



AB LIMARKO LAIVININKYSTĖS KOMPANIJA
LIMARKO SHIPPING COMPANY AB

TO: Lithuanian Securities Commission
Konstitucijos ave. 23
LT-08105 Vilnius, Lithuania

2008-08-21 Nr. FIN-1-113-08

Confirmation of responsible persons

Following the Article No. 22 of Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Vytautas Lygnugaris, President of Limarko laivininkystės kompanija AB, and Renaldas Vyšniauskas, Finance Director of Limarko laivininkystės kompanija AB, hereby confirm, that to the best of our knowledge, the attached not audited Limarko laivininkystės kompanija AB Interim Financial Statements for the six months of 2008, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Limarko laivininkystės kompanija AB. We hereby also confirm, that to the best of our knowledge, the report on business development and activities in the attached Interim Report for the first six months of 2008 is correct.

Enclosure:

1. Limarko laivininkystės kompanija AB Interim Financial Statements for the six months of 2008;
2. Limarko laivininkystės kompanija AB Interim Report for the first six months of 2008.

President & CEO

Vytautas Lygnugaris

Finance Director

Renaldas Vyšniauskas



LIMARKO LAIVININKYSTĖS KOMPANIJA

Interim Financial Statements for the first six months of 2008

August 2008, Klaipėda

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The financial statements of Limarko laivininkystės kompanija AB have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

Financial statements for the first six months of 2008 are not audited.

Income statement

		<i>In thousand of Litas</i>			
No.	In thousand of Litas	Q2 2008	Q2 2007	H1 2008	H1 2007
I.	SALES INCOME	<u>41 140</u>	<u>39 419</u>	<u>77 165</u>	<u>73 992</u>
II.	COST OF SALES	<u>32 963</u>	<u>29 711</u>	<u>65 862</u>	<u>56 463</u>
III.	GROSS PROFIT (LOSS)	8 177	9 708	11 303	17 529
IV.	OPERATING COSTS	<u>1 864</u>	<u>1 966</u>	<u>3 671</u>	<u>3 746</u>
IV.1.	Sales	(14)	(10)	(21)	2
IV.2.	General and administrative	1 878	1 976	3 692	3 743
V.	OPERATING PROFIT (LOSS)	6 313	7 742	7 632	13 783
VI.	OTHER ACTIVITIES	(103)	130	(46)	161
VI.1.	Income	88	139	145	187
VI.2.	Expenses	192	9	192	25
VII.	FINANCING AND INVESTING ACTIVITIES	(1 286)	(614)	4 214	(471)
VII.1.	Income	(215)	949	6 642	2 541
VII.2.	Expenses	1 071	1 562	2 428	3 012
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	4 923	7 258	11 800	13 474
IX.	GAIN				
X.	LOSSES				
XI.	PROFIT (LOSS) BEFORE TAX	4 923	7 258	11 800	13 474
XII.	PROFIT TAX				
XIII.	NET PROFIT (LOSS)	4 923	7 258	11 800	13 474



Balance sheet

In thousand of Litas

ASSETS		2008 06 30	2007 12 31	2007 06 30
A.	NON-CURRENT ASSETS	226 273	239 292	218 292
I.	INTANGIBLE ASSETS	44	56	73
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software	44	56	73
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS	225 980	238 796	217 888
II.1.	Land			
II.2.	Buildings and constructions	1 859	1 903	1 947
II.3.	Machinery and equipment			
II.4.	Vehicles	223 359	236 024	215 373
II.5.	Other property, plant and equipment	762	869	567
II.6.	Construction in progress			
II.7.	Other tangible assets			
III.	FINANCIAL ASSETS	248	440	331
III.1.	Investments into subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		191	
III.4.	Other financial assets	248	248	331
B.	CURRENT ASSETS	38 445	20 977	25 686
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	16 731	9 761	9 496
I.1.	Inventories	7 937	7 388	6 211
I.1.1.	Raw materials and consumables	7 937	7 388	6 211
I.1.2.	Work in progress			
I.1.3.	Finished goods			
I.1.4.	Goods for resale			
I.2.	Prepayments	8 794	2 373	3 285
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	8 490	9 515	6 856
II.1.	Trade amounts receivable	8 091	9 075	6 485
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable	399	439	371
III.	OTHER CURRENTS ASSETS	2 173		1 420
III.1.	Current investments			
III.2.	Time deposits	2 173		1 420
III.3.	Other currents assets			
IV.	CASH AND CASH EQUIVALENTS	11 050	1 702	7 914
TOTAL ASSETS		264 717	260 269	243 978



EQUITY AND LIABILITIES		2008 06 30	2007 12 31	2007 06 30
C.	EQUITY	142 997	131 347	123 859
I.	CAPITAL	109 451	109 451	109 451
I.1.	Authorised (subscribed)	109 451	109 451	109 451
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own Shares (-)			
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES	7 645	6 597	6 597
III.1.	Legal reserve	7 645	6 597	6 597
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves			
IV.	RETAINED EARNINGS (LOSSES)	25 901	15 299	7 811
IV.1.	Profit (loss) of the reporting year profit	11 800	20 962	13 474
IV.2.	Profit (loss) of the previous year	14 101	(5 663)	(5 663)
D.	GRANTS AND SUBSIDIES			
E.	AMOUNTS PAYABLE AND LIABILITIES	121 721	128 922	120 119
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	79 055	92 778	89 424
I.1.	Financial debts	79 055	92 778	83 024
I.1.1.	Leases and similar obligations			
I.1.2.	To credit institutions	79 055	92 778	83 024
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Amounts received in advance			
I.4.	Provisions			
I.4.1.	For covering liabilities and demands			
I.4.2.	For pensions and similar obligations			
I.4.3.	Other provisions			
I.5.	Deferred taxes			6 400
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	42 666	36 144	30 695
II.1.	Current portion of non-current debts	15 081	17 732	15 077
II.2.	Financial debts			
II.2.1.	To credit institutions			
II.2.2.	Other debts			
II.3.	Trade amounts payable	9 643	11 882	8 699
II.4.	Amounts received in advance	11 767	755	578
II.5.	Profit tax liabilities	82	82	1 908
II.6.	Liabilities related with labour relations	6 059	5 658	4 397
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities	35	36	35
TOTAL EQUITY AND LIABILITIES		264 717	260 269	243 978



Statement of cash flows
In thousand of Litas

No.	In thousand of Litas	H1 2008	H1 2007
I.	Cash flows from operating activities		
I.1.	Net profit (loss)	11 800	13 474
I.2.	Depreciation and amortization costs	11 753	9 809
I.3.	Decrease (increase) in amounts receivable after one year	-	-
I.4.	Decrease (increase) in inventory	(549)	(2 747)
I.5.	Decrease (increase) in advances received	(6 421)	(493)
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	985	755
I.8.	Decrease (increase) in amounts receivable from	-	-
I.9.	Decrease (increase) in other amounts receivable	40	36
I.10.	Decrease (increase) in other current assets	(2 173)	(1 420)
I.11.	Increase (decrease) in non-current payables to suppliers	-	-
I.12.	Increase (decrease) in current payables to suppliers and	8 772	2 307
I.13.	Increase (decrease) in profit tax liability	-	-
I.14.	Increase (decrease) in liabilities connected with labour	401	1 220
I.15.	Increase (decrease) in provisions	-	-
I.16.	Increase (decrease) in other amounts payable and	(1)	0
I.17.	Elimination of financing and investing activity results	(4 086)	475
	Net cash flows from operating activities	20 520	23 416
II.	Cash flows from investing activities		
II.1.	Acquisition of non-current assets (excluding investments)	(4 343)	(44 868)
II.2.	Transfer of non-current assets (excluding investments)	5 236	3 181
II.3.	Acquisition of long-term investments	-	-
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted	-	-
II.6.	Loans recovered	191	49
II.7.	Dividends and interest received	59	162
II.8.	Other increase in cash flows from investing activities	-	-
II.9.	Other decrease in cash flows from investing activities	-	-
	Net cash flows from investing activities	1 144	(41 476)
III.	Cash flows from financing activities		
III.1.	Cash flows related to enterprise owners:	(150)	-
III.1.1.	Emission of shares	-	-
III.1.2.	Owners' contributions against losses	-	-
III.1.3.	Purchase of own shares	-	-
III.1.4.	Dividends, bonuses paid	(150)	-
III.2.	Cash flows arising from other financing sources	(12 290)	18 364
III.2.1.	Increase in financial debts	-	30 006
III.2.1.1.	Loans received	-	30 006
III.2.1.2.	Issue of bonds	-	-
III.2.2.	Decrease in financial debts	(12 290)	(11 641)
III.2.2.1.	Loans repaid	(9 919)	(8 644)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(2 371)	(2 993)
III.2.2.4.	Payments of lease (finance lease) liabilities	-	(5)
III.2.3.	Increase in other enterprise liabilities	-	-
III.2.4.	Decrease in other enterprise liabilities	-	-
III.2.5.	Other increase in cash flows from financial activities	-	-
III.2.6.	Other decrease in cash flows from financial items	-	-
	Net cash flows from financing activities	(12 440)	18 364
IV.	Cash flows from extraordinary items	-	-
V.	The effects of changes in foreign exchange rates on	125	(194)
VI.	Net increase (decrease) in cash flows	9 349	111
VII.	Cash and cash equivalents at the beginning of period	1 702	7 804
VIII.	Cash and cash equivalents at the end of period	11 050	7 914



Statement of changes in equity

In thousand of Litas

In thousand of Litas	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2007	109 451	6 597	(5 663)	110 385
Net profit for H1 2007	-	-	13 474	13 474
Balance at 30 June 2007	109 451	6 597	7 811	123 859
Balance at 1 January 2008	109 451	6 597	15 299	131 347
Net profit for H1 2008	-	-	11 800	11 800
Appropriation of profit for the year 2007:				
Increasing of the statutory reserve	-	1 048	(1 048)	-
Bonuses	-	-	(150)	(150)
Balance at 30 June 2008	109 451	7 645	25 901	142 997

Explanatory letter

Limarko laivininkystės kompanija AB (the "Company") is a company domiciled in Lithuania. The Company is involved in transportation of cargo by sea transport (vessels).

The major shareholder of the Company is Limarko UAB, a company incorporated in Lithuania, which owns 86.73% of the share capital (30 June 2008). The ordinary shares of the company are listed on the Vilnius Stock Exchange

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

The financial statements are presented in Litas, the legal currency of Lithuania and considered to be the functional currency of the company, and are prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value, from accounting records maintained in accordance with Lithuanian laws and regulations.

Revenue

In thousand of Litas	H1 2008	H1 2007
Voyage charter operations	50 972	46 047
Time charter operations	13 764	9 378
Pool operations	11 816	17 573
Demurrage	613	995
Total revenue	77 165	73 992



As at 30 June 2008, the Company owned 15 vessels: 13 reefer ships and 2 container ships. The Company sold m/v Tukanas on 21 May 2008.

During the six months of 2008 the unaudited turnover of Limarko laivininkystės kompanija AB reached LTL 77 million and increased by 4% when compared to the first six months of 2007.

Cost of sales

In thousand of Litas	H1 2008	H1 2007
Fuel	18 529	12 969
Crew costs	16 362	13 146
Depredation	11 535	9 647
Repair and maintenance of vessels	7 149	7 989
Commissions	3 382	3 043
Port dues	2 718	3 012
Insurance	2 566	2 743
Lubricating oil	2 320	2 127
Other costs	1 301	1 786
	47 332	43 494

Other operating income/expenses

In thousand of Litas	H1 2008	H1 2007
Revenue from sale of non-current assets	5 904	74
Cost of sold non-current assets	-6 087	-97
Net revenue from sale of non-currents assets	-182	-24
Other operating income, net	136	185
	-46	161

Operating costs

In thousand of Litas	H1 2008	H1 2007
Staff costs	1 835	1 821
Rental costs	514	455
Depreciation and amortization	218	162
Business trips	186	164
Exploitation and maintenance of real estate	131	147
Communication	90	97
Other costs	697	901
	3 671	3 746



Financial income/costs

In thousand of Litas	H1 2008	H1 2007
Financial income:		
Currency exchange rate gain	6 580	2 380
Interest	59	162
Penalties		
Total financial income	6 639	2 541
Financial expenses:		
Interest	-2 371	-2 993
Penalties	-57	-19
Total financial costs	-2 428	-3 012
	4 212	-471

Depreciation

Depreciation is recognised in the following line items in the income statement:

In thousand of Litas	H1 2008	H1 2007
Cost of sales	11 535	9 647
General and administrative operating expenses	218	161
	11 753	9 808

Investments

In thousand of Litas	2008 06 30	2007 06 30
Available-for-sale investments	248	331
	248	331

Available-for-sale investments include 20% of the shares of Alpha Reefer Transport GmbH. Alpha Reefer Transport GmbH is the company, through which Limarko laivininkystės kompanija AB earns pool revenue. An impairment of 83 thousand Litas on the investment was recognised in the income statement for 2007.

Although the Company has 20% investment in Alpha Reefer Transport GmbH, it does not have representation in the Board and management and, therefore, does not exercise significant influence. Accordingly, it is not treated as an associated entity under IFRS.

Inventories

In thousand of Litas	2008 06 30	2007 06 30
Fuel	6 685	4 948
Lubricating oil	1 253	1 271
Raw materials and consumables	69	61
	8 007	6 281
Allowance for slow moving inventory	-70	-70
	7 937	6 211



Receivables

In thousand of Litas	2008 06 30	2007 06 30
Trade receivable	8 091	6 485
Deferred expenses	2 601	2 814
Prepayments	6 193	470
Other receivable	399	371
	17 284	10 141

The majority of deferred expenses comprise prepaid insurance expenses.

The majority of prepayments comprises of the advance payment for mv „Tokata“, purchased on 3 July 2008.

Cash and cash equivalents

In thousand of Litas	2008 06 30	2007 06 30
Bank balances	11 029	7 844
Cash in hand	21	71
	11 050	7 914

Amounts received in advance

On 30 June 2008 amounts received in advance totalled 11 767 thousand LTL, whereof 10 933 thousand LTL were received as payments for the shares of the new share issue.

Share capital

As of 30 June 2008, the authorised share capital, issued and fully paid, comprised 109 450 664 ordinary shares at a par value of Litas 1 each.

Holders of ordinary shares are entitled to one vote per share in the General Meeting of the Company and are entitled to receive dividends.

The shares are listed in Vilnius Stock Exchange.

On 12 June 2008 Limarko laivininkystės kompanija AB completed the offering of the share issue. During the offering 10 761 765 shares at par value of LTL 1 were subscribed to and fully paid up. On 2 July 2008 Articles of Association of Limarko laivininkystės kompanija AB with increased authorized capital were registered with the Register of legal entities. After the increase, the Company's authorized capital amounts to LTL 120 212 429.



Interest-bearing loans and borrowings

The company's interest-bearing loans and borrowings are as follows:

Lending institution	Ref	Principal amount	Balance tLTL 2008 06 30	Balance tLTL 2007 06 30
AB SEB Bankas, (mv "Andromeda")	a)	2 700 tUSD	5 923	8 975
AB SEB Bankas, (mv "Libra")	b)	3 860 tUSD	8 468	12 206
AB "Hansabankas", (mv "Pluto" and mv "Uranus")	c)	10 481 tUSD	22 993	32 824
AB "Hansabankas", (mv "Capella")	d)	9 884 tUSD	21 683	27 523
AB SEB Bankas, (mv "Serenada")	e)	4 050 tEUR	13 984	16 573
UniCredit Bank, (mv "America Feeder")	f)	9 611 tUSD	21 084	
Total liabilities			94 136	98 102
Less: current portion			-15 081	-15 077
Total long term portion of net liabilities			79 055	83 024

Interest rates for the loans are variable and relate to LIBOR, varying from LIBOR+0.8% to LIBOR+1.35%.

a) The loan was received to finance the acquisition of the vessel "Andromeda". The loan is to be repaid by 31 December 2011 in quarterly payments. The loan is secured by pledging the vessel "Andromeda".

b) The loan was received to finance the acquisition of the vessel "Libra". The loan is to be repaid by 23 October 2012 in quarterly payments. The loan is secured by pledging the vessel "Libra".

c) The loan was received to finance the acquisition of the vessels "Pluto" and "Uranus". The loan is to be repaid by 3 January 2013 in quarterly payments. The loan is secured by pledging the vessels "Pluto", "Uranus" and "Lyra".

d) The loan was received to finance the acquisition of the vessel "Capella". The loan is to be repaid by 31 December 2013 in quarterly payments. The loan is secured by pledging the vessels "Capella" and "Astra".

e) The loan was received to finance the acquisition of the vessel "Serenada". The loan is to be repaid by 11 August 2012 in quarterly payments. The loan is secured by pledging the vessel "Serenada".

f) The loan was received to finance the acquisition of the vessel "America Feeder". The loan is to be repaid by 30 September 2017 in quarterly payments. The loan is secured by pledging the vessel "America Feeder".

Subsequent events

On 12 June 2008 Limarko laivininkystes kompanija AB completed the offering of the share issue. During the offering 10 761 765 shares at par value of LTL 1 were subscribed to and fully paid up. On 2 July 2008 Articles of Association of Limarko laivininkystes kompanija AB with increased authorized capital were registered with the Register of legal entities. After the increase, the Company's authorized capital amounts to LTL 120 212 429.

On 3 July 2008 Limarko laivininkystes kompanija AB purchased m/v "Tokata". M/v „Tokata“ is CV1100 type of vessel. The vessel was built in 2006 in China according to German design. The vessel is of 148 m length and is designed for carrying 1080 TEUs, with a capacity to carry 220 reefer containers.

The Board of Limarko laivininkystes kompanija AB on its own initiative decided to convene the Extraordinary General Meeting on 11 August 2008



The following resolutions were adopted at the Extraordinary General Meeting on 11 August 2008:

1. Election of the firm of auditors for the years 2008 and 2009 and establishment of terms of remuneration for audit services – KPMG Baltics UAB was elected as an auditor of the company for the years 2008 and 2009. LTL 60000 (VAT exclusive) per year were allocated for auditing services.
2. Election of the Board member – Mr. Steponas Ranonis was elected to the Board of the Company for the current term of the Board. Mr. Steponas Ranonis replaced Mr. Paul Lawrence, who notified the Company of his resignation from the Board.

