centre,

2) Dynamic UPS integration in the control points of Riga Airport,

3) purchase of ATIS/D-ATIS/VOLMET/D-VOLMET system.

These three fixed assets make 55.4% of investments in the fixed assets in the monetary terms. The development of connection OLDI/FTMP with air traffic control centres in Malmo and Stockholm, introduction of first phase of the North European functional airspace block (NEFAB) FRA (Free Route Airspace) should also be mentioned.

In accordance with ESSIP (European single Sky ImPlementation), a constant air traffic management modernization is being done. SOE's main goals and development are defined in the LGS business plan, NEFAB performance plan. LGS development is also substantially influenced by the European Union's regulatory framework.

Table 19. Financial indicators of SJSC Latvijas gaisa satiksme

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	24 631.3	24 965.4
Profit/loss	215.1	470.9
EBITDA	5 331.6	5 817.9
EBIT	319.2	632.6
Total assets	30 169.7	30 545.3
Share capital	22 765.9	22 765.9
Equity	27 615.0	28 085.9
Factors		
Profit and turnover ratio, %	0.9	1.9
EBITDA and turnover ratio, %	21.6	23.3
Return on assets, ROA, %	0.7	1.5
Return on equity, ROE, %	0.8	1.7
Total liquidity indicator	4.1	4.8
Liabilities to equity ratio	0.1	0.1
Other indicators		
Number of employees on average per year	363	354
Gross remuneration, average per employee	30.3	31.5
Investment in fixed assets	5 641.0	3 588.4
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	4 738.9	5 319.8
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

JSC Air Baltic Corporation

JSC Air Baltic Corporation (hereinafter - airBaltic) is a joint stock company that was founded in 1995 in accordance with legal acts of the Republic of Latvia. Since December 2011, the State, as represented by the Ministry of Transport, has been the main shareholder of airBaltic; in 2015, it owned 99.998% of shares, but starting from 2 May 2016 – 80.05% of shares. About 20% of shares belong to LLC Aircraft Leasing 1 and other minority shareholders.

In 2015, multiple increases in share capital were done; as the result, in 2015 the airBaltic share capital was increased from 0.7 million euros to 125.3 million euros. Despite the 19.5 million euros profit, airBaltic equity in 2015 is still negative (-63.9 million euros). As the result of attraction of investors in 2016, the next increase of share capital was done and the share capital increased to 256.5 million euros. Taking into account the increase in share capital, at the beginning of 2016, a positive equity of airBaltic was ensured, thereby providing the much-needed capital for the development of aircraft fleet.

In 2015, airBaltic developed and confirmed a new business plan Horizon 2021 that foresees the aircraft fleet and action strategy for next 5 years. The business plan anticipates replacing the current Boeing 737 with the CS300 type airplanes and increasing the total number of airplanes from 24 to 34 at the end of 2021, from which at least 20 will be CS300 airplanes. In 2015, the total investments were made in the amount of 10.33 million euros. It is anticipated that by implementing the project, fuel efficiency will increase in the exploitation and lower maintenance and exploitation costs will ensure higher competitiveness. In 2015, airBaltic air fleet had 24 airplanes – 5 Boeing 737-500, 7 Boeing 737-300 and 12 Q400 NextGen.

Regarding the financial results, airBaltic turnover in 2015 has slightly decreased, compared to the previous year – from 296.2 million euros to 284.6 million euros. AirBaltic is one of the largest SOEs in the transport sector and offers flights from Riga to the most popular European destinations, for example, Brussels, Frankfurt, Helsinki, London, Moscow, Paris. In 2015, the economic situation deteriorated in two major markets – Russia and Ukraine, which negatively influenced demand in air transport in both countries. The market changes in Estonia and Lithuania caused a positive impact on airBaltic – national airlines of both countries ceased their activity in 2015. In response to these changes, in the second half of 2015, airBaltic increased its presence in Tallinn and Vilnius, by strengthening its position in the Baltic market.

The financial result airBaltic in 2015 - net profit 19.5 million euros, and it had increased by about 83% compared to 2014. It should be mentioned, that in 2015, airBaltic reached settlement in multiple lawsuits; as the result, received damage compensation and decreased savings on legal proceedings. The positive effect of these deals was 34.9 million euros.

On October 2015, airBaltic completed two reorganisations, by adding itself two wholly owned subsidiaries – LLC Baltic Airlines and LLC Training Centre Holdings, as well as taking over economic

activity relating to real estate from LLC Baltijas Kravu Centrs - a wholly owned subsidiary of airBaltic.

At the end of 2015, airBaltic had two 100% owned subsidiaries – LLC Baltijas Kravu Centrs that in 2015 was loss-making in the amount of 49 thousand euros and LLC Air Baltic Training that worked with a profit in the amount of 160 thousand euros. In 2015, LLC Air Baltic Training made a considerable investment in fixed assets in the amount of 695 thousand euros by purchasing Boeing B737-300 simulator rather than leasing it as it was done until now. The purchase of the simulator will have a positive impact on the decrease of costs and will minimise risk that the lesser may unilaterally terminate the contract, thereby posing threats to successful continuation of economic activity.

AirBaltic also owns 95,94% of shares in LLC PINS.CO, as well as 95,48% of shares in JSC Aviation Crew Resources. Investing in the development of its point spending platform, LLC PINS.CO contributed to reduction of operational activity costs. Company's loss decreased from 3.4 million euros in 2014 to 0.8 million euros in 2015. In 2015, JSC Aviation Crew Resources operated with profit in the amount of 61 thousand euros.

Table 20. Financial indicators of JSC Air Baltic Corporation

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	296 157.3	284 606.9
Profit/loss	10 668.0	19 547.6
EBITDA	4 968.6	-3 172.9
EBIT	1 512.4	-9 575.1
Total assets	121 671.2	119 805.6
Share capital	676.7	125 320.8
Equity	-170 200.5	-63 945.3
Factors		
Profit and turnover ratio, %	3.6	6.9
EBITDA and turnover ratio, %	1.7	-1.1
Return on assets, ROA, %	8.8	16.3
Return on equity, ROE, %	-	-
Total liquidity indicator	0.5	0.5
Liabilities to equity ratio	-	-
Other indicators		
Number of employees on average per year	1 053	891
Gross remuneration, average per employee	27.4	30.5
Investment in fixed assets	8 364.5	10 329.5
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	10 684.0	10 344.3
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0



Communications

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Communications

Communications sector includes both postal services and telecommunication (voice and data broadcast) services. The essence of postal services is to promote communication between people, exchange of information and products. At the same time, it should be noted that over the last 30 years, while communication technologies, internet commerce and electronic media evolved, the paradigm of postal sector has considerably changed. The postal sector is currently characterised by constantly increasing market competition and new players entering this sector, as well as growing tendency for the volume of small package deliveries to increase. That is explained by increasing volumes of electronic commerce that allows consumers buy desired products at beneficial prices in online stores in Latvia and other countries, thereby saving their time. In such a competitive environment, the importance of service provision speed and comfort and service price increases. In the field of postal service provision, SJSC Latvijas Pasts is still an essential player. It has historically developed a wide range of networks for postal service provision in the entire country, and it has to ensure the provision of universal postal services until 31 December 2019. A specific feature of the postal service area is the considerably different population density in the territorial dimension of Latvia that affects the costs of these services; that is why there is a tendency for private postal businesses to expand their activity in cities where the provision of services is commercially profitable.

The telecommunications sector has also considerably developed over the last years. There are three mobile network operators

in Latvia, from which two are completely private companies, but the State of Latvia has a direct and indirect ownership of LLC Latvijas Mobilais Telefons. At the same time, there is a wide range of other data transmission and television service providers in the telecommunications sector that offer internet access and television programme package services, for example, LLC Lattelecom, where 51% of the shares belong to the Republic of Latvia, and private companies like Viasat AS Latvia filiāle and LLC Baltcom. At the same time, it should be mentioned that all mobile operators also ensure internet access, allowing the use of mobile internet on phone and on other devices, thus developing the television service provision platforms that are based on mobile internet access. It can be concluded that the voice and data broadcast service is even more tightly merging with television service, as well as mobile communications increasingly provide all three services. Therefore, at international level and at the level of Latvia, there is a tendency for competition between mobile network operators and fixed telecommunication operators to intensify, when they start the so-called 'price wars' and fight for clients, as well as there is a global tendency for fixed telecommunication network operators to merge with mobile network operators. Taking into account that the Republic of Latvia is a partial owner of LLC Lattelecom and LLC Latvijas Mobilais Telefons, the aforementioned tendencies make it necessary to carefully examine the country's optimal strategy for management of these companies to ensure as successful development of the two companies as possible and the increase in their future value.

SOEs of the communications sector

Table 21. Performance indicators of SOEs in the communications sector

State-owned equity shares in the communications sector in 2015						
Name of the SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
LLC Lattelecom (group)	IT and telecommunications services	190 614.7	32 150.1	319 050.1	1 923	51%
LLC Latvijas Mobilais Telefons (consolidated)	IT and telecommunications services	179 518.7	22 194.2	251 115.7	896	23% JSC LVRTC, 23% LLC Lattelecom", 5% SJSC Privatizācijas aģentūra
SJSC Latvijas Pasts	Postal services	60 674.3	3 206.7	91 701.8	4 236	100%
SJSC Latvijas Valsts radio un televīzijas centrs	Provision for quality and safe telecommunications solutions	14 897.8	5 233.3	104 402.7	253	100%
SJSC Elektroniskie sakari	Provision for data transfer radio frequency spectrum and numbering	6 229.7	49.4	11 561.0	93	100%

Table 22. Financial indicators of the communications sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	432 853.6	451 935.3
Profit/loss	59 879.4	62 833.6
EBITDA	132 451.9	142 546.0
EBIT	63 735.1	66 294.1
Total assets	754 895.7	777 831.3
Share capital	306 423.5	306 423.5
Equity	484 539.2	496 758.3
Factors		
Profit and turnover ratio, %	13.8	13.9
EBITDA and turnover ratio, %	30.6	31.5
Return on assets, ROA, %	7.9	8.1
Return on equity, ROE, %	12.4	12.6
Total liquidity indicator	2.6	4.1
Liabilities to equity ratio	0.6	0.6
Other indicators		
Number of employees on average per year	7 330	7 401
Gross remuneration, average per employee	13.2	13.5
Investment in fixed assets	115 600.6	81 405.5
Dividends from the profits of the previous year paid into the national budget	18 735.8	18 001.3
All instalments in the budget (incl. dividends, taxes, fees)	115 594.2	120 100.4
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	7 599.4	6 694.5

SJSC Latvijas Pasts

Based on the Postal Law, the obligations of providing the universal postal service (UPS) have been set forth for SJSC Latvijas Pasts until 31 December 2019, and company has been determined as the designated postal operator that, according to the obligations specified in the documents of the Universal Postal Union, is representing the Republic of Latvia in postal operation issues in relationships with designated postal operators of other countries.

SJSC Latvijas Pasts, as the provider of the UPS, offers the opportunity for every resident of Latvia to receive continuously and on the same terms, a defined set of public services of certain quality and for an affordable price. These services are vital to the entire public, because they prevent the isolation of an individual from the public and are also available on the same conditions in economically less favourable regions (low population density, low purchasing power).

SJSC Latvijas Pasts has historically developed a wide range of network for postal service provision in the entire country, at the

same time, efficient use of this network poses a major challenge, in view of the fact that the number of population in the country is decreasing in general, and this is particularly the case in country's regions, where population density historically has been rather low and has considerably decreased faster than in the central part of the country. SJSC Latvijas Pasts made the largest investments in the software (postal payment system), updating computer engineering, equipment for postal sorting complex and auto transport centre, updating the auto park, renovation of the postal department. Investments for setting up GPS and security measures are in the process of implementation, but the largest investment projects scheduled for the future periods are for changing the cash systems and software (in 2017-2019), postal security measures, updating the vehicle fleet etc. that will allow the company to operate and develop in line with the set objectives and the strategic plan.

Table 23. Financial indicators of SJSC Latvijas Pasts

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	61 429.9	60 674.3
Profit/loss	1 714.4	3 206.7
EBITDA	4 351.0	5 524.2
EBIT	2 050.2	3 452.7
Total assets	94 289.4	91 701.8
Share capital	10 578.5	10 578.5
Equity	13 908.3	16 534.9
Factors		
Profit and turnover ratio, %	2.8	5.3
EBITDA and turnover ratio, %	7.1	9.1
Return on assets, ROA, %	1.8	3.5
Return on equity, ROE, %	12.3	19.4
Total liquidity indicator	1.1	1.1
Liabilities to equity ratio	5.8	4.5
Other indicators		
Number of employees on average per year	4 189	4 236
Gross remuneration, average per employee	5.4	5.9
Investment in fixed assets	2 004.6	1 179.0
Dividends from the profits of the previous year paid into the national budget	2 185.4	1 542.9
All instalments in the budget (incl. dividends, taxes, fees)	15 259.9	15 732.0
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	5 304.4	4 663.4

LLC Lattelecom

The State ownership of LLC Lattelecom (hereinafter Lattelecom) makes 51% (106 001 104 shares belong to the Republic of Latvia with total nominal value of 106 001 104 euros).

The year 2015 was successful for Lattelecom mostly because of the good business strategy of Lattelecom, establishment and development of new business lines. The investments in 2015 made up 29.6 million euros (in 2014 it was 30.3 million euros), incl. the largest investments were made in the building of optical and VDSL network that allows to provide the clients with a faster internet connection in both big cities and outside them.

In 2015, Lattelecom Group continued the implementation of priorities set in the strategy – introduction of new products and services, further acquisition of the export market, improving client experience, technological improvements and performance efficiency.

Lattelecom owns 23% of the share capital of the mobile telecommunications service operator LLC Latvijas Mobilas Telefons. The Lattelecom Group owns 50% of the share capital in JSC Pirmais Slēgtais Pensiju Fonds. It is the only closed private pension fund registered in Latvia, the shareholders of which are employers.

Table 24. Financial indicators of the LLC Lattelecom group

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	190 686.5	190 614.7
Profit/loss	30 079.1	32 150.1
EBITDA	71 811.2	71 678.0
EBIT	35 270.5	36 616.4
Total assets	323 624.4	319 050.1
Share capital	207 851.7	207 851.7
Equity	260 533.0	262 343.7
Factors		
Profit and turnover ratio, %	15.8	16.9
EBITDA and turnover ratio, %	37.7	37.6
Return on assets, ROA, %	9.3	10.1
Return on equity, ROE, %	11.5	12.3
Total liquidity indicator	1.4	1.6
Liabilities to equity ratio	0.2	0.2
Other indicators		
Number of employees on average per year	1 912	1 923
Gross remuneration, average per employee	26.2	25.2
Investment in fixed assets	30 304.7	29 557.6
Dividends from the profits of the previous year paid into the national budget	15 408.6	15 473.4
All instalments in the budget (incl. dividends, taxes, fees)	64 677.1	64 338.0
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	1 465.2	1 456.5

LLC Latvijas Mobilais Telefons

LLC Latvijas Mobilais Telefons (hereinafter LMT) was founded in 1992 and is the first mobile communications operator in Latvia. It is the largest mobile communications operator in Latvia by the number of customers and turnover, as well as by network coverage. As a leader in innovation, LMT offers its clients full spectrum, high quality telecommunications services – voice communications, high-speed mobile internet without limits, as well as mobile television LMT Straume and music streaming service Spotify.

LMT share capital is 817 013 euros. The shareholders are Telia Sonera AB (24.5%), Sonera Holding B.V. (24.5%), SJSC Latvijas Valsts radio and televīzijas centrs (23%), LLC Lattelecom (23%) and Republic of Latvia (5%).

LMT ownership of other enterprises: LLC LMT Retail & Logistics – 100% and LLC ZetCOM – 100%.

LMT does not meet the conditions of the commercial activity of a public person; therefore the Cabinet of Ministers has made a decision to hand it over for privatisation. With the Order of the Cabinet of Ministers No 804 "Handing over State-owned LMT Shares for Privatisation" of 18 October 2006, the state-owned shares of LMT have been handed over for privatisation.

Table 25. Financial indicators of the LLC Latvijas Mobilais Telefons group

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	161 177.1	179 518.7
Profit/loss	22 077.8	22 194.2
EBITDA	50 194.7	58 686.8
EBIT	25 619.7	25 417.2
Total assets	230 277.1	251 115.7
Share capital	817.0	817.0
Equity	129 764.9	132 314.4
Factors		
Profit and turnover ratio, %	13.7	12.4
EBITDA and turnover ratio, %	31.1	32.7
Return on assets, ROA, %	9.6	8.8
Return on equity, ROE, %	17.0	16.8
Total liquidity indicator	0.5	1.2
Liabilities to equity ratio	0.8	0.9
Other indicators		
Number of employees on average per year	868	896
Gross remuneration, average per employee	19.7	21.6
Investment in fixed assets	41 246.1	43 021.5
Dividends from the profits of the previous year paid into the national budget	1 141.8	979.0
All instalments in the budget (incl. dividends, taxes, fees)	30 117.4	34 256.7
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0





Real Estate

Real Estate

The State of Latvia is the largest real estate owner. Management of state-owned real estate is implemented through SJSC Valsts nekustamie īpašumi (hereinafter VNI) and SOEs established by the institutions or departments within the institutions. The largest owners of real estate, whose estate is managed by VNI, include the Ministry of Education and Science, the Ministry of Health, the Ministry of the Interior and state universities.

The main challenges in the field of real estate management in the future will be the adequacy of funding and arrangement of the model of funding for the maintenance and development of state-owned real estate, further improvement of the state-owned real estate management model, moving towards greater centralisation of the management of state-owned real estate, and optimisation of use if the state-owned real estate portfolio.

SOEs of the real estate sector

Table 26. Performance indicators of SOEs in the real estate sector

State-owned equity shares in the real estate sector in 2015

Name of the SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Total assets	Proportion of capital shares
SJSC Valsts nekustamie īpašumi	Real estate (including state-owned) administration, management and development	66 147.3	-10 506.3	409 485.5	586	100%
JSC Reverta (group)	Real estate management, problem credit recovery	1 453.7	-54 251.7	144 368.1	98	84.15% SJSC Privatizācijas aģentūra
LLC Biroju centrs Ezerparks	Real estate administration, management and development	7 181.6	2 649.0	74 097.6	5	100% SJSC Valsts nekustamie īpašumi
SJSC Tiesu namu aģentūra	Management of real estate of the Ministry of Justice	6 336.7	85.7	48 825.0	102	100%
SLLC Zemkopības ministrijas nekustamie īpašumi	Management of real estate of the Ministry of Agriculture; maintenance of state-owned reclamation systems and those of national importance.	4 773.1	14.1	6 690.8	145	100%
LLC Hiponia	Management of real estate that has been taken over, development of real estate portfolio for alienation	3 920.8	-11 300.2	61 862.6	53	100% SJSC Privatizācijas aģentūra
Other SOEs	Real estate (including state-owned) administration, management and development	4 631.6	170.3	2 958.5	128	-

Table 27. Financial indicators of the real estate sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	81 473.7	94 444.8
Profit/loss	-66 008.5	-73 139.1
EBITDA	-12 207.4	-31 114.8
EBIT	-28 568.4	-44 961.6
Total assets	794 341.4	748 288.4
Share capital	662 867.3	662 972.3
Equity	-26 332.4	-40 462.3
Factors		
Profit and turnover ratio, %	-81.0	-77.4
EBITDA and turnover ratio, %	-15.0	-32.9
Return on assets, ROA, %	-8.3	-9.8
Return on equity, ROE, %	-	-
Total liquidity indicator	1.0	1.0
Liabilities to equity ratio	-	-
Other indicators		
Number of employees on average per year	1 135	1 117
Gross remuneration, average per employee	13.9	14.5
Investment in fixed assets	20 022.6	9 010.4
Dividends from the profits of the previous year paid into the national budget	4 598.8	1 265.8
All instalments in the budget (incl. dividends, taxes, fees)	115 895.0	82 676.6
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	22 680.8	35 840.3

SJSC Valsts nekustamie īpašumi

VNĪ is one of the largest SOEs in the Republic of Latvia that is performing the administration, management and development of the state-owned real estate with a priority focus on providing the governmental institutions with high-quality premises appropriate for the performance of the relevant functions as well as organising real estate administration and management, leasing and renting free premises to legal entities and individuals. VNĪ has the greatest experience in managing cultural and historical heritage sites in Latvia. 100% of shares in VNĪ are owned by the State and the

holder of shares is the Ministry of Finance.

The principal directions of activity of VNĪ are the alienation, leasing, renting and managing of real estate as well as developing new construction projects of national importance and implementing various real estate target projects.

In 2015, VNĪ was a shareholder of three affiliated companies:

1. LLC VNĪ pilis that is managing Mežotne palaces as well as provides hospitality services in Mežotne palace;

2. LLC Veselības aprūpes nekustamie īpašumi, which, based on the authorisation from VNĪ, is performing management of real estate of the Ministry of Health and its subordinated institutions;

3. LLC Biroju Centrs Ezerparks, whose principal activity is management of the real estate at Talejas iela 1, Riga, including its development by ensuring authorities with premises proper for the implementation of their functions, as well as preservation of value and improvement of service quality of the real estate at Talejas iela 1, Riga.

VNĪ activity and functions regarding real estate can be divided in two groups: functions that are classified as business and functions resulting from tasks delegated by the State.

VNĪ real estate portfolio consists of state-owned real estate: land, premises and property. In total, in 2015 the VNĪ real estate portfolio consisted of 1.5 million m² of premises and real estate property (including, streets, roads, bridges and other engineering structures with the total area of about 433 thousand m²) and 10.5 million m² of land real estate. Although all this real estate belongs to the State, the possessory rights and potential activity differ. The real estate portfolio managed by VNĪ consists of three substantially different parts:

1) state-owned real estate operating through the Ministry of Finance: state-owned real estate, which is in the possession of the Ministry of Finance and handed over for VNĪ governance;

2) VNĪ owned real estate: estate that was purchased by VNĪ, a real estate exchange deal was executed, were invested in VNĪ share capital and by executing reorganisation of other SOEs they were added to VNĪ;

3) state-owned real estate that is in the possession of other state institutions. This real estate have been only handed for VNĪ governance under contract for purposes of management/governance.

With the VNĪ committee decision No VP-16/14 on 22 of March 2016, the VNĪ real estate portfolio development strategy for 2016-2025 was approved, which includes defined long-term lines of action for real estate portfolio development, investment priorities and alienated real estate.

Table 28. Financial indicators of SJSC Valsts nekustamie īpašumi

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	48 915.8	66 147.3
Profit/loss	1 310.3	-10 506.3
EBITDA	15 324.5	-1 680.0
EBIT	3 289.4	-12 272.5
Total assets	343 074.0	409 485.5
Share capital	135 415.9	135 415.9
Equity	228 934.2	279 551.0
Factors		
Profit and turnover ratio, %	2.7	-15.9
EBITDA and turnover ratio, %	31.3	-2.5
Return on assets, ROA, %	0.4	-2.6
Return on equity, ROE, %	0.6	-3.8
Total liquidity indicator	1.5	1.0
Liabilities to equity ratio	0.5	0.5
Other indicators		
Number of employees on average per year	564	586
Gross remuneration, average per employee	10.8	11.2
Investment in fixed assets	5 855.1	1 727.5
Dividends from the profits of the previous year paid into the national budget	4 595.8	1 179.3
All instalments in the budget (incl. dividends, taxes, fees)	15 256.8	13 030.3
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	12 527.4	23 223.1

A hand wearing a white latex glove holds a small test tube containing a dark liquid. The background is a blurred laboratory setting with various pieces of equipment. The entire image has a light blue overlay.

Health Care

Health Care

The health care sector in Latvia is basically organised and managed by the State. Most of the health care institutions are owned by the State or local governments and their legal form is quite diverse. Diverse ownership structure and legal status creates an incoherent financial approach and requirements.

Health, being one of the core values, is the foundation of the quality of human life, welfare of the family and society, because only a healthy society can provide for a productive economy, and thereby the sustainable development of the country as well²⁰.

According to the experts' opinion in the latest OECD assessment report about the health care system in Latvia, despite the considerably limited resources for the health care system from the national budget, compared to other OECD countries, the health care system of Latvia offers their citizens diverse and efficient health care²¹. The progress in improving the efficiency of the treatment process was also positively assessed, where, by strengthening the primary health care, we managed to relieve in – patient treatment sector – the average length of 24 hour in-patient treatment has decreased.

The financial aspect is one of the most significant challenges in the health care system of Latvia. The studies raise the issue of tight correlation – the lower is the proportion of state funding for health care (both in total and against total expenditure of GDP), the larger are patient co-payments. Latvia's situation also confirms this presumption – the health care system of Latvia receives considerably less resources from the state budget than other European Union countries. At the same time, proportion of patient co-payment for health care in percentage from total expenditure for health care is one of the highest in the EU – 37.4% of total expenditure is for health (it is on average 16.34 % in the EU). Such a situation creates unequal approach to health care, especially for the citizens from lower income groups.

Thereby both the representatives of the World Health Organisation and specialists of the European Commission particularly highlight the need to continue improving the health care system to increase its accessibility to population, regardless of their income.

Health institutions, including SOEs, where the shareholder is the Ministry of Health, in their daily work deal with both advantages of the Latvian health care system: diverse infrastructure, modern technology, highly qualified personnel; and disadvantages: the decrease in the number of health care professionals, especially nurses, unequal accessibility to health care services; as the result, considerable proportion of people do not visit doctors because of

the expensive services or long queues, deficiencies in health care service rate determination methodology, etc.

These factors and considerably negative impact on reaching the objectives of society's health at the state level also determine SOEs performance indicators, and it is challenging for them to create and develop balanced business, by ensuring financial stability and sustainable development.

In 2015, the Ministry of Health is the holder of state-owned capital shares in 14 enterprises (direct effective control in 13 enterprises) – both in multi-profile health care institutions that provide emergency medical aid, consultations and in-patient aid, provide for full examination of patients in the so-called specialised hospitals: health institutions, which, in accordance with the contract concluded by the National Health Service for state-sponsored health care service provision, receive financial resources according to the service provided.³ In addition, the Ministry of Health is a shareholder of LLC Rīgas Hematoloģijas centrs (49%) where 50.96% of shares belong to LLC Rīgas Austrumu klīniskā universitātes slimnīca, but LLC Rīgas Austrumu klīniskā universitātes slimnīca owns shares in LLC Veselības centrs Bīķernieki (99.58%).

Analysing the activity of aforementioned SOEs, it should be taken into account that in the time period between 2002 and 2007, a total of 11 hospitals received State-guaranteed loans for the modernisation of health institution infrastructures and their debt commitment in 2015 was still considerable: 176 million euros. In 2015, the government made a decision to take over the repayment of State-guaranteed loans from health institutions that would considerably decrease the financial burden of health institutions.

To put this into perspective, it is important to note that in the coming years, based on the assessment and recommendations developed by the World Bank's experts on the necessary improvements in the health care system of Latvia, the experts of the Ministry of Health will develop policy planning documents, which will form the basis for the implementation of structural reforms in health sector.

The above-mentioned reforms will have a strong impact on performance of SOEs where the share-holder is the Ministry of Health, and which will be kept up-to-date in the mid-term operational strategies, by defining SOEs development priorities for the next periods, including short-term, mid-term and long-term priorities, also marking the source of funding for each priority or defining necessity to find solutions (including funding) for implementation of specific priority.

²⁰ 14 October 2014 Order of the Cabinet of Ministers No. 589 "Public Health Guidelines 2014-2020". Available at: <http://likumi.lv/doc.php?id=269591> (viewed on 23.11.2015)

²¹ OECD (2016), *OECD Reviews on Health Systems: Latvia 2016*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264262782-en>

²² VM (2016) *The public report of the Ministry of Health (2015)*. Available: http://www.vm.gov.lv/images/userfiles/Gada_parskati/VM_GPP_2015_29062016_web.pdf (viewed on 01.10.2016)

SOEs of the health care sector

Table 29. Performance indicators of SOEs in the health care sector

State-owned equity shares in the health care sector in 2015						
Name of the SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
LLC Rīgas Austrumu klīniskā universitātes slimnīca	Multi-purpose hospital that is providing outpatient and inpatient medical assistance and is conducting research	94 129.5	-4 973.5	98 612.5	4 543	100%
SLLC Paula Stradiņa klīniskā universitātes slimnīca	Outpatient, inpatient and tertiary medical assistance	81 503.5	152.8	104 719.0	2 926	100%
SLLC Bērnu klīniskā universitātes slimnīca	Outpatient and inpatient medical assistance and emergency assistance to children	33 965.6	3.7	60 958.4	2 013	100%
SLLC Rīgas Psihiatrijas un narkoloģijas centrs	Outpatient, inpatient and tertiary medical assistance to persons found to have mental illness or behavioural disorder. Performing expertise of the impact of alcohol and drugs	12 438.7	39.9	25 059.7	900	100%
SLLC Traumatoloģijas un ortopēdijas slimnīca	Specialised hospital for bone and soft tissue trauma treatment; orthopaedic and spinal surgery	11 640.3	-82.0	11 089.1	466	100%
SLLC Nacionālais rehabilitācijas centrs „Vaivari”	Medical assistance to person in need of the second stage of medical rehabilitation	9 058.5	10.9	9 211.1	426	100%
SLLC Daugavpils psihoneiroloģiskā slimnīca	Inpatient and secondary outpatient medical aid and care to persons found to have mental illness or behavioural disorders	7 111.2	7.0	18 673.4	594	100%
SLLC Slimnīca "Ģintermuiža"	Inpatient and outpatient psychiatric and narcotic assistance for acute and chronic illness and disturbance diagnosis, treatment and patient rehabilitation	5 220.3	162.2	14 183.7	489	100%
SLLC Strenču psihoneiroloģiskā slimnīca	Psychiatric assistance in acute and chronic mental illness diagnosis, treatment, prevention and patient rehabilitation, administration of long-term social care and social rehabilitation services	4 549.5	47.4	7 217.7	347	100%
SLLC Aknīstes psihoneiroloģiskā slimnīca	Long-term mentally ill and therapeutically resistant patient treatment and rehabilitation	3 317.5	2.6	6 913.8	292	100%
Other SOEs of the health care sector	Multi-purpose hospital that is providing out-patient and in-patient medical assistance and it conducting research	6 967.4	7.1	16 282.3	605	-

Table 30. Summary of performance indicators of SOEs in the health care sector**Summary of performance indicators of SOEs in the health care sector in 2015**

No.	Name of the SOE	Net profit/ loss, euros (criterion: no loss)	Net profit margin, % (criterion: positive margin)	Operating cash flow, euros (criterion: positive operating cash flow)	Current ratio (criterion: current ratio not less than 1.00)
1.	LLC Rīgas Austrumu klīniskā universitātes slimnīca	-4 973 547	-5.3	1 571 344	0.7
2.	SLLC Paula Stradiņa klīniskā universitātes slimnīca	152 811	0.2	3 145 643	2.8
3.	SLLC Bērnu klīniskā universitātes slimnīca	3 689	0.0	-152 122	0.9
4.	SLLC Rīgas Psihiatrijas un narkoloģijas centrs	39 930	0.3	372 871	1.7
5.	SLLC Traumatoloģijas un ortopēdijas slimnīca	-82 001	-0.7	577 113	0.6
6.	SLLC Nacionālais rehabilitācijas centrs „Vaivari”	10 901	0.1	777 170	0.6
7.	SLLC Daugavpils psihoneiroloģiskā slimnīca	6 990	0.1	590 582	1.5
8.	SLLC Slimnīca “Gintermuiža”	162 245	3.1	462 178	0.9
9.	SLLC Strenču psihoneiroloģiskā slimnīca	47 406	1.0	309 898	4.5
10.	SLLC Aknīstes psihoneiroloģiskā slimnīca	2 558	0.1	309 239	1.8
11.	SLLC Piejūras slimnīca	-4 446	-0.1	78 664	1.7
12.	SLLC Iekšlietu ministrijas poliklinika	1 997	0.1	127 836	4.0
13.	LLC Veselības centrs „Bīķernieki”	5 882	0.4	55 716	5.3
14.	SLLC Bērnu psihoneiroloģiskā slimnīca “Ainaži”	5 883	0.6	-41 363	3.6
15.	SLLC Straupes narkoloģiskā slimnīca	3 702	0.6	5 516	1.1
16.	LLC Rīgas hematoloģijas centrs	-8037	-4.9	-95 643	9.7
	Total	-4 624 037		8 094 642	
	Average	-289 002	-0.3	505 915	2.6
	Average (median)	4 792	0.1	309 569	1.7

Table 31. Financial indicators of the health care sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	262 302.9	271 346.5
Profit/loss	-8 155.3	-4 624.0
EBITDA	9 357.0	12 939.3
EBIT	-8 784.1	-3 762.8
Total assets	377 260.1	373 506.1
Share capital	53 561.0	53 561.0
Equity	43 010.1	36 611.3
Factors		
Profit and turnover ratio, %	-3.1	-1.7
EBITDA and turnover ratio, %	3.6	4.8
Return on assets, ROA, %	-2.2	-1.2
Return on equity, ROE, %	-19.0	-12.6
Total liquidity indicator	2.5	1.8
Liabilities to equity ratio	7.8	9.2
Other indicators		
Number of employees on average per year	13 938	13 601
Gross remuneration, average per employee	10.0	10.7
Investment in fixed assets	44 392.8	36 974.6
Dividends from the profits of the previous year paid into the national budget	2.6	17.5
All instalments in the budget (incl. dividends, taxes, fees)	64 272.1	65 527.4
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	229 051.3	238 610.4

SLLC Paula Stradiņa Klīniskā universitātes slimnīca

SLLC Paula Stradiņa Klīniskā universitātes slimnīca is a multipurpose hospital that provides full-scale emergency and planned medical assistance as well as ensures education prior to obtaining a diploma and post-graduate studies, conducts scientific research and ensures the approbation and introduction of new treatment methods and technologies in Latvia. SLLC Paula Stradiņa Klīniskā universitātes slimnīca is a SOE where all shares are state-owned and the shareholder is the Ministry of Health.

The number of treated in-house patients and outpatient visits in 2015 reached 345 970 cases, i.e. by 6 414 patients more than in the previous year. In the reporting period, SLLC Paula Stradiņa Klīniskā universitātes slimnīca ensured state-sponsored medical services in the amount of 67 470 060 euros (contracts with the National Health Service for inpatient and outpatient services). Revenues from patient payments and co-payments amount to 3 664 885 euros, while from fee-based services - 6 241 420 euros.

Alongside the provision of medical assistance, in 2015 SLLC Paula Stradiņa Klīniskā universitātes slimnīca conducted clinical research in 18 specialities, including cardiology, oncology, endocrinology, respiratory medicine, gastroenterology, urology, angiology and ophthalmology. In the reporting year, 37 new researches were launched. In the field of clinical research, the cooperation was ensured with 17 co-operating states, incl. the USA, Germany, Switzerland, Austria and Sweden. In 2015, the hospital gained revenues in the amount of 3 857 375 euros for the implementation of training and scientific activity, which is by 57 808 euros more than in 2014.

It should be emphasised that in 2015, SLLC Paula Stradiņa Klīniskā universitātes slimnīca prepared and the European Commission approved the large-scale project. At the end of 2015, an agreement was concluded between the Ministry of Health, the Central Finance and Contracting Agency and the hospital on the supervision of implementation of the large-scale project.

The infrastructure projects implemented by SLLC Paula Stradiņa Klīniskā universitātes slimnīca in 2015 are the ones of the most remarkable in the sector at this time, incl. "Infrastructure Development of Paula Stradiņa Klīniskā universitātes slimnīca, by Improving Health Care Service Quality and Cost Efficiency" (No 3DP/3.1.5.3.1/09/IPA/VSMTVA/013) and project "Infrastructure Development of Paula Stradiņa Klīniskā universitātes slimnīca by Improving Health Care Service Quality and Cost Efficiency. Stage II" (No. 3DP/3.1.5.3.1/11/IPA/VEC/012) for the total amount of 28 457 335 euros. Within the framework of projects, the infrastructure was improved and a new building was built - stage I of building A and technologies were delivered. The total area of stage I of building A is 30 438 m². Both projects were completed, but the result of projects will be reached in 2017 when the entire investment project will be completed, with both aforementioned projects being a part of it.

Table 32. Financial indicators of SLLC Paula Stradiņa Klīniskā universitātes slimnīca

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	83 157.7	81 503.5
Profit/loss	147.3	152.8
EBITDA	5 433.6	4 789.2
EBIT	574.3	420.1
Total assets	103 841.5	104 719.0
Share capital	19 366.8	19 366.8
Equity	9 045.4	9 198.1
Factors		
Profit and turnover ratio, %	0.2	0.2
EBITDA and turnover ratio, %	6.5	5.9
Return on assets, ROA, %	0.1	0.1
Return on equity, ROE, %	1.6	1.7
Total liquidity indicator	3.4	2.8
Liabilities to equity ratio	10.5	10.4
Other indicators		
Number of employees on average per year	2 993	2 926
Gross remuneration, average per employee	11.9	12.5
Investment in fixed assets	11 902.4	15 664.5
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	17 291.2	18 087.5
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	73 369.5	70 856.7

LLC Rīgas Austrumu klīniskā universitātes slimnīca

LLC Rīgas Austrumu klīniskā universitātes slimnīca is the largest multipurpose medical treatment institution in Latvia that provides diverse diagnosis and treatment for patients, conducts scientific research work and creates innovations, ensures training of young professionals and implements measures to educate the society and promote health.

LLC Rīgas Austrumu klīniskā universitātes slimnīca is a SOE where all shares belong to the State and the shareholder is the Ministry of Health. LLC Rīgas Austrumu klīniskā universitātes slimnīca ownership in other enterprises: 99.58% in LLC Veselības centrs "Biķernieki" and 51% in LLC Rīgas Hematoloģijas centrs.

Individual clinics of the hospital provide in-house assistance in the fields, which are not available in other hospitals of Latvia, for example, treatment of microsurgery, plastic and reconstructive surgery, bedsore treatment, toxicology and sepsis, in polytrauma field, treatment of burns and frostbite, rehabilitation of people,

who were victims in national socialist regime, children hearing disorders, transplantation of stem cells, tuberculosis, treatment of HIV/AIDS, radiotherapy for oncology patients.

The hospital owns six stationeries: Gaļezers, Latvijas Onkoloģijas centrs, Biķernieki, Linezers, Latvijas Infektoloģijas centrs and Tuberkulozes un plaušu slimību centrs as well as Patoloģijas centrs.

In 2015, 73 072 patients were treated at the hospital, which is by 477 patients more than in 2014. Regarding the treatment process efficiency towards the decrease in treatment costs without losing quality, LLC Rīgas Austrumu klīniskā universitātes slimnīca in 2015 had a decrease in average length of 24 hour in-house treatment by 0.2 days that is from 8.1 days in 2014 to 7.9 days in 2015. Consequently, despite the larger number of patients, the number of bed days in the 24 hour treatment has reduced from 585 209 bed days in 2014 to 577 081 bed days in 2015.

In 2015, 518 176 outpatient services were provided, which is by 12 575 more than in 2014.

In 2015, LLC Rīgas Austrumu klīniskā universitātes slimnīca implemented several large-scale infrastructure development projects – "Improvement of Hospital Health Care Infrastructure in Rīgas Austrumu klīniskā universitātes slimnīca" (No 3DP/3.1.5.3.1/11/IPIA/VEC/010) with total funding of 14 216 008 euros. Within the framework of the project, reconstruction of the operation block was done in the area of 7 017.6 m², creating 22 universal, high load operation rooms with large patient penetrability and the interior for radiology diagnosis rooms in area of 1 592 m². In addition, delivery and installation of operation block technologies, radiotherapy server, x-ray equipment and ultrasound image patient examination system was performed.

The second project that was implemented and completed – "Improvement of Stationary Health Care's Infrastructure in LLC Rīgas Austrumu klīniskā universitātes slimnīca" (No 3DP/3.1.5.3.1/11/IPIA/VEC/001) with total funding of 3 586 856 euros. A large-scale reconstruction was implemented in the hospital Onkoloģijas centrs, and rooms were created for stem cell freezing and preservation, as well as technologies were bought.

Table 33. Financial indicators of LLC Rīgas Austrumu klīniskā universitātes slimnīca

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	87 979.4	94 129.5
Profit/loss	-8 735.8	-4 973.5
EBITDA	-2 251.7	2 015.5
EBIT	-10 315.8	-4 729.6
Total assets	101 444.0	98 612.5
Share capital	15 681.4	15 681.4
Equity	-6 775.0	-11 770.3
Factors		
Profit and turnover ratio, %	-9.9	-5.3
EBITDA and turnover ratio, %	-2.6	2.1
Return on assets, ROA, %	-8.6	-5.0
Return on equity, ROE %	-	-
Total liquidity indicator	0.9	0.7
Liabilities to equity ratio	-	-
Other indicators		
Number of employees on average per year	4 789	4 543
Gross remuneration, average per employee	10.0	10.6
Investment in fixed assets	22 584.9	8 287.0
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	22 973.7	20 848.7
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	73 157.9	79 429.9

SLLC Bērnu klīniskā universitātes slimnīca

SLLC Bērnu klīniskā universitātes slimnīca is the largest specialised children multipurpose medical treatment institution in Latvia that provides state-sponsored treatment, diagnosis, rehabilitation and care procedures for children in the amount of outpatient and inpatient (emergency) and planned assistance, offering also optional fee-based services as well as providing interest education, social services, performs educational and scientific activities.

SLLC Bērnu klīniskā universitātes slimnīca is a SOE where all shares belong to the State and the Ministry of Health is the shareholder.

SLLC Bērnu klīniskā universitātes slimnīca provides treatment and care for tertiary level diagnosis groups/medicine sectors (for example, oncology, heart surgery, neurosurgery, rare illness diagnosis and treatment), complex approach in diagnosis and treatment process, in addition performing all the primary and

secondary care functions, typical for hospitals.

Being the university hospital, SLLC Bērnu klīniskā universitātes slimnīca provides such additional functions as education for medical professionals, ensuring internship in medicine and research, studies, research and medical innovation functions with a goal to improve society's health and preventively reduce illness development, provides methodological support on public health issues, participates in the development and implementation of health promotion programmes as well as provides systematic management of children's health care at national level.

In the reporting year, the admission unit of emergency medical assistance provided services for 69 730 patients from which 20 730 (30%) were diverted for medical observation, 12 460 (18%) were stationed. The hospital treated a total of 18 341 patient. At the end of the reporting year, 238 477 outpatient services were provided, including 9 957 patients who received hospital day care services.

In 2015, SLLC Bērnu klīniskā universitātes slimnīca implemented a project "Development of Stationary Health Care Infrastructure in SLLC Bērnu klīniskā universitātes slimnīca" (No 3DP/3.1.5.3.1/11/IPIA/VEC/009) with total funding of 14 057 539 euros. Within the framework of the project, the hospital implemented the reconstruction of the rehabilitation, infection, surgery units and laboratory rooms as well as stage 1 of a large-scale reconstruction of the hematooncology unit. Delivery and assembling of surgery technologies, equipment for maintenance of constant feeding were also done.

In 2015, SLLC Bērnu klīniskā universitātes slimnīca managed to balance income with costs, ensuring stable SOE activity and implementation of functions, and to end the year of economic activity with profit. In the reporting year, the net turnover has increased by 4% compared to the previous reporting period. In the company's income structure, the income from state-sponsored health care services plays an important role, incl. compensation for patient co-payments from the state budget for patient categories that are free from patient co-payments, as well as state budget resources to provide interest education and specific programmes, for example, medical treatment of rare diseases. In the reporting year, it was 31 942 002 euros (91%) from total revenues of the SOE. The revenues earned from fee-based medical services amounted to 896 461 euros (3%), income from providing education for students and residents - 1 135 976 euros (3%), 1 222 570 euros (3%) were earned from rent and income from other services and projects.

Table 34. Financial indicators of SLLC Bērnu klīniskā universitātes slimnīca

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	32 576.0	33 965.6
Profit/loss	141.4	3.7
EBITDA	1 837.4	1 868.1
EBIT	257.7	58.0
Total assets	60 696.0	60 958.4
Share capital	3 984.0	3 984.0
Equity	7 918.6	7 846.6
Factors		
Profit and turnover ratio, %	0.4	0.01
EBITDA and turnover ratio, %	5.6	5.5
Return on assets, ROA, %	0.2	0.01
Return on equity, ROE, %	1.8	0.05
Total liquidity indicator	1.4	0.9
Liabilities to equity ratio	6.7	6.8
Other indicators		
Number of employees on average per year	2 030	2 013
Gross remuneration, average per employee	9.8	10.7
Investment in fixed assets	1 566.3	6 470.1
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	8 421.5	10 005.3
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	31 871.2	33 952.1

SLLC Rīgas Psihiatrijas un narkoloģijas centrs

SLLC Rīgas Psihiatrijas un narkoloģijas centrs provides outpatient and inpatient medical aid for people with mental illnesses or behavioural disorders; imposes medical punitive measures that were set by the court's (judge's) decision; advises other medical institutions in the field of mental health care; performs psychiatric rehabilitation; performs court psychiatric, court psychological and complex expertises; provides a clinical education base, provides informative and advisory support for public administration institutions in the field of mental health care. SLLC Rīgas Psihiatrijas un narkoloģijas centrs performs

narcotic and psychotropic substance and alcohol influence expertises as well as gives outpatient and inpatient narcotic assistance.

SLLC Rīgas Psihiatrijas un narkoloģijas centrs provides social assistance for patients and long-term social assistance in accordance with the cooperation contract concluded with the Ministry of Welfare.

In 2015, the number of hospitalisations in SLLC Rīgas Psihiatrijas un narkoloģijas centrs was 7 343, but the number of inpatient visits was 86 442. Despite the increase in the number of bed days per patient in 2015, SLLC Rīgas Psihiatrijas un narkoloģijas centrs retains the lowest indicator in this medical field in the state -28.82.

Table 35. Financial indicators of SLLC Rīgas Psihiatrijas un narkoloģijas centrs

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	11 347.6	12 438.7
Profit/loss	2.1	39.9
EBITDA	608.4	632.6
EBIT	22.6	174.6
Total assets	25 950.4	25 059.7
Share capital	4 432.4	4 432.4
Equity	10 984.6	9 517.2
Factors		
Profit and turnover ratio, %	0.0	0.3
EBITDA and turnover ratio, %	5.4	5.1
Return on assets, ROA, %	0.0	0.2
Return on equity, ROE, %	0.0	0.4
Total liquidity indicator	2.3	1.7
Liabilities to equity ratio	1.4	1.6
Other indicators		
Number of employees on average per year	886	900
Gross remuneration, average per employee	8.8	9.4
Investment in fixed assets	703.8	3 672.9
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	3 205.5	3 999.6
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	10 156.6	11 231.3



NACIONALA OPERA

Culture

Culture

There are 15 SOEs operating in the cultural sector where the state has a decisive influence. The total turnover of these SOE in 2015 was 32.6 million euros.

In the reporting year, SOEs of the Ministry of Culture – theatres, concert organisations, opera and ballet – offered a wide range of services, by supplementing the repertoire with new theatre productions (71 new performances) and concert programmes (204 new concert programmes). In 2015, SOEs of the Ministry of Culture – theatres, concert organisations, opera and ballet – were visited by a total of 1 109 618 people, which is by 10.34% less than in the previous year. In 2015, like before, the most visited national theatre was SLLC Dailes teātris - 195.5²³ thousand, but as regards the national concert organisations - opera and ballet, like in 2014, the most visited was in SLLC Latvijas Nacionālā opera un balets – 164 437²⁴.

The national theatres not only implement international projects, for example, in the reporting period SLLC Daugavpils teātris produced one of the largest international musical projects – Imre Kalman's operetta "Mister X", where the soloists from SLLC Latvijas Nacionālā opera un balets, Poland, Belarus and Russia²⁵ participated, but also represent Latvia in international festivals and performances on tour, for example, SLLC Jaunais Rīgas teātris has participated in seven international festivals and performances on tour (in Chile, Belgium, Lichtenstein, Georgia, Switzerland, Greece and Belarus)²⁶. To ensure the accessibility of theatre art in the regions of Latvia, national theatres provide performances on tour outside their premises, attracting a wide circle of people interested. For example, in the reporting period, the audience of performances on tour of SLLC Dailes teātris in the regions of Latvia increased by 42%²⁷.

In the reporting period, SOEs of the Ministry of Culture – concert organisations – attracted 285 280 people in 566 concerts. Nine CDs²⁸ were recorded. Concert organisations promote Latvia's recognition in other countries, for example, in 2015, SLLC Kremerata Baltica performed in 15 countries: Austria, Belgium, South Korea, France, Estonia, Italy, Japan, China, Macao, Lithuania, Luxembourg,

Spain, Switzerland, Ukraine and Germany²⁹. In 2015, also concerts by foreign musicians were held in Latvia. SLLC Latvijas Koncerti offered such foreign musicians as concert series of Georgian ethno jazz bands "Egari", Beijing national opera performance in Latvijas Nacionālā opera and balets etc³⁰.

In 2015, there were seven new productions, including on operetta, in the repertoire of SLLC Latvijas Nacionālā opera un balets. In total, 233 performances and concerts were shown, including 90 ballet performances, 80 opera performances, nine performances in Latvian regions and nine performances outside the country³¹.

SLLC Rīgas Cirks provides the production and showing of circus performances; its development plans include the reorganization of the circus studio Cirka zvaigžņu fabrika into a vocational education school. In the reporting period, SLLC Rīgas Cirks events were attended by 44 293 people. In March 2015, fire occurred on the second stage of SLLC Rīgas Cirks building (Merķeļa iela, Rīga). To avert fire consequences, the artist make-up corpus was renovated; however, the company concluded the year 2015 with loss in the amount of 44 706 euros³². In 2015, inspection was done in the building, located on Merķeļa iela, Rīga; in the conclusion of the technical inspection it was mentioned that, in total, the constructions that are not in the viewer zone are in adequate technical condition.

In the second half of 2015, the Cabinet of Ministers adopted a decision on the preservation of State ownership in SLLC Starptautiskā Rakstnieku un tulkotāju māja³³. In 2015, activity of Starptautiskā Rakstnieku un tulkotāju māja was ensured in Ventspils, providing literal creative residencies for 100 residents³⁴. In January 2015, a cooperation contract (until 31 December 2017) was concluded between the Ministry of Culture and SOE, with a goal to promote development of literature, advance intercultural dialogue and Latvian literary process alignment in the international turnover, as well as to promote decentralisation of literature development in Latvia, developing a suitable cultural environment also in the regions of Latvia.

SOEs of the cultural sector

Table 36. Performance indicators of SOEs in the cultural sector

State-owned equity shares in the cultural sector in 2015						
Name of the SOE	Field of activity	Turnover EUR '000	Profit/loss EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
SLLC Latvijas Nacionālā opera un balets	Opera and ballet	11 271.0	12.6	7 007.5	619	100%
SLLC Latvijas Nacionālais teātris	Theatre	4 162.8	6.1	1 474.0	349	100%
SLLC Dailes teātris	Theatre	4 026.9	0.3	782.5	229	100%
SLLC Jaunais Rīgas teātris	Theatre	2 870.2	3.0	1 097.8	103	100%
SLLC Mihaila Čehova Rīgas Krievu teātris	Theatre	2 611.3	-35.5	1 053.2	136	100%
SLLC Liepājas simfoniskais orķestris	Orchestra	1 744.2	0.2	293.9	99	100%
SLLC Valsts Akadēmiskais koris "Latvija"	Choir	1 455.3	1.0	178.9	65	100%
SLLC Latvijas Koncerti	Concert organisation	1 130.5	11.1	917.7	110	100%
Other SOEs in the sector	Other cultural services	3 285.0	-107.5	2 126.8	508	100%

Table 37. Financial indicators of the cultural sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	28 958.2	32 557.1
Profit/loss	264.9	-108.7
EBITDA	1 833.9	1 401.8
EBIT	353.8	-45.9
Total assets	13 916.6	14 932.4
Share capital	239.6	239.6
Equity	2 777.7	3 032.4
Factors		
Profit and turnover ratio, %	0.9	-0.3
EBITDA and turnover ratio, %	6.3	4.3
Return on assets, ROA, %	1.9	-0.7
Return on equity, ROE, %	9.5	-3.6
Total liquidity indicator	1.2	1.1
Liabilities to equity ratio	0.1	3.9
Other indicators		
Number of employees on average per year	2 152	2 218
Gross remuneration, average per employee	8.5	8.8
Investment in fixed assets	1 491.5	2 665.8
Dividends from the profits of the previous year paid into the national budget	4.2	17.4
All instalments in the budget (incl. dividends, taxes, fees)	10 674.3	11 143.5
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	22 767.7	24 277.3

SLLC Latvijas Nacionālā opera un balets

In 2015, SLLC Latvijas Nacionālā opera un balets (hereinafter - LNOB) continued to implement an extensive artistic programme. Despite the decrease in uniform state subsidies by 258 thousand euros, the total turnover of LNOB has increased by 163 thousand euros and constituted by 11.2 million euros or 1.5% more than in 2014. In 2015, own revenues amounted to 3.7 million euros or by 13% more than in 2014.

In 2015, LNOB showed a total of 233 performances and concerts, from which 215 events were held in the premises of LNOB and 18 events brought together people in LNOB performances on tour. In 2015, operas and ballets, performances, concerts and other LNOB art events held in LNOB premises, were attended by 164.437 people and performances, which were

²³ The public report of the Ministry of Culture (2015)

²⁴ 2015 Annual Report of SLLC Latvijas Nacionālā opera un balets

²⁵ 2015 Annual Report of SLLC Daugavpils teātris

²⁶ 2015 Annual Report of SLLC Jaunais Rīgas teātris

²⁷ 2015 Annual Report of SLLC Dailis teātris

²⁸ Annual public report of Ministry of Culture (2015)

²⁹ 2015 Annual Report of SLLC Kremerata Baltica

Table 38. Financial indicators of SLLC Latvijas Nacionālā opera un balets

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	11 107.5	11 271.0
Profit/loss	127.9	12.6
EBITDA	892.6	739.2
EBIT	189.8	27.0
Total assets	6 401.7	7 007.5
Share capital	96.8	96.8
Equity	1 151.7	1 067.7
Factors		
Profit and turnover ratio, %	1.2	0.1
EBITDA and turnover ratio, %	8.0	6.6
Return on assets, ROA, %	2.0	0.2
Return on equity, ROE, %	11.1	1.2
Total liquidity indicator	1.0	0.9
Liabilities to equity ratio	4.6	5.6
Other indicators		
Number of employees on average per year	593	619
Gross remuneration, average per employee	9.2	9.6
Investment in fixed assets	1 077.3	1 505.7
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	3 857.2	3 308.9
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	7 863.7	7 605.8

aimed at children and youth audience, were attended by 39 182 people. In 2015, LNOB included 42 operas and ballet productions in its repertoire. In LNOB, the Latvia's Presidency in the EU was opened. In May 2015, LNOB visited Berlin with performance on tour - A. Maskats and L. Langa opera "Valentina"; in June 2015, they visited China's prestige concert hall with performance "Sleeping Beauty" and received a wide public appreciation³⁵.

To ensure the accessibility of LNOB performances in the regions, LNOB organised 9 performances in the regions of Latvia: In Ventspils, ballet performance "Romeo and Juliet" and concert of opera's soloists were shown; in Rēzekne, the ballet performance "Swan Lake" and opera "Nabuko" were shown, in Valka a concert with LNOB performing artists was held, while in Cēsis and Liepāja an educational event for children "The World of Ballet" was held.

³⁰ 2015 Annual Report of SLLC Latvijas koncerti

³¹ 2015 Annual Report of SLLC Latvijas Nacionālā opera un balets

³² 2015 Annual Report of SLLC Rīgas cirks

³³ 08.10.2015 decision of the Cabinet of Ministers No 616 "Preservation of State's Participation in SLLC Starptautiskā Rakstnieku un tulkotāju māja

³⁴ Annual public report of the Ministry of Culture (2015)

³⁵ 2015 Annual Report of SLLC Latvijas Nacionālā opera un balets

Other Sectors

Certification, Conformity Assessment and Metrology

The area of certification conformity assessment and metrology is represented by three SOEs – LLC Latvijas nacionālais metroloģijas centrs, LLC Standartizācijas, akreditācijas un metroloģijas centrs and SLLC Sertifikācijas un testēšanas centrs.

Operation of LLC Latvijas nacionālais metroloģijas centrs is aimed at the provision of high-level and accurate metrological services in line with the requirements of the legislation of the Republic of Latvia and international legal acts and standards, by ensuring access to all services of the field of regulated metrology in the country.

LLC Standartizācijas, akreditācijas un metroloģijas centrs

provides businesses, the public administration and consumers with reliable conformity assessment services, including standardization and accreditation. LLC Standartizācijas, akreditācijas un metroloģijas centrs is stimulating free-cross border movement of products and services, increases the competitiveness of Latvian entrepreneurs and creates the base for the receipt of safe products and services according to international requirements.

LLC Sertifikācijas un testēšanas centrs is a SOE founded in 2014 that aims at providing conformity assessment services in the regulated and non-regulated sphere. SLLC Sertifikācijas un testēšanas centrs provides the delegated service – it is performing professional conformity assessment of the tractors used in agriculture and logging under the laws and regulations and the agreement.

Table 39. Performance indicators of SOEs in the field of certification, conformity assessment and metrology

State-owned equity shares in the field of certification, conformity assessment and metrology in 2015

Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss EUR '000	Total assets EUR '000	Number of employees	Proportion of capital shares
LLC Latvijas Nacionālais metroloģijas centrs	Metrology services	1 191.5	2.6	1 160.3	78	100%
LLC Standartizācijas, akreditācijas un metroloģijas centrs	Standardization and accreditation	801.4	65.9	966.9	38	100%
SLLC Sertifikācijas un testēšanas centrs	Conformity assessment services	747.7	21.8	481.0	30	100%

Table 40. Financial indicators of SOEs in the field of certification, conformity assessment and metrology

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	2 601.7	2 740.6
Profit/loss	63.1	90.3
EBITDA	243.3	256.1
EBIT	126.7	153.2
Total assets	2 287.4	2 608.2
Share capital	1 132.2	1 132.2
Equity	1 713.3	1 965.5
Factors		
Profit and turnover ratio, %	2.4	3.3
EBITDA and turnover ratio, %	9.4	9.3
Return on assets, ROA, %	2.8	3.5
Return on equity, ROE, %	3.7	4.6
Total liquidity indicator	7.1	5.7
Liabilities to equity ratio	0.3	0.3
Other indicators		
Number of employees on average per year	144	146
Gross remuneration, average per employee	12.4	13.2
Investment in fixed assets	146.0	112.0
Dividends from the profits of the previous year paid into the national budget	7.7	98.6
All instalments in the budget (incl. dividends, taxes, fees)	1 308.2	1 480.0
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	651.7	491.4

Table 41. Performance indicators of SOEs in the financial service sector

State-owned equity shares in the field of financial services in 2015						
Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss EUR '000	Total assets EUR '000	Number of employees	Proportion of capital shares
JSC Attīstības finanšu institūcija Altum	Financial services within the State aid programme	15 453.6	2 208.3	403 977.7	197	Ministry of Finance 40%, Ministry of Economics 30%, Ministry of Agriculture 30%

Financial Services

The financial services sector is traditionally associated with activities of commercial banks and financial transaction institutions, actively involving economic operators of the private sector. At the end of 2015, there were 328 financial market participants in Latvia and their total assets amounted to 35.9 billion euros. In 2015, the share of the banking sector in the total assets of the financial sector continued to decline, however, it still accounted for the largest financial and capital market share - around 89% of total assets. In addition, the three largest banks of Latvia - JSC Swedbank, JSC SEB banka and JSC ABLV Bank - accounted for 44% in the total share of the banking sector. At the end of April 2015, after the change of shareholders of JSC Citadele banka, the State essentially suspended its ownership and competition with economic operators of the private sector in this sector.

As of 2015, the State of Latvia is represented in the financial and capital market segment by one SOE - JSC Attīstības finanšu institūcija Altum (hereinafter – Altum) that was established through reorganization of stocks and shares of SJSC Latvijas Attīstības finanšu institūcija "ALTUM", LLC Latvijas Garantiju aģentūra and JSC Lauku attīstības fonds. Altum operates in the financial services sector with the aim to eliminate market failure and grant financial loans and support for State aid programs and the projects, which are not financed by economic operators of the private sector due to high risk. There is a high level of competition in the financial services sector, which includes both a large number of commercial banks and non-banking creditors, which finance companies for their business purposes, the acquisition of real estate for households and other consumption.

Table 42. Financial indicators of the financial services sector

Main financial indicators, EUR '000		
Overall indicators	2014³⁶	2015
Turnover	117 529.0	15 453.6
Profit/loss	32 500.0	2 208.3
EBITDA	40 753.0	3 309.2
EBIT	35 278.0	2 777.3
Total assets	3 298 297.0	403 977.7
Share capital	351 418.3	204 862.3
Equity	389 315.0	201 058.3
Factors		
Profit and turnover ratio, %	27.7	14.3
EBITDA and turnover ratio %	34.7	21.4
Return on assets, ROA, %	1.0	0.5
Return on equity, ROE, %	8.3	1.1
Total liquidity indicator	98.5	3.0
Liabilities to equity ratio	7.5	1.0
Other indicators		
Number of employees on average per year	1 881	197
Gross remuneration, average per employee	20.2	20.7
Investment in fixed assets	7 199.0	4 750.7
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	n/a	143.7
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	3 945.0

JSC Attīstības finanšu institūcija Altum

JSC Attīstības finanšu institūcija Altum (hereinafter Altum) was founded on 27 December 2013. Altum is a SOE (SOE group) that provides state support for specific target groups in the form of financial instruments (loans, guarantees, investments in venture capital funds, etc.). Altum develops and implements the state support programmes, by diverting market imperfections that cannot be resolved by financial institutions of the private sector and ensuring access to funding in the fields that are given the priority by the state and promotes economic development of Latvia.

The functions of the development financial institution are to:

- 1) increase the financial market;
- 2) correct market imperfections and failures;
- 3) in accordance with the state delegation, operate in specifically defined fields and areas;
- 4) implement programmes in cooperation with members of the private market.

In order to provide efficient operation of Altum by implementing aid and development programmes as well as public policy in national economy, on 30 October 2014, the Saeima adopted the Development Finance Institution Law, which became effective on 1 March 2015. Based on the Order of the Cabinet of Ministers No 409 "On Investment of Shares of SJSC Latvijas Attīstības finanšu institūcija Altum, LLC Latvijas Garantiju aģentūra and SJSC Lauku attīstības fonds in the Share Capital of JSC Attīstības finanšu institūcija" of 6 August 2014, the development of a single development financial institution was launched.

Altum was developed in two phases. The first phase included the transfer of shares of SJSC Lauku attīstības fonds, LLC Latvijas Garantiju aģentūra and SJSC Latvijas Attīstības finanšu institūcija Altum to the development finance institution by establishing a group of development financial institution. On 11 September 2014, this phase was successfully concluded, when all shares of SJSC Latvijas Attīstības finanšu institūcija Altum, LLC Latvijas Garantijas aģentūra and SJSC Lauku attīstības fonds were invested in the development financial institution's share capital as a capital contribution. The company's paid share capital following the property investment is 204.86 million euros. In the second phase, the reorganisation of SJSC Latvijas Attīstības finanšu institūcija Altum, LLC Latvijas Garantiju aģentūra and SJSC Lauku attīstības fonds took place, creating a single development financial institution. With a view to implement this goal, on 28 October 2014, SJSC Latvijas Attīstības finanšu institūcija Altum, LLC Latvijas Garantiju aģentūra and SJSC Lauku attīstības fonds signed the reorganisation agreement that foresees that these SOEs are added to Altum. On 15 April 2015, this phase was successfully implemented. All Altum shares with voting rights are owned by the State of Latvia and shareholders are the Ministry of Finance (40%), the Ministry of Economics (30%) and the Ministry of Agriculture (30%).

On 31 December 2015, within the framework of Altum support programs, the portfolio of financial instruments issued was 371.5 million euros (i.e. 8,901 financed projects), including:

- 1) net loan portfolio in the amount of 201.5 million euros with total transactions of 6 573;
- 2) guarantee portfolio in the amount of 131.1 million euros with total transactions of 2 070;
- 3) investments in venture capital funds in the total net amount of 38.9 million euros with 258 financed projects.

³⁶ Data of 2014 include JSC Citadele banka (group) and JSC Attīstības finanšu institūcija (consolidated).

Public Electronic Mass Media

Public electronic mass media (hereinafter - public media) include SOEs, the share capital of which consists of property invested by the State, however, but they can gain funding to ensure operation, outside the state budget subsidies, from economic activity, as well as other financial sources. Public media is editorially independent, financially self-dependent and operates in the public interests. The main task of the public media is to create and distribute public order programmes – to provide diverse, high - quality and objective content that provides information about topics, which are essential for the society and important for the State, thereby promoting awareness of residents about issues concerning politics, economics, culture, rights, environment, security and society.

Electronic mass media (hereinafter – the media) registered in the Republic of Latvia are subject to the legislation of Latvia, incl. ensures the freedom of expression and opinion, general accessibility to information of social importance, holds and develops undisrupted, free, democratic discussion, as well as promotes society's integration. In the critical assessment of constant opinion competition, information overflow and fact interpretation, the public media plays an essential role that, without motivation for commercial success, needs to be able to provide a platform for high-quality public discussion.

There are two public media in Latvia – Latvijas Televīzija (hereinafter - LTV) and Latvijas Radio (hereinafter - LR) whose accessibility is provided in the entire territory of Latvia. The principle and procedure of operation of the public media are regulated by the "Electronic Mass Media Law". The shareholder of LTV and LR is the National Electronic Mass Media Council (hereinafter - NEPLP) that performs the function of a meeting of its members. NEPLP has five members who are elected by the Parliament for five years and they supervise operational eligibility of the media according to the legislation of Latvia.

SOEs in the public electronic mass media sector

Table 43. Performance indicators of SOEs in the public electronic mass media sector

State-owned equity shares in the public electronic mass media sector in 2015						
Name of SOE	Field of activity	Turnover, EUR '000	Profit/loss EUR '000	Total assets EUR '000	Number of employees	Proportion of capital shares
SLLC Latvijas Radio	Public media	8 873.6	-16.0	7 157.1	273	100%
SLLC Latvijas televīzija	Public media	16 949.8	-1 197.7	14 675.0	489	100%

Table 44. Financial indicators of the public electronic mass media sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	26 470.6	25 823.4
Profit/loss	-70.4	-1 213.7
EBITDA	1 688.2	715.8
EBIT	-110.8	-1 398.4
Total assets	25 765.0	21 832.1
Share capital	5 662.1	5 662.1
Equity	14 131.7	12 800.4
Factors		
Profit and turnover ratio, %	-0.3	-4.7
EBITDA and turnover ratio, %	6.4	2.8
Return on assets, ROA, %	-0.3	-5.6
Return on equity, ROE, %	-0.5	-9.5
Total liquidity indicator	1.2	1.0
Liabilities to equity ratio	0.8	0.7
Other indicators		
Number of employees on average per year	708	762
Gross remuneration, average per employee	14.0	14.2
Investment in fixed assets	2 003.0	2 602.8
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	5 624.0	5 052.6
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	22 898.0	21 260.8

SLLC Latvijas televīzija

LTV as a public media has the responsibility to protect society's interests – make sure that the society receives valuable and high-quality information about decisions, influencing their lives, processes and events and is able to make informed decisions. LTV strives to cover as wide audience as possible, within the boundaries of financial possibilities, ensures content availability for people with trouble of hearing and seeing. LTV broadcasts on two television channels – LTV1 and LTV7. In 2015, to ensure its activity, LTV received more than 70% of its total funding from the national budget, the rest of funding was derived from television's direct operation and advertising revenues.

According to the information provided by LTV, within the content quality management, the public media in 2015 promoted the creation of an active national agenda, by raising the issues that are of strategic importance for the Latvian society and state development in the television content. At the same time, following the development of information technologies and content digitalisation trends, LTV has increased the content accessibility by developing their activity on the Internet platforms: <https://www.lsm.lv> (LSM.LV) and <https://www.replay.lsm.lv>, and by activating communication with the audience in the social networks.

In 2015, LTV continued its efforts and showed progress towards achieving the SOE's operational objective - to regain the status of Latvia's most influential media by 2020. By reaching 16.6%, LTV has approached the goal to keep LTV channel viewing share (in comparison with other television channels) above 17%. At the same time, during 2015, LTV has succeeded in increasing the amount of economically active citizens (age group 35-64 years) as viewers in the audience, LTV1 being the second most viewed channel in Latvia with 9.6% viewing time among economically active citizens, and gaining the status of the most viewed television channel in June and July.

Efforts to speak to a Russian-speaking audience and increase recognition of Russian informative content of LTV7 in 2015 have allowed reaching 50% of all the non-Latvian television viewing audience, which is by 10% more than the last year, can also be positively assessed. The work of the public media on increasing the popularity of their internet portal, increasing their audience almost twice – from 140 000 users in their first year operation (2014) to 220 000-275 000 unique visitors in 2015 can also be appreciated. LTV successfully exceeded its goal to increase audience's satisfaction with content quality to 70%, ensuring satisfaction of 75% viewers and the media content users.

LTV turnover in 2015 was 16.9 million euros, from which 13.5 million euros were budget subsidies (increase by 427.5 thousand euros compared to 2014), including additional budgetary grants (new policy initiatives). Notwithstanding the fact that, for the purposes of ensuring content quality and diversity, in 2015, the

product production costs have increased by 1.3 million euros or 7.9% compared with the previous year, LTV has been able to reduce administration costs (by 4.9%) that reflect of changes introduced in 2013, as well as efficiency improvement and changing in priorities in cost structure, by allocating proportionally more resources to LTV basic activity – content on the television and the Internet.

LTV ended the year 2015 with losses of 1.2 million euros due to the increase in production costs and also because a part of the content produced and (or) programmes (licenses) purchased last year are demonstrated in 2016.

Taking into account that the planning of activities of the television and programmes takes place at least 6 to 12 months before the beginning of the season, a possible risk for its further development is posed by uncertainty and unarranged order in conjunction with the planned departure of public media from the advertisement market on 1 January 2017. Such a change would lead to considerable changes in the operation of the television activity, including the financial flow.

Table 45. Financial indicators of SLLC Latvijas Televīzija

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	17 270.3	16 949.8
Profit/loss	-254.5	-1 197.7
EBITDA	1 146.1	299.8
EBIT	-269.8	-1 426.4
Total assets	18 098.5	14 675.0
Share capital	4 837.5	4 837.5
Equity	8 781.5	7 583.8
Factors		
Profit and turnover ratio, %	-1.5	-7.1
EBITDA and turnover ratio, %	6.6	1.8
Return on assets, ROA, %	-1.4	-8.2
Return on equity, ROE, %	-2.9	-15.8
Total liquidity indicator	1.3	0.9
Liabilities to equity ratio	1.1	0.9
Other indicators		
Number of employees on average per year	453	489
Gross remuneration, average per employee	13.5	14.1
Investment in fixed assets	1 983.5	2 590.6
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	3 208.2	2 647.2
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	14 969.7	13 820.2

SLLC Latvijas Radio

The main goal of LR as a public radio organisation, which represents interests of the society, is to execute the public order, ensuring sufficient amount of research and analytical materials, especially for topics that are insufficiently covered by commercial media. To ensure the execution of the public order and provide the listeners with valuable content, which is suitable for radio format, informative and entertaining, LR broadcasts in six main programmes.

Following the media development tendencies, including, the increasing media convergence (the merging of traditional media with Internet media format), LR develops the offer of the content in the digital environment and, for this purpose, in 2015 has increased the multimedia content offer, including by offering LR audience plots live from the location of the event. Despite the growing competition, during 2015, LR has managed to increase the audience to 643 thousand listeners (in 2014 - 632 thousand – seasonally evened out average number of listeners), reaching 37.4% of radio listening time market share (seasonally evened out date in the reporting period).

LR has achieved a breakthrough in satisfaction of listeners, who listen one of LR programmes at least once a week, with content quality, reaching 86% while maintaining high level of trust to LR as a public media: 82% trust index. Additionally, it can be concluded that LR has an important role in the media choice of Latvian listeners – about half of listeners (in the age group from 15 to 74) follow one of LR's programmes at least once a week and every third radio listener (38%) evaluates one of LR's broadcasting stations as their favourite (mostly recorded).

In 2015, the company's management structure was changed, by increasing the composition of the committee to three members, separating responsibility for general administrative and management issues, development of the programme's content and technical provision. Preliminary work has been done for improvement of management of public media uniform news portal LSM.LV, which will be finished in 2016. In addition, during 2015, the construction of multimedia studio in LR building in Riga has been started and funding was received for construction of Latgales studio, foreseeing the use of these studios for the needs of LR and LTV.

In 2015, LR net turnover was 8.9 million euros, from which 82% was from national subsidies. In 2015, LR's total income increased by 103.6 thousand euros or 1%, but total costs, in comparison with 2014, have increased by 261.3 thousand euros or 3%, from which production costs have increased by 73 thousand euros (together constituting 9 million euros). LR has concluded 2015 with losses in the amount of 16 thousand euros.

Table 46. Financial indicators of SLLC Latvijas Radio

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	9 200.3	8 873.6
Profit/loss	184.2	-16.0
EBITDA	542.1	416.1
EBIT	159.0	28.0
Total assets	7 666.5	7 157.1
Share capital	824.7	824.7
Equity	5 350.2	5 216.6
Factors		
Profit and turnover ratio, %	2.0	-0.2
EBITDA and turnover ratio, %	5.9	4.7
Return on assets, ROA, %	2.4	-0.2
Return on equity, ROE, %	3.4	-0.3
Total liquidity indicator	1.2	1.2
Liabilities to equity ratio	0.4	0.4
Other indicators		
Number of employees on average per year	255	273
Gross remuneration, average per employee	15.0	14.5
Investment in fixed assets	19.5	12.2
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	2 415.8	2 405.4
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	7 928.4	7 440.6

Education and Sports

There are seven SOEs operating in the education and sports sector – two in the education sector with the total turnover in 2015 being 6.3 million euros and five in the sports sector with a total turnover of 3.8 million euros in 2015.

Education

There are two SOEs in the education sector – SLLC Rīgas Tūrisma un radošās industrijas tehnikums (hereinafter - Technical College) and SLLC Bulduru dārzkopības vidusskola (hereinafter - High School).

From 2014 (and continuing in 2015), systematic measures were taken in the High School to stabilise its financial situation – a large-scale boiler house reconstruction project was implemented, greenhouse necessary for the learning process has been renovated, the obligations and losses from previous reporting periods have partially been covered, proceedings have been closed etc. Since the school year 2008/2009³⁷, there has been the tendency for the number of High School students to decrease, reaching 324 students at the beginning of 2014/2015 school year in an educational institution, although it is planned for educating about 1000 students. In the report of the working group chaired by CSCC³⁸, the High School was advised to change its legal status because its activity basically corresponds the status of an institution or derived legal person governed by public law, and taking into account the insufficient number of students, the High School cannot exist as an independent educational institution, maintaining the status of a SOE.

The Technical College implements vocational secondary educational programmes in the areas of catering, hotel and tourism service, food production, interior design, clothing design and production, construction as well as in business. The Technical College is one of the 19³⁹ vocational education competence centres in the State. It also evaluates professional competences learned outside the formal education system, organises professional qualification exam for different qualifications (for example, worker performing finishing works, outfit style specialist, catering service specialist etc.)

Sports

There are five SOEs operating in the sports sector – SLLC Bobsleja un kamanīņu trase “Sigulda”, SLLC Kultūras un sporta centrs “Daugavas stadions”, LLC Sporta centrs “Mežaparks”, LLC Tenisa centrs “Lielupe” and LLC Latvijas Olimpiskā vienība. Each of them contributes to the development of sports.

SLLC Kultūras un sporta centrs “Daugavas stadions” is a place where different level championships and competitions can be held in accordance with international standards. In 2015, the stadium held various international track competitions and the XI Latvian School Youth Song and Dance Festival. For the stadium to ensure high-quality events in a safe environment, at the end of 2015, the Cabinet of Ministers approved the order on the improvement of the stadium territory to make it more efficient for everyday use⁴⁰. The reconstruction project will be implemented by the stadium in cooperation with municipality of Riga; the financing of the European Regional Development Fund – 40.2 million euros and state co-funding in the amount of 7 092 600 euros, will be spent on the implementation of the project.

LLC Tenisa centrs “Lielupe” is the largest tennis centre in the country. The national sports base contains eight open tennis courts and five closed tennis courts. The centre is daily attended by on average 200 tennis players of different ages; it also hosts championships and various tournaments. The existing tennis court load in 2015 was very high, which means that the turnover of the sports base is close to its maximum capacity⁴¹.

In 2015, LLC Latvijas Olimpiskā vienība had 152 athletes in 28 sports. In the reporting year, LLC Latvijas Olimpiskā vienība ensured for summer sports representatives the preparation and start in season’s main competitions in the World, European championships and games as well as provided winter sports representatives with preparation and starts in the World and European championships⁴².

In 2015, LLC Sporta centrs “Mežaparks” operated without losses, but the gained profit was diverted towards covering the losses of previous years. In the reporting year, the sports centre carried out necessary preconditions to maintain the national sports base status, which ensures it with tax relief and allows claiming for a state subsidiary⁴³.

In 2015, the improvements were made in the track and finish house of LLC Bobsleja un kamanīņu trase “Sigulda”, following the requirements of the International Luge Federation. Part II of the sun and precipitation systems reconstruction was completed, the scoreboard was bought and set up, a new truck was bought for lifting athletes from the finish to the start, as well as improvements in the cold production were made. In 2015, the sports base held various international competitions – the World Luge Championship, the European Cup Skeleton and Bobsleigh, the Junior World Cup Luge and the Latvian Luge Championship⁴⁴.

³⁷ On 1 September, 538 students in (2015 Self-Assessment Report of Bulduru dārzkopības vidusskola)

³⁸ Report “On Assessment of State Ownership in Capital Companies and Recommendation for Further Action by the Working Group Established with the Order of the Prime Minister No 233 of 19 June 2012”, p. 6.

³⁹ <http://www.niid.lv/pikc>

⁴⁰ The Order of the Cabinet of Ministers No. 714 “On the Conceptual Report “On the Implementation of Program for Revitalisation of Daugava stadium (Riga) ‘Development of Cultural and Sports Area in the Neighbourhood of Grīziņkalns of 11 November 2015” [5.6.1 specific support objective “to promote revitalisation of Riga city, by ensuring efficient socio-economic use of the territory”]

⁴¹ 2015 Annual Report of LLC Tenisa centrs “Lielupe”

⁴² 2015 Annual Report of LLC Latvijas olimpiskā vienība

⁴³ 2015 Annual Report of LLC Sporta centrs “Mežaparks”

⁴⁴ 2015 Annual Report of LLC Bobsleja un kamanīņu trase “Sigulda”

SOEs of the education and sports sectors

Table 47. Performance indicators of SOEs in the education sector

State-owned equity shares in the education sector in 2015						
Name of the SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
SLLC Rīgas Tūrisma un radošās industrijas tehnikums	SLLC Rīgas Tūrisma un radošās industrijas tehnikums	5 046.5	46.0	13 262.4	342	100%
SLLC Bulduru dārzkopības vidusskola	SLLC Bulduru dārzkopības vidusskola	1 253.5	13.7	6 564.5	93	100%

Table 48. Financial indicators of the education sector

Main financial indicators, EUR '000			
Overall indicators	2014	2015	
Turnover	6 515.2	6 300.0	
Profit/loss	525.4	59.6	
EBITDA	1 443.5	1 073.6	
EBIT	569.1	104.2	
Total assets	19 346.5	19 827.0	
Share capital	8 735.0	8 735.0	
Equity	7 905.1	7 964.8	
Factors			
Profit and turnover ratio, %	8.1	0.9	
EBITDA and turnover ratio, %	22.2	17.0	
Return on assets, ROA, %	2.7	0.3	
Return on equity, ROE, %	6.6	0.7	
Total liquidity indicator	0.8	0.8	
Liabilities to equity ratio	1.4	1.5	
Other indicators			
Number of employees on average per year	394	435	
Gross remuneration, average per employee	8.5	8.4	
Investment in fixed assets	3 144.0	992.5	
Dividends from the profits of the previous year paid into the national budget	0.0	0.0	
All instalments in the budget (incl. dividends, taxes, fees)	1 657.5	1 946.3	
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	5 792.3	5 916.7	

Table 49. Performance indicators of SOEs in the sports sector

State-owned equity shares in the sports sector in 2015						
Name of the SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
SLLC Bobsleja un kamanīņu trase "Sigulda"	Sports	672.4	-0.4	6 262.8	36	100%
SLLC Kultūras un sporta centrs „Daugavas stadions”	Sports	344.5	0.8	1 015.3	22	100%
LLC Sporta centrs „Mežaparks”	Sports	293.2	110.1	15 670.0	15	99.99%
LLC Tenisa centrs „Lielupe”	Sports	247.7	14.2	11 977.8	15	99.99%
LLC Latvijas Olimpiskā vienība	Sports	2 288.0	49.0	743.5	39	29%

Table 50. Financial indicators of the sports sector

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	3 430.8	3 845.8
Profit/loss	-10.5	173.8
EBITDA	362.3	654.5
EBIT	-68.8	83.6
Total assets	35 918.7	35 669.5
Share capital	31 506.8	31 506.8
Equity	29 970.9	30 008.0
Factors		
Profit and turnover ratio, %	-0.3	4.5
EBITDA and turnover ratio, %	10.6	17.0
Return on assets, ROA, %	-0.03	0.5
Return on equity, ROE, %	-0.03	0.6
Total liquidity indicator	5.4	5.1
Liabilities to equity ratio	0.2	0.2
Other indicators		
Number of employees on average per year	117	127
Gross remuneration, average per employee	13.0	12.8
Investment in fixed assets	3 024.8	1 324.6
Dividends from the profits of the previous year paid into the national budget	11.0	26.7
All instalments in the budget (incl. dividends, taxes, fees)	803.7	859.4
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	6 989.0	3 539.6

Other State-owned Enterprises

The State of Latvia holds shares also in other enterprises, which were not possible to include in any of the sections described above. These SOEs can be divided in two groups. The first group includes SOEs that perform public administration tasks, while in legal terms they are commercial companies, and there are SOEs, which fully belong to the state, but are operating under free market conditions and directly compete with the private sector. The second group includes SOEs where the state holds capital shares due to historical reasons, and the holder is SJSC Privatizācijas aģentūra.

Other State-owned Enterprises

Table 51. Performance indicators of other SOEs

State-owned equity shares in other SOEs in 2015

Name of the SOE	Field of activity	Turnover, EUR '000	Profit/loss, EUR '000	Total assets, EUR '000	Number of employees	Proportion of capital shares
SJSC Latvijas Loto	State level lotteries	24 685.9	4 027.2	11 645.4	99	100%
SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs	Environment monitoring, geological research of earth	5 868.7	-361.5	23 381.5	296	100%
SJSC Privatizācijas aģentūra	Conclusion of state estate privatisation process, provision of share and estate object alienation process.	2 794.4	-71.3	46 524.7	66	100%
Other SOEs	-	2 551.0	113.6	10 539.8	104	-

Table 52. Financial indicators of SOEs in other sectors

Main financial indicators, EUR '000

Overall indicators	2014	2015
Turnover	33 543.9	35 900.0
Profit/loss	-126 577.1	3 708.0
EBITDA	-121 786.5	8 963.6
EBIT	-123 584.7	6 994.1
Total assets	194 163.5	92 091.5
Share capital	455 588.5	476 410.2
Equity	17 933.6	39 127.0
Factors		
Profit and turnover ratio, %	-377.3	10.3
EBITDA and turnover ratio, %	-363.1	25.0
Return on assets, ROA, %	-65.2	4.0
Return on equity, ROE, %	-705.8	9.5
Total liquidity indicator	3.4	4.6
Liabilities to equity ratio	-	1.4
Other indicators		
Number of employees on average per year	573	565
Gross remuneration, average per employee	11.8	12.6
Investment in fixed assets	959.2	1 891.2
Dividends from the profits of the previous year paid into the national budget	3 157.8	3 280.8
All instalments in the budget (incl. dividends, taxes, fees)	15 167.4	18 343.6
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	3 900.9	5 198.1

SJSC Latvijas Loto

SJSC Latvijas Loto (hereinafter - Latvijas Loto) is the National Lottery company of Latvia and the State is its sole owner. The idea of operation of Latvijas Loto is based on the essence of the lottery sector: attracting free funds of the population, a part of which is paid in winnings and a portion goes to the national budget as additional funding.

Under Section 63 of the Gambling and Lotteries Law, lotteries on a national scale are organised by a SOE where the State holds all shares, which shall not be alienated or privatised.

According to the above, Latvijas Loto is organising lotteries on the national scale with monopoly rights, ensuring the highest standards for service organisation and quality assurance, safety and social accountability. Consequently, the tasks of the SOE in the operation of the sector are to:

- 1) ensure a more stable, more secure and more transparent environment of lottery market while stimulating the restriction of the operation of illegal online gambling operators and the reduction of their market share;
- 2) offer safe and socially responsible services to the players, to ensure the implementation of the principle of a responsible game in the lottery market, thus reducing the risk of dependence;
- 3) provide for the development of Latvijas Loto as a SOE;
- 4) ensure that the funds from organising lotteries go to the national budget for the needs of society;
- 5) guide the consumers to legitimate gambling, in a strictly controlled environment, thus reducing money laundering risks in the sector.

In 2015, Latvijas Loto was the fourth largest SOE in the lottery and gambling market. Its profit was 24 686 thousand euros, which is about 10.17% of the sector's total turnover. It has increased by 12.8% compared to 2014.

Table 53. Financial indicators of SJSC Latvijas Loto

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	21 888.4	24 685.9
Profit/loss	3 516.3	4 027.2
EBITDA	6 827.2	7 696.3
EBIT	6 455.9	7 235.1
Total assets	11 177.9	11 645.4
Share capital	284.6	284.6
Equity	6 093.2	6 900.1
Factors		
Profit and turnover ratio, %	16.1	16.3
EBITDA and turnover ratio, %	31.2	31.2
Return on assets, ROA, %	31.5	34.6
Return on equity, ROE, %	57.7	58.4
Total liquidity indicator	7.2	10.6
Liabilities to equity ratio	0.8	0.7
Other indicators		
Number of employees on average per year	98	99
Gross remuneration, average per employee	13.3	15.1
Investment in fixed assets	452.1	627.7
Dividends from the profits of the previous year paid into the national budget	2 977.0	3 164.7
All instalments in the budget (incl. dividends, taxes, fees)	6 336.9	7 532.2
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

SJSC Privatizācijas aģentūra⁴⁵

Principal activity of SJSC Privatizācijas aģentūra (hereinafter – PA) is the provision of privatisation of the state-owned property and state-owned land plots in compliance with the law “On the Privatisation of State and Local Government Property Objects” and alienation of state-owned equity shares.

The State of Latvia holds 100% of equity shares, and the shareholder is the Ministry of Economics. Currently, PA has the holding of JSC Reverta (84.15%), holding of LLC HIPONIA (100%), holding of LLC FeLM (100%) (as of 1 April 2016).

PA revenues from the privatisation of state-owned equity shares and other state-owned property, alienation and letting of property amounted to 7.59 million euros. In 2015, PA transferred the proceeds in the amount of 7.769 million euros from the privatisation, alienation of state-owned property and debt capitalization to the state budget and other state institutions, as well as proceeds from letting the state-owned property in the amount of 0.419 million euros. On 20 April 2015, PA completed the sale of equity shares of JSC Citadele

⁴⁵ Annual report 2015 of JSC Privatizācijas aģentūra: <https://www.pa.gov.lv/upload/financialreports/2015-GADA-PARSKATS.pdf>

banka. In order to ensure the settlement with the Treasury and the European Bank for Reconstruction and Development, in 2015, the share capital of PA was increased by 20 659 183 euros and currently amounts to 443 064 930 euros.

In 2015, within the framework of the SOE governance reform, PA assumed from the State Social Insurance Agency the holding of state-owned equity shares in 29 enterprises, which have been diverted to the extraordinary state budget. On 30 December 2015, a contract was concluded between the Ministry of Economics and PA on the servicing of the privatisation certificate accounts, establishing that the PA fulfils the public administration task – holds the certificate accounts, performs activities to transfer accounts and provide information on the operation performed in the privatisation certificate accounts, based on the request by JSC Attīstības finanšu institūcija Altum and according to the procedure established by law.

With the Decision of the Cabinet of Ministers of 22 March 2016, the limited liability company FeLM was founded on 1 April 2016 whose sole participant is PA. The objective of LLC FeLM activity is to manage the claim against JSC KVV Liepājas metalurģs while the principal type of action of LLC FeLM is the administration of funds, business and management consultancy activities. PA ended the year 2015 with loss of 71 312 euros.

Table 54. Financial indicators of SJSC Privatizācijas aģentūra

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	3 046.5	2 794.4
Profit/loss	-129 792.6	-71.3
EBITDA	-129 754.4	21.3
EBIT	-129 800.6	-43.3
Total assets	151 451.4	46 524.7
Share capital	422 405.7	443 064.9
Equity	-17 706.0	2 881.9
Factors		
Profit and turnover ratio, %	-4260.3	-2.6
EBITDA and turnover ratio, %	-4259.1	0.8
Return on assets, ROA, %	-85.7	-0.2
Return on equity, ROE %	-	-2.5
Total liquidity indicator	0.9	3.5
Liabilities to equity ratio	-	15.1
Other indicators		
Number of employees on average per year	67	66
Gross remuneration, average per employee	23.8	24.3
Investment in fixed assets	15.2	70.3
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All instalments in the budget (incl. dividends, taxes, fees)	6 416.2	8 188.4
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	0.0	0.0

Cooperation of State Social Insurance Agency SJSC Privatizācijas aģentūra in sale of state-owned equity shares

On 28 December 2013, the State Social Insurance Agency (hereinafter the SSIA) concluded an agreement on cooperation in the sale of state-owned equity shares held by the SSIA as transferred to the state pension extraordinary budget in 37 companies. The proportion of shares for sale in the share capital of the companies ranged from 0.82% to 14.75%. Within the cooperation agreement, the state-owned equity shares were sold in JSC Autobāze LVA, JSC DHB, JSC Dobeles dzirnavnieks, JSC Mēbeļu nams, JSC NIDL, JSC Talsu autotransports, JSC Hanzas maiznīca, JSC Putnu fabrika "Ķekava", LLC Antikvariāts Planēta, LLC Latvijas ķīmija, LLC LEMF, LLC Neirožu klīnika as well as a proportion of the share package in JSC Valmieras stikla šķiedra, for a total of 1.6 million euros. The cooperation agreement was terminated on 10 August 2015 by concluding an agreement with the SSIA on future cooperation, because on 1 July 2015 the PA, pursuant to the Law on Governance of Capital Shares and SOEs of a Public Person, took over the holding of shares transferred to the state pension extraordinary budget from the SSIA. Management and alienation of the above state-owned equity shares is carried out in accordance with provisions of the Law on Governance of Capital Shares and SOEs of a Public Person.

Table 55. State-owned equity shares held by SJSC Privatizācijas aģentūra (as of 01.07.2016.)

Name of SOE	Proportion of equity shares
LLC Lattelecom	51%
LLC Sertifikācijas un testēšanas centrs	100%
ILLC Agroleasing S.I.A.	50%
LLC Liepājas sērskociņi	10.62%
JSC Komunālprojekts	14.75%
JSC Sanatorija Dzimtene	10%
JSC Latvijas kuģniecība	10%
JSC Rīgas sanitārā transporta autobāze	10%
JSC Pūres dārzkopības izmēģinājumu stacija	8.73%
LLC Balt Alliance	8%
ILLC Eiropas minerāls	6.89%
IJSC RAF-Inženieru tehniskais centrs	6.83%
JSC AUTO-REMONTS	5.05%
SEZ Rēzekne JSC "REBIR"	5%
LLC Ventspils ekskursiju birojs	5%
IJSC Daugavpils dzirnavnieks	5%

⁴⁶ Excluded from the Enterprise Register as of 16.09.2016

⁴⁷ Equity shares sold on 15.08.2016

IJSC Rīgas alus darītava Vārpa	5%
IJSC Madona-AB	5% ⁴⁶
JSC UNI SAN	5%
JSC Latvijas Nacionālais autopārvadātāju centrs	5%
JSC Lielplatone	5%
JSC Latgales ciltslietu un mākslīgās apsūklošanas stacija	4.91%
JSC Stendes selekcijas un izmēģinājumu stacija	4.81%
JSC Lopkopības Izmēģinājumu Stacija Latgale	4.77%
JSC Latvijas maiznieks	3.97%
JSC Rīgas dzirnavnieks	3.68%
JSC Jelgavas mašīnbūves rūpnīca	3.68%
JSC B.L.B. Baltijas Termināls	3.64% ⁴⁷
JSC Daugavpils specializētais autotransporta uzņēmums	3.2%
JSC Transinform	2.91%
IJSC Latvijas zoovetapgāde	2.6%
IJSC Liepājas metalurģs	2.5%
JSC Valmieras stikla šķiedra	1.78%
JSC Grīndeks	2.29%
JSC Ceļu pārvalde	0.93%
JSC Garantiju aģentūra	0.34%
JSC Latvijas Mobilais Telefons	5%

Table 56. Ownership of companies by SJSC Privatizācijas aģentūra (as of 01.07.2016)

Name of SOE	Proportion of equity shares
JSC Reverta	84.15%
LLC Hiponia	100%
LLC FeLM	100%

SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs⁴⁸

SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs (hereinafter - LVĢMC) collects and processes the environmental information, informs the public, state and local authorities, performs environmental monitoring, geological monitoring, exploration and assessment of earth's resources, management of state-owned hazardous waste objects, safe management of radioactive waste and nuclear sites.

All LVĢMC equity shares are owned by the State of Latvia, and the shareholder is the Ministry of Environmental Protection and Regional Development of the Republic of Latvia.

LVĢMC performs both the public administration delegated tasks and offers commercial services. LVĢMC is the competent institution for biocide issues in Latvia that performs chemical substance assessment in cooperation with the European Chemicals Agency. LVĢMC also provides the management of radioactive waste by managing the radioactive waste warehouse "Radons", hazardous waste recovery objects that are state-owned, the hazardous waste landfill, as well as other state-owned objects and equipment for hazardous waste management. LVĢMC is the only regional standard dosimetry (SSD laboratories) provider in the Baltic States. In accordance with the contract concluded with JSC Latvenergo, LVĢMC performs fixation of reservoir banks for the Daugava hydroelectric power station.

In 2015, LVĢMC received the state funding in the amount of 3 516 191 euros for the implementation of the delegated tasks. In 2015, LVĢMC operated with losses in the amount of 361 500 euros due to depreciation of LVĢMC fixed assets. At the same time, in 2015, the export of services provided by LVĢMC has increased. LVĢMC has been provided the funding to start the elimination of the Salaspils nuclear reactor in 2017 and 2018.

Table 57. Financial indicators of SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs

Main financial indicators, EUR '000		
Overall indicators	2014	2015
Turnover	6 032.0	5 868.7
Profit/loss	-438.4	-361.5
EBITDA	774.6	930.6
EBIT	-379.8	-301.7
Total assets	21 065.6	23 381.5
Share capital	25 303.6	25 303.6
Equity	19 951.2	19 589.7
Factors		
Profit and turnover ratio, %	-7.3%	-6.2%
EBITDA and turnover ration, %	12.8%	15.9%
Return on assets, ROA, %	-2.1%	-1.5%
Return on equity, ROE, %	-2.2%	-1.8%
Total liquidity indicator	1.9	1.3
Liabilities to equity ratio	0.1	0.2
Other indicators		
Number of employees on average per year	295	296
Gross remuneration, average per employee	8.2	8.5
Investment in fixed assets	367.7	1 039.2
Dividends from the profits of the previous year paid into the national budget	0.0	0.0
All installements in the budget (incl. dividends, taxes, fees)	1 687.5	1 967.2
Funding directly or indirectly received from the national budget (grants, fees for services and other financial products)	3 356.9	3 516.2

⁴⁸ 2015 Annual report of SLLC Latvijas Vides, ģeoloģijas un meteoroloģijas centrs

Planned Development of Governance of State-owned Enterprises in 2016

Latvia's accession to the Organisation for Economic Co-operation and Development, conclusion of technical negotiations. In 2016, Latvia's goal to become a full fledged member state of the Organisation for Economic Co-operation and Development (OECD) has been accomplished. At the same time, Latvia needs to continue work to implement individual recommendations that are included in the assessment report, ensuring a good corporate governance.

One of the essential recommendations that is also included in the Agreement on Latvia's Accession to the OECD is about the establishment of supervisory councils in the largest commercially oriented SOEs. In the first half of 2016, the supervisory councils were established in JSC Latvijas valsts meži, SJSC Latvijas dzelzceļš, SJSC Latvijas autoceļu uzturētājs, SJSC Latvijas Pasts and SJSC Starptautiskā lidosta "Rīga". It is planned to create a supervisory council in JSC Latvenergo before November 2016 and in three SOEs owned by the Ministry of Transport and three SOEs owned by the Ministry of Finance by the end of 2016, which correspond to the minimum size criteria for creating a council as defined by the Law on Governance of Capital Shares and SOEs of a Public Person.

The coordination of implementation of the SOE medium-term operational strategy is an essential task of SOEs governance and a precondition for the increase in ROE. It is important to provide the financial goals in the strategy implementation process, which correspond the level of private business. That is a challenge as the financial goals need to be coordinated and balanced with non-financial goals, which are set to the SOE by the shareholder by linking them with the implementation of industry policy priorities. That is a challenge for both shareholders and CSCC, but its implementation will determine how successfully the assets and capital invested in the SOEs will be used.

In 2016, the Coordination Institution Council launched active work by approving a number of guidelines in the field of SOEs governance. The future activities of the Coordination Institution Council should focus on improving the SOEs governance with a particular emphasis on the desired return on capital and justification for it, content of the criteria of state ownership policy and application, as well as issues relating to appointment of board and council members and remuneration.

In 2016, a research was commenced on remuneration of board members of capital companies in different branches of the private sector in the Baltic States. It is planned that, as the result of the research, data will be obtained on remuneration of board members grouped by twenty sectors of national economy and three size groups, according the size of a capital company (depending on net turnover, balance total and number of employees). This research is intended to gain additional objective data about remuneration of board members in the private sector, which can be used for the development of guidelines for determination of

remuneration for board and council members of SOEs. At the same time, the research results, if there is appropriate justification, can be used for the development of possible amendments to the Law on Governance of Public Person's Capital Shares and Capital Companies that will be launched in the second half of 2016. In addition, by addressing the issues that relate to SOE's governance and capital shares, the information is obtained about specific issues on the implementation of the law, and the work on possible amendments to the law could have a wider scope.

Taking into account the development of supervisory councils undertaken in the largest SOE's, CSCC has established deficiencies in the existing legislation as well as the Baltic Institute of Corporate Governance has developed and published its suggestions for appointment of SOEs supervisory council members. Therefore, the work on drafting the amendments to respective Cabinet of Ministers' orders was commenced to clarify the framework for the nomination process, incl. with regard to publishing the information about the nomination process, establishment of possible conflict of interest and factors that influence impartiality, the responsibility for provision of false information in the statement and disclosure of confidential information. The work on the development of these amendments was concluded in autumn 2016. On 27 September, the Cabinet of Ministers passed Order No. 647 "Amendments to the Cabinet of Ministers' Order No 686 "Order by which Candidates are Nominated for Positions of Management Board and Supervisory Council Members in SOE's where the state as a Shareholder has the Right to Nominate Management Board or Supervisory Council Members, and Management Board members in SOE's with a Supervisory Council" of 1 December 2015.

2016 was the first year when the operational results of capital companies were evaluated according to a uniform methodology and legal framework. Shareholders have submitted the assessment of operational results for the majority of SOEs as well as the CSCC has submitted 55 assessments about capital companies' operational results until 20 October 2016. It is important to note that, in 2016, capital companies' operational results are measured against the financial and non-financial objectives set forth in capital companies' budgets and by capital companies themselves by coordinating them with the shareholder. Thus, the development of medium-term operational strategies, by balancing financial and non-financial objectives while ensuring the level of return on capital that can be compared with the indicators of capital companies in the private sector and taking into account the non-financial objectives set for the capital company and the sector, is still an essential element for future work.

Annex

SOEs, State-owned Equity Shares, Equity Shares Belonging to the SOEs and to enterprises Effectively Controlled by the State (prepared for 01.07.2016)

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
1	JSC Latvenergo (group)	Energy	929 128.0	85 039.0	3 517 372.0	100% Ministry of Economics	
2	SJSC Latvijas dzelzceļš (group)	Transport	420 163.0	583.0	1 014 784.0	100% Ministry of Transport	
3	LLC LDZ CARGO	Transport	332 706.2	2 868.8	182 244.7	100% SJSC Latvijas dzelzceļš	
4	JSC Sadales tīkls	Energy	292 291.0	-10 837.0	1 310 085.0	100% JSC Latvenergo	
5	JSC Air Baltic Corporation (consolidated)	Transport	284 606.9	19 547.6	119 805.6	80.05% Ministry of Transport	From 02.05.2016, 80.05% shareholder is the Ministry of Transport
6	JSC Latvijas valsts meži	Forestry	261 551.1	59 300.1	360 102.9	100% Ministry of Agriculture	
7	LLC Lattelecom (group)	Communications	190 614.7	32 150.1	319 050.1	51% SJSC Privatizācijas aģentūra	
8	JSC RĪGAS SILTUMS	Energy	173 484.8	2 422.5	164 022.8	48.995% Ministry of Economy, 0.005% JSC Latvenergo	
9	LLC Latvijas Mobilais Telefons (consolidated)	Communications	179 518.7	22 194.2	251 115.7	23% SJSC LVRTC, 23% LLC Lattelecom, 5% SJSC Privatizācijas aģentūra	
10	LLC LDZ ritošā sastāva serviss	Transport	83 282.6	47.1	77 432.5	100% SJSC Latvijas dzelzceļš	
11	JSC Augstsprieguma tīkls'	Energy	124 775.8	172.6	107 187.7	100% Ministry of Finance	
12	LLC Rīgas Austrumu klīniskā universitātes slimnīca	Health care	94 129.5	-4 973.5	98 612.5	100% Ministry of Health	
13	SLLC Paula Stradiņa klīniskā universitātes slimnīca	Health care	81 503.5	152.8	104 719.0	100% Ministry of Health	
14	SJSC Latvijas autoceļu uzturētājs	Transport	61 911.7	3 000.4	60 994.8	100% Ministry of Transport	
15	JSC Latvijas elektriskie tīkli	Energy	47 510.0	14 880.0	405 181.0	100% JSC Latvenergo	
16	JSC Pasažieru vilciens	Transport	63 275.7	556.0	55 173.5	100% Ministry of Transport	
17	SJSC Latvijas Pasts	Communications	60 674.3	3 206.7	91 701.8	100% Ministry of Transport	
18	SJSC Valsts nekustamie īpašumi	Real estate	66 147.3	-10 506.3	409 485.5	100% Ministry of Finance	
19	SJSC Starptautiskā lidosta "Rīga"	Transport	49 090.2	1 150.9	186 027.8	100% Ministry of Transport	
20	SJSC Ceļu satiksmes drošības direkcija	Transport	39 364.7	1 513.7	40 973.4	100% Ministry of Transport	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
21	SLLC Bērnu klīniskā universitātes slimnīca	Health care	33 965.6	3.7	60 958.4	100% Ministry of Health	
22	SJSC Latvijas gaisa satiksme	Transport	24 965.4	470.9	30 545.3	100% Ministry of Transport	
23	LLC LDZ infrastruktūra	Transport	24 949.8	640.9	20 337.4	100% SJSC Latvijas dzelzceļš	
24	LLC Citrus Solutions	Communications	25 023.6	541.1	17 038.4	100% LLC Lattelecom	
25	SJSC Latvijas Loto (consolidated)	Other sectors	24 685.9	4 027.2	11 645.4	100% Ministry of Finance	
26	LLC Lattelecom Technology	Communications	21 334.2	2 275.0	11 407.4	100% LLC Lattelecom	
27	SLLC Latvijas televīzija	Other sectors (public electronic mass media)	16 949.8	-1 197.7	14 675.0	100% National Electronic Mass Media Council	
28	JSC Attīstības finanšu institūcija Altum	Other sectors (financial services)	15 453.6	2 208.3	403 977.7	40% Ministry of Finance, 30% Ministry of Economy, 30% Ministry of Agriculture	
29	SJSC Latvijas Valsts radio un televīzijas centrs	Communications	14 897.8	5 233.3	104 402.7	100% Ministry of Transport	
30	SJSC Latvijas Valsts ceļi	Transport	13 581.2	57.8	6 131.8	100% Ministry of Transport	
31	SLLC Traumatoloģijas un ortopēdijas slimnīca	Health care	11 640.3	-82.0	11 089.1	100% Ministry of Health	
32	SLLC Rīgas psihiatrijas un narkoloģijas centrs	Health care	12 438.7	39.9	25 059.7	100% Ministry of Health	
33	SLLC Latvijas Nacionālā opera un balets	Culture	11 271.0	12.6	7 007.5	100% Ministry of Culture	
34	LLC LDZ Cargo Loģistika	Transport	12 312.8	141.3	1 130.0	100% LLC LDZ CARGO	
35	JSC Aviation Crew Resources	Transport	11 086.7	61.5	5 114.7	100% JSC Air Baltic Corporation	
36	JSC Reverta (group)	Real estate	1 453.7	-54 251.7	144 368.1	84.15% SJSC Privatizācijas aģentūra	
37	SLLC Latvijas Radio	Other sectors (public electronic mass media)	8 873.6	-16.0	7 157.1	100% National Electronic Mass Media Council	
38	JSC VRC Zaslauks	Transport	1 824.2	-538.0	1 372.6	51% JSC Pasažieru vilciens	
39	SLLC Nacionālais rehabilitācijas centrs "Vaivari"	Health care	9 058.5	10.9	9 211.1	100% Ministry of Health	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
40	LLC Latvijas Lauku konsultāciju un izglītības centrs	Agriculture	8 303.2	13.8	5 062.4	99.32% Ministry of Agriculture	
41	LLC LDZ Apsardze	Transport	7 291.6	101.2	1 770.9	100% SJSC Latvijas dzelzceļš	
42	SLLC Daugavpils psihoneiroloģiskā slimnīca	Health care	7 111.2	7.0	18 673.4	100% Ministry of Health	
43	SJSC Tiesu namu aģentūra	Real estate	6 336.7	85.7	48 825.0	100% Ministry of Justice	
44	SLLC Latvijas Vides ģeoloģijas un meteoroloģijas centrs	Other sectors (other)	5 868.7	-361.5	23 381.5	100% Ministry of Environmental Protection and Regional Development	
45	SJSC Elektroniskie sakari	Communications	6 229.7	49.4	11 561.0	100% Ministry of Environmental Protection and Regional Development	
46	LLC Auteko & TUV Latvija	Transport	5 569.5	776.7	3 982.7	51% SJSC Ceļu satiksmes drošības direkcija	
47	SLLC Slimnīca "Ģintermuiža"	Health care	5 220.3	162.2	14 183.7	100% Ministry of Health	
48	LLC Biroju centrs Ezerparks	Real estate	7 181.6	2 649.0	74 097.6	100% SJSC Valsts nekustamie īpašumi	100% BCE capital shares since 29.12.2015 (until then - 31.5%) are owned by SJSC Valsts nekustamie īpašumi
49	SLLC Rīgas Tūrisma un radošās industrijas tehnikums	Education	5 046.5	46.0	13 262.4	100% Ministry of Education and Science	
50	SLLC Zemkopības ministrijas nekustamie īpašumi	Real estate	4 773.1	14.1	6 690.8	100% Ministry of Agriculture	
51	SLLC Strenču psihoneiroloģiskā slimnīca	Health care	4 549.5	47.4	7 217.7	100% Ministry of Health	
52	SLLC Latvijas Jūras administrācija	Transport	4 239.4	49.4	5 393.3	100% Ministry of Transport	
53	LLC Lattelecom BPO	Communications	4 526.0	765.2	1 887.6	100% LLC Lattelecom	
54	LLC PINS.CO	Advertisement services	5 165.9	-831.8	3 083.3	95.94% JSC Air Baltic Corporation	Since 26.04.2016, LLC Coalition Rewardsk is LLC PINS.CO
55	SLLC Latvijas Nacionālais teātris	Culture	4 162.8	6.1	1 474.0	100% Ministry of Culture	
56	SLLC Autotransporta direkcija	Transport	3 387.2	516.0	3 468.8	100% Ministry of Transport	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
57	SLLC Dailes teātris	Culture	4 026.9	0.3	782.5	100% Ministry of Culture	
58	LLC Hiponia	Real estate	3 920.8	-11 300.2	61 862.6	100% SJSC Privatizācijas aģentūra	
59	SLLC Aknīstes psihoneiroloģiskā slimnīca	Health care	3 317.5	2.6	6 913.8	100% Ministry of Health	
60	SLLC Piejūras slimnīca	Health care	3 110.2	-4.4	10 697.6	100% Ministry of Health	
61	SJSC Privatizācijas Aģentūra	Other sectors (other)	2 794.4	-71.3	46 524.7	100% Ministry of Economy	
62	SLLC Mihaila Čehova Rīgas Krievu teātris	Culture	2 611.3	-35.5	1 053.2	100% Ministry of Culture	
63	LLC Air Baltic Training	Transport	2 471.0	159.8	1 149.2	100% JSC Air Baltic Corporation	
64	LLC Veselības aprūpes nekustamie īpašumi	Real estate	2 396.9	120.3	492.3	100% SJSC Valsts nekustamie īpašumi	
65	SLLC Jaunais Rīgas teātris	Culture	2 870.2	3.0	1 097.8	100% Ministry of Culture	
66	LLC Scantest	Transport	2 242.0	674.9	1 041.4	20% SJSC Ceļu satiksmes drošības direkcija	
67	LLC Latvijas Olimpiskā vienība	Sports (Sports organisation)	2 288.0	49.0	743.5	29% Ministry of Education and Science	
68	SLLC Latvijas Vēstnesis	Other sectors (other)	1 903.3	82.7	2 996.7	100% Ministry of Justice	
69	SLLC Bulduru Dārkopības vidusskola	Education	1 253.5	13.7	6 564.5	100% Ministry of Education and Science	09.08.2016 COM decision was accepted for change in derived public person SOE, where the capital shares are owned by the Latvia University of Agriculture
70	SLLC Iekšlietu ministrijas poliklinika	Health care	2 020.6	2.0	801.3	100% Ministry of the Interior	
71	LLC Meža un koksnes produktu pētniecības un attīstības institūts	Forestry	1 956.6	46.8	1 122.0	40% JSC Latvijas valsts meži	
72	LLC Veselības centrs "Biķernieki"	Health care	1 444.5	5.9	585.4	99,58% LLC Rīgas Austrumu klīniskā universitātes slimnīca	
73	LLC Autests	Transport	1 466.0	253.1	1 596.1	20% SJSC Ceļu satiksmes drošības direkcija	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
74	LLC Latvijas nacionālais metroloģijas centrs	Other sectors (Certification)	1 191.5	2.6	1 160.3	100% Ministry of Economy	
75	SLLC Latvijas Koncerti	Culture	1 130.5	11.1	917.7	100% Ministry of Culture	
76	JSC LatRailNet	Transport	1 197.9	12.7	276.0	100% SJSC Latvijas dzelzceļš	
77	SLLC Bērnu psihoneiroloģiskā slimnīca "Ainaži"	Health care	1 032.6	5.9	4 349.7	100% Ministry of Health	
78	SLLC Valsts Akadēmiskais koris "Latvija"	Culture	1 455.3	1.0	178.9	100% Ministry of Culture	
79	JSC Enerģijas publiskais tirgotājs	Energy	2 201.5	0.0	160.1	100% JSC Latvenergo'	
80	SLLC Rīgas Cirks	Culture	642.1	-44.7	465.9	100% Ministry of Culture	
81	LLC Baltijas Kravas Centrs	Logistics	595.2	-48.9	366.3	100% JSC Air Baltic Corporation	
82	SLLC Kremerata Baltica	Culture	704.9	0.3	35.4	100% Ministry of Culture	
83	LLC Standartizācijas, akreditācijas un metroloģijas centrs	Other sectors (Certification)	801.4	65.9	966.9	100% Ministry of Economy	
84	LLC LatLoto nams	Other sectors (other)	806.3	64.2	229.5	100% SJSC Latvijas Loto	
85	SLLC Šampētera nams	Real estate	949.6	0.7	905.2	100% Ministry of Welfare	
86	LLC Jaunmoku pils	Real estate	667.6	42.1	1 428.0	100% JSC Latvijas valsts meži	
87	LLC Bobsleja un kamaniņu trase "Sigulda"	Sports (National sports base)	672.4	-0.4	6 262.8	100% Ministry of Education and Science	
88	LLC Sertifikācijas un testēšanas centrs	Other sectors (certification)	747.7	21.8	481.0	100% SJSC Privatizācijas aģentūra	
89	LLC Mailmaster	Transport	528.6	48.6	516.6	100% SJSC Latvijas Pasts	
90	SLLC Valmieras drāmas teātris	Culture	678.7	1.0	521.0	100% Ministry of Culture	
91	LLC VNĪ pils	Real estate	617.6	7.2	133.0	100% SJSC Valsts nekustamie īpašumi	
92	SLLC Straupes narkoloģiskā slimnīca	Health care	639.3	3.7	158.9	100% Ministry of Health	
93	SLLC Latvijas Leļļu teātris	Culture	542.7	1.3	340.2	100% Ministry of Culture	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
94	SLLC Latvijas Nacionālais simfoniskais orķestris	Culture	557.5	-65.9	618.1	100% Ministry of Culture	
95	SLLC Latvijas proves birojs	Other sectors (other)	535.7	30.0	824.3	100% Ministry of Finance	
96	SLLC Meliorprojekts	Agriculture	375.0	-29.8	214.6	100% Ministry of Agriculture	
97	SLLC Kultūras un sporta centrs "Daugavas stadions"	Sports (National sports base)	344.5	0.8	1 015.3	100% Ministry of Education and Science	
98	LLC Sporta centrs "Mežaparks"	Sports (National sports base)	293.2	110.1	15 670.0	99.99% Ministry of Education and Science	
99	LLC Tenisa centrs "Lielupe"	Sports (National sports base)	247.7	14.2	11 977.8	99.9% Ministry of Education and Science	
100	LLC Venttests	Transport	224.9	39.3	578.6	50% SJSC Ceļu satiksmes drošības direkcija	
101	LLC Starptautiskā Rakstnieku un tulkotāju māja	Culture	237.9	-0.9	39.6	33.33% Ministry of Culture	
102	SLLC Liepājas simfoniskais orķestris	Culture	1 744.2	0.2	293.9	100% Ministry of Culture	
103	LLC Rīgas Hematoloģijas centrs"	Health care	164.7	-8.0	274.8	49.04% Ministry of Health, 50.96% LLC Rīgas Austrumu klīniskā universitātes slimnīca	
104	SLLC Daugavpils teātris	Culture	159.0	0.6	146.0	100% Ministry of Culture	
105	LLC Vides investīciju fonds	Other sectors (other)	112.1	0.9	6 718.8	100% Ministry of Environmental Protection and Regional Development	
106	LLC Eiropas dzelzceļa līnijas	Transport	4.6	-21.0	1 342.4	100% Ministry of Transport	
107	LLC Liepājas sērskociņi	Other sectors (other)	0.0	26.2	653.6	10.62% SJSC Privatizācijas aģentūra	
108	Elektrum Eesti OU	Energy	37 552	192	5 923	100% SJC Latvenergo'	
109	Elektrum Lietuva UAB	Energy	80 590	529	11 268	100% JSC Latvenergo'	
110	LLC Liepājas enerģija	Energy	17 066	3 122	43 573	51% JSC Latvenergo'	
111	JSC Latvijas Gāze	Energy	444 686	30 517	750 015	0.00029% Ministry of Economy	
112	LLC STREK	Transport	17 280	6 108	46 052	5.84% SJSC Latvijas dzelzceļš	
113	LLC Mirigo	Transport	n/a	n/a	n/a	3% SJSC Latvijas dzelzceļš	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
114	JSC RB Rail	Transport	0	-680	12 734	33.33% LLC Eiropas Dzelzceļa līnijas	
115	LLC Rīgas Vagonbūves Uzņēmums "Baltija"	Transport	69	-117	458	100% LLC LDZ ritošā sastāva serviss	
116	LLC Baltijas Datoru Akadēmija	Communications	2 616	323	592	100% LLC Lattelecom	
117	LLC Media 360	Communications	672	-370	2 460	100% LLC Lattelecom Technology	
118	JSC Rīgas Kinostudija	Culture	n/a	n/a	n/a	24.1% Ministry of Culture	
119	JSC Pirmais Slēgtais Pensiju Fonds	Other sectors (Financial services)	n/a	n/a	183	50% LLC Lattelecom Group; 48.15% JSC Latvenergo group; 1.85% JSC Augstsprieguma tīkls	
120	LLC Kurzemes radio	Other sectors (Public electronic mass media)	194	3	118	0.58% SLLC Latvijas Radio	
121	JSC Latvijas Finieris	Other sectors (other)	194 373	10 339	237 245	0.94% JSC Latvijas valsts meži	
122	JSC Komunālprojekts	Other sectors (other)	600	-78	1 078	14.75% SJSC Privatizācijas aģentūra	
123	LLC Sanatorija Dzimtene	Other sectors (other)	50	-5	76	10% SJSC Privatizācijas aģentūra	
124	JSC Latvijas kuģniecība	Other sectors (other)	2 984	1 017	61 804	10% SJSC Privatizācijas aģentūra	
125	JSC Rīgas sanitārā transporta autobāze	Other sectors (other)	2 338	736	16 122	10% SJSC Privatizācijas aģentūra	
126	JSC Pūres dārzkopības izmēģinājumu stacija	Other sectors (other)	181	5	309	8.73% SJSC Privatizācijas aģentūra	
127	LLC Balt Alliance	Other sectors (other)	1 614	67	3 237	8% SJSC Privatizācijas aģentūra	
128	JSC AUTO-REMONTS	Other sectors (other)	237	3	171	5.05% SJSC Privatizācijas aģentūra	
129	Rēzekne SEZ JSC REBIR	Other sectors (other)	1 955	76	8 900	5% SJSC Privatizācijas aģentūra	
130	JSC UNI SAN	Other sectors (other)	1 290	-149	680	5% SJSC Privatizācijas aģentūra	
131	JSC Latvijas Nacionālais autopārvadātāju centrs	Other sectors (other)	0	0	0	5% SJSC Privatizācijas aģentūra	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
132	JSC Lielplatone	Other sectors (other)	494	-91	1 681	5% SJSC Privatizācijas aģentūra	
133	JSC Latgales ciltslietu un mākslīgās apsūkšanas stacija	Other sectors (other)	300	1	967	4.91% SJSC Privatizācijas aģentūra	
134	JSC Stendes selekcijas un izmēģinājumu stacija	Other sectors (other)	736	214	4 174	4.81% SJSC Privatizācijas aģentūra	
135	JSC Lopkopības Izmēģinājumu Stacija Latgale	Other sectors (other)	1 063	151	2 915	4.77% SJSC Privatizācijas aģentūra	
136	JSC Latvijas maiznieks	Other sectors (other)	23 949	544	17 927	3.97% SJSC Privatizācijas aģentūra	
137	JSC Rīgas dzirnavnieks	Other sectors (other)	22 548	718	23 634	3.68% SJSC Privatizācijas aģentūra	
138	JSC Jelgavas mašīnbūves rūpnīca	Other sectors (other)	654	-346	3 690	3.68% SJSC Privatizācijas aģentūra	
139	JSC B.L.B. Baltijas Termināls	Other sectors (other)	13 427	2 077	19 977	3.64% SJSC Privatizācijas aģentūra	
140	JSC Daugavpils specializētais autotransporta uzņēmums	Other sectors (other)	2 649	353	3 194	3.2% SJSC Privatizācijas aģentūra"	
141	JSC Valmieras stikla šķiedra	Other sectors (other)	103 262	5 486	125 179	1.78% SJSC Privatizācijas aģentūra	
142	JSC Grindeks	Other sectors (other)	57 965	-807	138 811	2.29% SJSC Privatizācijas aģentūra	
143	JSC Ceļu pārvalde	Other sectors (other)	19 255	318	11 160	0.93% SJSC Privatizācijas aģentūra	
144	LLC BRC Novatēka	Real estate	n/a	n/a	n/a	7.02% LLC Hiponia	
145	LLC Tilžas rapsis	Real estate	n/a	-28.3	n/a	86.01% LLC Hiponia	Source: 2015 report for LLC Hiponia
146	LLC Priekuļu rapsis	Real estate	n/a	-12.5	n/a	26.27% LLC Hiponia	Source: 2015 report for LLC Hiponia
147	OOO Parex Leasing&Factoring	Real estate	n/a	n/a	n/a	100% AS "Reverta"	Source: First half of 2016 unrevised shortened finance report for JSC Reverta, 11 pages.
148	Regalite Holdings Limited	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
149	NIF Lietuva UAB	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
150	NIF Eesti OU	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
151	LLC NIF Dzivojamie Īpašumi	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
152	LLC NIF Komercīpašumi	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
153	LLC NIF Zemes Īpašumi	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
154	LLC NIF Projekts 1	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
155	LLC NIF Projekts 6	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
156	LLC NIF Projekts 7	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
157	LLC NIF Projekts 8	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
158	Carnella Maritime Corp	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
159	LLC NIF Projekts 10	Real estate	n/a	n/a	n/a	100% JSC Reverta	Source: First half of 2016 unrevised shortened financial report for JSC Reverta, 11 pages
160	LP ZGI fonds	Other sectors (Financial services)	n/a	-383	58	64.77% JSC Attīstības finanšu institūcija Altum	
161	LP Imprimatur Capital Technology Venture Fund	Other sectors (Financial services)	n/a	84	6 764	67% JSC Attīstības finanšu institūcija Altum	
162	LP Imprimatur Capital SeedFund	Other sectors (Financial services)	n/a	-582	6 829	100% JSC Attīstības finanšu institūcija Altum	

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
163	LP BaltCap Latvia VentureCapital Fund	Other sectors (Financial services)	n/a	-1 636	15 493	66.67% JSC Attīstības finanšu institūcija Altum	
164	LP Otrais Eko fonds	Other sectors (Financial services)	n/a	-79	3 172	33.3% JSC Attīstības finanšu institūcija Altum	
165	LP Invento	Other sectors (Financial services)	n/a	n/a	n/a	49.54% JSC Attīstības finanšu institūcija Altum	
166	LP Expansion Capital Fund	Other sectors (Financial services)	n/a	-68	8 423	95.24% JSC Attīstības finanšu institūcija Altum	
167	LP ZGI-3	Other sectors (Financial services)	n/a	-169	9 519	95.24% JSC Attīstības finanšu institūcija Altum	
168	LP Flycap Investment Fund	Other sectors (Financial services)	n/a	-164	6 306	95.24% JSC Attīstības finanšu institūcija Altum	
169	Baltic Innovation Fund	Other sectors (Financial services)	n/a	n/a	n/a	20% JSC Attīstības finanšu institūcija Altum	
170	JSC Citadele banka (group)	Other sectors (Financial services)	n/a	n/a	n/a	75% minus 1 share SJSC Privatizācijas aģentūra	Selling terminated on 20.04.2015 ⁴⁹
171	SJSC Latvijas Attīstības finanšu institūcija ALTUM	Other sectors (Financial services)	n/a	n/a	n/a	100% JSC Attīstības finanšu institūcija	Reorganised 15.04.2015. Source: lusoft.lv
172	LLC Latvijas Garantiju aģentūra	Other sectors (Financial services)	n/a	n/a	n/a	100% JSC Attīstības finanšu institūcija	Reorganised 15.04.2015. Source: lusoft.lv
173	SJSC Lauku attīstība fonds	Other sectors (Financial services)	n/a	n/a	n/a	100% JSC Attīstības finanšu institūcija	Reorganised 15.04.2015. Source: lusoft.lv
174	JSC Transinform	Other sectors (other)	n/a	n/a	n/a	2.91% SJSC Privatizācijas aģentūra"	
175	LLC Garantiju aģentūra	Other sectors (other)	10	-5	244	0.34% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings
176	JSC Latvijas zoovetapgāde	Other sectors (other)	n/a	n/a	n/a	2.6% SJSC Privatizācijas aģentūra	Judicial process on 01.01.2016. Ongoing insolvency proceedings
177	JSC Liepājas metalurģis	Other sectors (other)	5	2 828	1 406	2.5% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings
178	LLC Agroleasing S.I.A.	Other sectors (other)	n/a	n/a	n/a	50% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings

⁴⁹ 20 April 2015, enterprise terminated JSC Citadele banka operation of share selling, Ripplewood and twelve international investor group has become JSC Citadele banka shareholders and ERAB kept about 25% shares of JSC Citadele banka. Settlements with investors, JSC Citadele banka, ERAB and State treasury were done on 20 April 2015 (source: 2015 report for SJSC Privatizācijas aģentūra, p.6).

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
179	LLC Eiropas minerāls	Other sectors (other)	n/a	n/a	n/a	6.89% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings
180	LLC Ventspils ekskursiju birojs	Other sectors (other)	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Liquidation proceedings started on 04.02.2015 (in accordance with SRS decision)
181	JSC Daugavpils dzirnavnieks	Other sectors (other)	81	-6 129	7 975	5% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings
182	JSC Rīgas alus darītava Vārpa	Other sectors (other)	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings
183	JSC Madona-AB	Other sectors (other)	5	-307	27	5% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings
184	JSC Dzelzceļtransportis	Other sectors (other)	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings on 01.01.2016. Company liquidated 13.06.2016
185	JSC Jēkabpils labība	Other sectors (other)	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings on 01.01.2016. Company liquidated 17.05.2016
186	LLC Riska investīciju sabiedrība	Other sectors (financial services)	n/a	n/a	n/a	100% JSC Attīstības finanšu institūcija Altum	Liquidated and excluded from the Enterprise Register of the Republic of Latvia 03.05.2016
187	LLC Rīgas centra Namu pārvalde	Other sectors (financial services)	n/a	n/a	n/a	100% JSC Attīstības finanšu institūcija Altum	Liquidated and excluded from the Enterprise Register of the Republic of Latvia 03.02.2016
188	JSC RAF-Inženieru tehniskais centrs	Other services (other)	n/a	n/a	n/a	6.83% SJSC Privatizācijas aģentūra	Ongoing insolvency proceedings on 01.01.2016. Company liquidated 27.05.2016
189	SLLC Vides projekti	Other sectors (other)	n/a	n/a	n/a	100% Ministry of Environmental Protection and Regional Development	Insolvency proceedings terminated on 14.11.2014; due to the death of the administrator the company is not terminated from the Enterprise register
190	LLC TravelLounge	Transport	n/a	n/a	n/a	100% LLC Baltic Airlines	Liquidation process started from 21.07.2015. In 2015, Travel Lounge liquidation process was not finished, the company does not have economic activity.
191	LLC Baltcom TV	Communications	n/a	n/a	n/a	0,04% SJSC Latvijas Valsts radio un televīzijas centrs	Disposal of shares in october 2015
192	JSC Rēzeknes autobusu parks	Other services (other)	n/a	n/a	n/a	5% SJSC Privatizācijas aģentūra	Disposal of shares 01.10.2015
193	SLLC Namzinis	Real estate	n/a	n/a	n/a	100% Ministry of Transport	Liquidated and excluded from the Enterprise Register of the Republic of Latvia 03.11.2015

No	Name of enterprise	Field of activity	Turnover, 2015, EUR '000	Profit/ loss, 2015, EUR '000	Total assets, 31.12.2015, EUR '000	Proportion of capital shares, holder or owner	Additional information
194	LLC Training Centre Holdings	Transport	342,9	-7,2	2 974,6	100% JSC Air Baltic Corporation"	Liquidated by reorganization Air Baltic Corporation 14.10.2015.
195	LLC Baltic Airlines	Transport	312,5	300,0	11 222,6	100% JSC Air Baltic Corporation	Liquidated by reorganization Air Baltic Corporation 14.10.2015.
196	JSC IT Latvija	Transport	n/a	n/a	n/a	78% SJSC Latvijas Pasts	Disposal of shares 19.01.2015
197	JSC Latvijas Pasta nodāju tīkls	Transport	n/a	n/a	n/a	80% SJSC Latvijas Pasts	Liquidated and excluded from the Enterprise Register of the Republic of Latvia 27.05.2015
198	JSC Nordic Energy Link	Energy	n/a	n/a	n/a	25% JSC Latvenergo	Disposal of shares in 2014. Excluded from the Commercial Register of the Republic of Estonia 04.10.2015.
199	LLC ZetCOM	Communications	n/a	n/a	n/a	100% LLC Latvijas Mobilais Telefons	
200	LLC LMT Retail&Logistics	Communications	n/a	n/a	n/a	100% LLC Latvijas Mobilais Telefons	