

**Public Joint Stock Company  
Latvian Shipping Company  
and it's Subsidiaries**

**Unaudited Condensed Consolidated  
Financial Statements**

**for the year ended  
31 December 2007**

**Latvian Shipping Company & its Subsidiaries**  
**Unaudited Condensed Consolidated Financial Statements**  
**for the year ended 31 December 2007**

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**INFORMATION ON PARENT COMPANY**

***THE SUPERVISORY COUNCIL***

<b>Chairman of the Council</b>	Uldis Pumpurs (till 10.02.2008, from 15.02.2008)
<b>Deputy Chairperson of the Council</b>	Vladimirs Solomatins (from 15.02.2008) Andris Vilcmeiers (from 15.02.2008) Andris Linužs (till 10.02.2008) Olga Pētersone (till 10.02.2008)
<b>Members of the Council:</b>	Ansis Sormulis (till 10.02.2008, from 15.02.2008) Olga Pētersone (from 15.02.2008) Svens Zālītis (from 15.02.2008) Guntis Ločmelis (from 15.02.2008) Miks Ekbaums (from 15.02.2008) Māris Gailis (from 15.02.2008) Normunds Staņevičs (from 15.02.2008) Vladimirs Koškuls (from 15.02.2008) Kārlis Boldiševics (from 15.02.2008) Aldis Āķis (till 10.02.2008) Laimonis Junkers (till 10.02.2008) Mamerts Vaivads (till 10.02.2008) Pēteris Putniņš (till 10.02.2008) Vladimirs Krastiņš (till 10.02.2008) Vladimirs Solomatins (till 10.02.2008)

***THE MANAGEMENT BOARD***

<b>Chairman of the Management Board</b>	Imants Sarmulis (from 01.11.2007)
<b>Chairman of the Management Board, president</b>	Imants Vikmanis (till 01.11.2007)
<b>Member of the Management Board – 1.vice-president</b>	Andris Linužs (from 14.02.2008) Miks Ekbaums (till 13.02.2008)
<b>Member of the Management Board – vice-president</b>	Raivis Veckāgans (from 14.02.2008) Solvita Deglava (till 13.02.2008)
<b>Members of the Management Board</b>	Guntis Tīrmanis (till 13.02.2008, from 14.02.2008) Ilva Purēna (till 13.02.2008, from 14.02.2008)

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**MANAGEMENT REPORT**

**Line of Business**

The core business of JSC *Latvijas kuģniecība* (Latvian Shipping Company – LASCO) Group is transportation of cargoes by sea.

**Performance in the Reporting Period**

In order to ensure successful LASCO performance in the future, LASCO Strategic Plan to the Year 2015 has been developed and approved during the reporting year. The development of the Strategic Plan involved making LASCO the identification of the Company's strengths, weaknesses, opportunities and threats through making the Company's SWOT analysis, formulation of LASCO mission and its main strategic goal, as well setting the objectives to achieve the strategic goal. LASCO Strategic Plan contains the analysis of all the Group's fleet segments and formulates their further development strategy. Besides, sectors currently not represented by LASCO as well as the Company's potential participation therein have been analyzed in the process of the Company's Strategic Plan development.

All the 200,000,000 shares issued by LASCO are listed on the Official List of Riga Stock Exchange. During the twelve months of 2007, the Company's share price has augmented from LVL 1.07 to LVL 1.30. In 2007, a total of 16.4 million LASCO shares were traded on Riga Stock Exchange, with the total turnover reaching LVL 20.64 million. At the end of 2007 the market capitalisation of LASCO share capital was LVL 260.0 million.

LASCO Group's Un-audited Net Profit for the twelve months of 2007 is USD 66.0 million (LVL 33.9 million, EUR 45.5 million). The Group's Net Profit for the respective period of 2006 was USD 33.7 million (LVL 18.9 million, EUR 25.7 million).

As at the end of the period LASCO Un-audited Shareholders' Equity was USD 487.3 million (LVL 235.9 million, EUR 335.6 million) or USD 2.44 (LVL 1.18, EUR 1.68) per share, which, yet another year, is the highest level in the history of LASCO as a private company.

**The Fleet**

As at the end of 2007 the fleet under LASCO commercial management was comprised of 45 vessels - 37 tankers, including 3 tankers time chartered in from other shipowners, 2 LPG carriers, 5 reefer vessels and 1 Ro-Ro/general type vessel.

Tanker freight rates in 2007 on average were higher than in 2006. Tanker fleet performance was positively affected by the tanker fleet renewal leading to increased tanker freight rates.

In the reporting period, LASCO's 2 LPG carriers continued to be employed in *ScandiGas Pool*. In 2007, revenues in this sector were lower compared to 2006.

LASCO Reefer Fleet's total Vessel Operating Result for 12 months of 2007 was lower compared to the result for the same period a year before due to off-schedule repairs.

In 2007, the Group's only Ro-Ro/general type vessel was employed in time charter in accordance with the previously signed Time Charter Agreement.

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**MANAGEMENT REPORT (CONTINUED)**

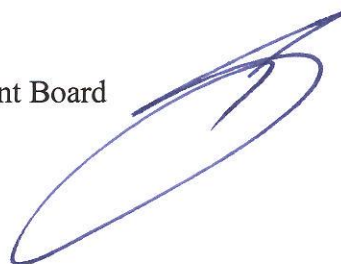
**Tanker Fleet Renewal Programme**

In 2007, major attention was paid to the Group's fleet renewal through continuing the implementation of LASCO Tanker Fleet Renewal Programme. In the framework of the programme 10 tanker newbuildings have been ordered at *3.Maj* shipyard in Croatia and 4 tanker newbuildings at *Hyundai Mipo Dockyard* in Korea.

During 2007, LASCO took the delivery of four out of 10 newbuildings ordered at *3.Maj* shipyard, Croatia as well as all the four tankers ordered at *Hyundai Mipo Dockyard*, Korea. Completing the implementation of the given Tanker Fleet Renewal programme LASCO will take the delivery of three more newbuildings from *3.Maj* shipyard in Croatia during 2008.

Considering the tanker fleet development scenario foreseen in LASCO Strategic Plan to the year 2015, during the reporting period contracts on building four additional middle-range (MR) tankers have been signed with Hyundai Mipo Dockyard Co., Ltd.

I.Sarmulis  
Chairman of the Management Board  
JSC *Latvijas kuģniecība*



Riga, February 26, 2008

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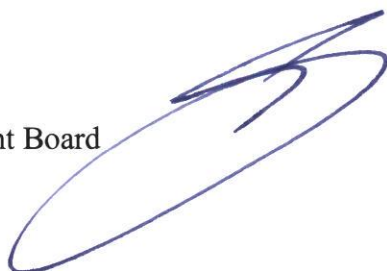
**Statement of Management's Responsibilities**

Un-audited consolidated financial statements are prepared to the best on our knowledge in accordance with International Financial Reporting Standards as adopted by EU. These un-audited financial statements give a true and fair view of the state of affairs of the Group and of the results of the Group for the period ended 31 December 2007 in all material aspects. In preparing those financial statements, management:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by EU. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Imants Sarmulis  
Chairman of the Management Board  
*JSC Latvijas kuģniecība*



Riga, Latvia  
February 26, 2008

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***CONSOLIDATED INCOME STATEMENT***

	<u>31.12.2007</u> US \$'000	<u>31.12.2006</u> US \$'000	<u>31.12.2007</u> LVL'000	<u>31.12.2006</u> LVL'000	<u>31.12.2007</u> EUR'000	<u>31.12.2006</u> EUR'000
Net Voyage Result	210 277	155 437	108 009	87 080	144 812	118 545
Vessel Operating costs excluding voyage costs and depreciation	<u>(114 699)</u>	<u>(90 413)</u>	<u>(58 915)</u>	<u>(50 652)</u>	<u>(78 990)</u>	<u>(68 954)</u>
<b>Vessel Operating Result before depreciation</b>	<b>95 578</b>	<b>65 024</b>	<b>49 094</b>	<b>36 428</b>	<b>65 822</b>	<b>49 591</b>
Vessel depreciation	<u>(25 291)</u>	<u>(19 927)</u>	<u>(12 991)</u>	<u>(11 164)</u>	<u>(17 417)</u>	<u>(15 198)</u>
<b>Vessel Operating Profit</b>	<b>70 287</b>	<b>45 097</b>	<b>36 103</b>	<b>25 264</b>	<b>48 405</b>	<b>34 393</b>
Administration and other operational expenses	(27 968)	(19 132)	(14 366)	(10 718)	(19 261)	(14 591)
Gain on sale of assets	<u>38 070</u>	<u>15 686</u>	<u>19 555</u>	<u>8 788</u>	<u>26 218</u>	<u>11 963</u>
<b>Operating Profit</b>	<b>80 389</b>	<b>41 651</b>	<b>41 292</b>	<b>23 334</b>	<b>55 362</b>	<b>31 765</b>
Net Financial Items	<u>(14 348)</u>	<u>(7 892)</u>	<u>(7 370)</u>	<u>(4 422)</u>	<u>(9 882)</u>	<u>(6 019)</u>
<b>Profit before Taxation</b>	<b>66 041</b>	<b>33 759</b>	<b>33 922</b>	<b>18 912</b>	<b>45 480</b>	<b>25 746</b>
Taxation	(3)	(24)	(2)	(13)	(2)	(18)
<b>Net Profit</b>	<u><b>66 038</b></u>	<u><b>33 735</b></u>	<u><b>33 920</b></u>	<u><b>18 899</b></u>	<u><b>45 478</b></u>	<u><b>25 728</b></u>
<b>Earnings per share</b>	<b>US\$ 0,33</b>	<b>US\$ 0,17</b>	<b>LVL 0,17</b>	<b>LVL 0,09</b>	<b>EUR 0,23</b>	<b>EUR 0,13</b>

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***CONSOLIDATED BALANCE SHEET***

<b><u>ASSETS</u></b>	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
	<b>US \$'000</b>	<b>US \$'000</b>	<b>LVL'000</b>	<b>LVL'000</b>	<b>EUR'000</b>	<b>EUR'000</b>
<b><u>NON-CURRENT ASSETS</u></b>						
Fleet	636 437	460 967	308 036	247 078	438 295	351 561
Other fixed assets	12 034	6 216	5 824	3 332	8 287	4 741
Investment properties	1 288	1 803	623	966	887	1 375
Assets under construction	71 259	71 393	34 489	38 267	49 074	54 449
Investments in associates	26	25	13	13	18	19
Other financial assets	1 523	4 335	737	2 324	1 049	3 306
<b><u>TOTAL NON-CURRENT ASSETS</u></b>	<b>722 567</b>	<b>544 739</b>	<b>349 722</b>	<b>291 980</b>	<b>497 610</b>	<b>415 451</b>
<b><u>CURRENT ASSETS</u></b>						
Inventories	6 074	5 547	2 940	2 973	4 183	4 230
Accounts receivable and prepayments	20 847	22 291	10 090	11 948	14 357	17 001
Loans and receivables	47 966	47 995	23 216	25 725	33 033	36 604
Financial assets designated at fair value through profit or loss	6 137	11 948	2 970	6 404	4 226	9 112
Cash and cash equivalents	53 986	33 092	26 129	17 737	37 179	25 238
<b><u>TOTAL CURRENT ASSETS</u></b>	<b>135 010</b>	<b>120 873</b>	<b>65 345</b>	<b>64 787</b>	<b>92 978</b>	<b>92 185</b>
<b>TOTAL ASSETS</b>	<b>857 577</b>	<b>665 612</b>	<b>415 067</b>	<b>356 767</b>	<b>590 588</b>	<b>507 636</b>
<b><u>SHAREHOLDERS' EQUITY &amp; LIABILITIES</u></b>						
<b><u>SHAREHOLDERS EQUITY</u></b>						
Share capital	362 319	362 319	200 000	200 000	249 518	249 518
Translation reserve	(10 821)	(13 079)	(37 054)	(14 402)	(15 535)	(12 897)
Retained earnings	135 803	69 765	72 908	38 988	101 607	56 129
<b><u>TOTAL SHAREHOLDERS' EQUITY</u></b>	<b>487 301</b>	<b>419 005</b>	<b>235 854</b>	<b>224 589</b>	<b>335 590</b>	<b>319 558</b>
<b><u>NON-CURRENT LIABILITIES</u></b>						
Non-current portion of bank loans	298 954	167 231	144 694	89 636	205 881	127 540
Deferred tax liabilities	15	22	7	12	10	17
<b><u>TOTAL NON-CURRENT LIABILITIES</u></b>	<b>298 969</b>	<b>167 253</b>	<b>144 701</b>	<b>89 648</b>	<b>205 891</b>	<b>127 557</b>
<b><u>CURRENT LIABILITIES</u></b>						
Current portion of bank loans	41 775	49 703	20 219	26 640	28 769	37 906
Accounts payable and other liabilities	29 532	29 651	14 293	15 893	20 338	22 615
<b><u>TOTAL CURRENT LIABILITIES</u></b>	<b>71 307</b>	<b>79 354</b>	<b>34 512</b>	<b>42 533</b>	<b>49 107</b>	<b>60 521</b>
<b><u>TOTAL LIABILITIES</u></b>	<b>370 276</b>	<b>246 607</b>	<b>179 213</b>	<b>132 181</b>	<b>254 998</b>	<b>188 078</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>857 577</b>	<b>665 612</b>	<b>415 067</b>	<b>356 767</b>	<b>590 588</b>	<b>507 636</b>



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***CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY***

	<b>Share Capital US \$ 000</b>	<b>Translation Reserve US \$ 000</b>	<b>Retained Earnings US \$ 000</b>	<b>Total US \$ 000</b>
<b>Balance at 31st December 2005</b>	<b>362 319</b>	<b>(13 945)</b>	<b>36 030</b>	<b>384 404</b>
Net Profit for the period	-	-	33 735	33 735
Currency translation differences	-	866	-	866
<b>Balance at 31st December 2006</b>	<b>362 319</b>	<b>(13 079)</b>	<b>69 765</b>	<b>419 005</b>
Net Profit for the period	-	-	66 038	66 038
Currency translation differences	-	2 258	-	2 258
<b>Balance at 31st December 2007</b>	<b>362 319</b>	<b>(10 821)</b>	<b>135 803</b>	<b>487 301</b>

	<b>Share Capital LVL 000</b>	<b>Translation Reserve LVL 000</b>	<b>Retained Earnings LVL 000</b>	<b>Total LVL 000</b>
<b>Balance at 31st December 2005</b>	<b>200 000</b>	<b>7 864</b>	<b>20 089</b>	<b>227 953</b>
Net Profit for the period	-	-	18 899	18 899
Currency translation differences	-	(22 266)	-	(22 266)
<b>Balance at 31st December 2006</b>	<b>200 000</b>	<b>(14 402)</b>	<b>38 988</b>	<b>224 586</b>
Net Profit for the period	-	-	33 920	33 920
Currency translation differences	-	(22 652)	-	(22 652)
<b>Balance at 31st December 2007</b>	<b>200 000</b>	<b>(37 054)</b>	<b>72 908</b>	<b>235 854</b>

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***CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY***

	<b>Share Capital EUR 000</b>	<b>Translation Reserve EUR 000</b>	<b>Retained Earnings EUR 000</b>	<b>Total EUR 000</b>
<b>Balance at 31st December 2005</b>	<b>284 576</b>	<b>9 371</b>	<b>30 401</b>	<b>324 348</b>
Net Profit for the period	-	-	25 728	25 728
Currency translation differences	(8 250)	(22 268)	-	(30 518)
<b>Balance at 31st December 2006</b>	<b>276 326</b>	<b>(12 897)</b>	<b>56 129</b>	<b>319 558</b>
Net Profit for the period	-	-	45 478	45 478
Currency translation differences	(26 808)	(2 638)	-	(29 446)
<b>Balance at 31st December 2007</b>	<b>249 518</b>	<b>(15 535)</b>	<b>101 607</b>	<b>335 590</b>

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**CONSOLIDATED CASH FLOW STATEMENT**

	31.12.2007 US \$'000	31.12.2006 US \$'000	31.12.2007 LVL'000	31.12.2006 LVL'000	31.12.2007 EUR'000	31.12.2006 EUR'000
<b>Profit before taxation</b>	<b>66 041</b>	<b>33 759</b>	<b>33 922</b>	<b>18 912</b>	<b>45 480</b>	<b>25 746</b>
<u>Adjustments for:</u>						
Depreciation	26 332	20 619	13 525	11 551	18 134	15 725
Profit on sale of fixed assets	(38 070)	(15 686)	(19 555)	(8 788)	(26 218)	(11 962)
Other adjustments	22 359	13 428	9 146	4 400	12 950	4 495
<b>Movements in net working capital:</b>	<b>76 662</b>	<b>52 120</b>	<b>37 038</b>	<b>26 075</b>	<b>50 346</b>	<b>34 004</b>
<u>Adjustments for:</u>						
Inventories	(527)	1 365	(271)	765	(363)	1 041
Accounts receivable	(105)	1 373	(54)	769	(72)	1 047
Accounts payable	234	3 077	120	1 724	161	2 347
<b>Cash flow from Operating Activities</b>	<b>76 264</b>	<b>57 935</b>	<b>36 833</b>	<b>29 333</b>	<b>50 072</b>	<b>38 439</b>
Net Cash flow from Investing Activities	(163 677)	(151 917)	(84 073)	(85 108)	(112 719)	(115 861)
<b>Cash flow before Financing Activities</b>	<b>(87 413)</b>	<b>(93 982)</b>	<b>(47 240)</b>	<b>(55 775)</b>	<b>(62 647)</b>	<b>(77 422)</b>
Net Cash flow from Financing Activities	108 307	56 250	55 632	31 513	74 588	42 900
<b>Increase in Cash and Cash Equivalents</b>	<b>20 894</b>	<b>(37 732)</b>	<b>8 392</b>	<b>(24 262)</b>	<b>11 941</b>	<b>(34 522)</b>
<b>Cash and Cash Equivalents at the beginning of the reporting period</b>	<b>33 092</b>	<b>70 824</b>	<b>17 737</b>	<b>41 999</b>	<b>25 238</b>	<b>59 760</b>
<b>Cash and Cash Equivalents at the end of the reporting period</b>	<b>53 986</b>	<b>33 092</b>	<b>26 129</b>	<b>17 737</b>	<b>37 179</b>	<b>25 238</b>

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**NOTES**

**1. Accounting policies**

These unaudited condensed consolidated financial statements are prepared in accordance with and comply with accounting policies applied in preparation of the consolidated financial statements of Latvian Shipping Company & its Subsidiaries for the year ended 31 December 2006, which were prepared in accordance with International Financial Reporting Standards.

The Financial Statements are prepared in U.S. dollars which is the functional currency of the Group and Latvian lats which is the presentation currency of the Group in accordance with legislation of the Republic of Latvia.

Monetary assets and liabilities of the Group denominated in other currencies are translated into U.S. dollars at the rate of exchange prevailing at the end of the reporting period.

Foreign currency transactions are accounted for into U.S. dollars at the exchange rate prevailing at the date of the transaction.

Presentation of financial statements in Latvian lats is done using the exchange rate set by the Bank of Latvia in the following way: assets and liabilities are translated at the closing rate at the end of the reporting year, income and expenses for income statement are translated at the average exchange rates for the reporting year, whilst resulting exchange differences are recognised as a separate component of equity.

LB rate of exchange as at 31.12.2007 USD/LVL - 0.484 (average – 0.513652)

LB rate of exchange as at 31.12.2006 USD/LVL - 0.536 ( average – 0.560225)

These financial statements are translated into euros using the rate of exchange set by the Bank of Latvia prevailing at the 31.12.2007: 1 USD = 0.68867 EUR (31.12.2006: 1 USD = 0.76266 EUR).

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**NOTES**

**2. SEGMENT INFORMATION**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000
Voyage income	209 178	178 943	11 645	15 444	15 954	19 307	3 168	2 598	239 945	216 292
Voyage costs	(28 859)	(55 110)	(850)	(5 586)	(72)	(11)	113	(148)	(29 668)	(60 855)
<b>Net voyage result</b>	<b>180 319</b>	<b>123 833</b>	<b>10 795</b>	<b>9 858</b>	<b>15 882</b>	<b>19 296</b>	<b>3 281</b>	<b>2 450</b>	<b>210 277</b>	<b>155 437</b>
Vessel operating costs	(97 220)	(76 397)	(10 026)	(8 252)	(5 278)	(3 589)	(2 175)	(2 175)	(114 699)	(90 413)
Vessel depreciation	(20 316)	(14 952)	(1 517)	(1 517)	(3 458)	(3 458)	-	-	(25 291)	(19 927)
<b>Vessel Operating profit</b>	<b>62 783</b>	<b>32 484</b>	<b>(748)</b>	<b>89</b>	<b>7 146</b>	<b>12 249</b>	<b>1 106</b>	<b>275</b>	<b>70 287</b>	<b>45 097</b>
Gain on sale of assets	37 905	15 656	-	-	-	-	-	-	37 905	15 656
Unallocated sale of assets									165	30
<b>Segment result</b>	<b>100 688</b>	<b>48 140</b>	<b>(748)</b>	<b>89</b>	<b>7 146</b>	<b>12 249</b>	<b>1 106</b>	<b>275</b>	<b>108 357</b>	<b>60 783</b>
Unallocated corporate expenses									(27 968)	(18 194)
Other operational expenses									-	(938)
<b>Operating profit</b>									<b>80 389</b>	<b>41 651</b>
Net Financial Items									(14 348)	(7 892)
<b>Profit before Taxation</b>									<b>66 041</b>	<b>33 759</b>
Taxation									(3)	(24)
<b>Net Profit</b>									<b>66 038</b>	<b>33 735</b>

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**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000	31.12.07 US \$'000	31.12.06 US \$'000
<b><u>ASSETS</u></b>										
Segment assets	656 312	481 568	21 199	23 079	62 269	66 145	1 648	1 762	741 428	572 554
Unallocated assets									116 149	93 058
<b>Total assets</b>									<b>857 577</b>	<b>665 612</b>
<b><u>LIABILITIES</u></b>										
Segment liabilities	360 838	225 998	1 646	1 061	639	16 050	293	322	363 416	243 431
Unallocated liabilities									6 860	3 176
<b>Total liabilities</b>									<b>370 276</b>	<b>246 607</b>
<b>Other segment information</b>										
Investments in vessels	274 069	130 475	615	467	433	-	-	424	275 117	131 366
Depreciation	20 316	14 952	1 517	1 517	3 458	3 458	-	-	25 291	19 927
Drydocking deferred expenditure depreciation	5 914	6 459	535	485	288	157	173	160	6 910	7 261

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**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.12.07 LVL' 000	31.12.06 LVL' 000	31.12.07 LVL' 000	31.12.06 LVL' 000	31.12.07 LVL' 000	31.12.06 LVL' 000	31.12.07 LVL' 000	31.12.06 LVL' 000	31.12.07 LVL'000	31.12.06 LVL' 000
Voyage income	107 445	100 248	5 981	8 652	8 195	10 816	1 627	1 456	123 248	121 172
Voyage costs	(14 823)	(30 874)	(437)	(3 129)	(37)	(6)	58	(83)	(15 239)	(34 092)
<b>Net voyage result</b>	<b>92 622</b>	<b>69 374</b>	<b>5 544</b>	<b>5 523</b>	<b>8 158</b>	<b>10 810</b>	<b>1 685</b>	<b>1 373</b>	<b>108 009</b>	<b>87 080</b>
Vessel operating costs	(49 937)	(42 800)	(5 150)	(4 623)	(2 711)	(2 011)	(1 117)	(1 218)	(58 915)	(50 652)
Vessel depreciation	(10 435)	(8 376)	(779)	(850)	(1 777)	(1 938)	-	-	(12 991)	(11 164)
<b>Vessel Operating profit</b>	<b>32 250</b>	<b>18 198</b>	<b>(385)</b>	<b>50</b>	<b>3 670</b>	<b>6 861</b>	<b>568</b>	<b>155</b>	<b>36 103</b>	<b>25 264</b>
Gain on sale of assets	19 470	8 771	-	-	-	-	-	-	19 470	8 771
Unallocated sale of assets									85	17
<b>Segment result</b>	<b>51 720</b>	<b>26 969</b>	<b>(385)</b>	<b>50</b>	<b>3 670</b>	<b>6 861</b>	<b>568</b>	<b>155</b>	<b>55 658</b>	<b>34 052</b>
Unallocated corporate expenses									(14 366)	(10 193)
Other operational expenses									-	(525)
<b>Operating profit</b>									<b>41 292</b>	<b>23 334</b>
Net Financial Items									(7 370)	(4 422)
<b>Profit before Taxation</b>									<b>33 922</b>	<b>18 912</b>
Taxation									(2)	(13)
<b>Net Profit</b>									<b>33 920</b>	<b>18 899</b>

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**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.12.07 LVL'000	31.12.06 LVL'000	31.12.07 LVL'000	31.12.06 LVL'000	31.12.07 LVL'000	31.12.06 LVL'000	31.12.07 LVL'000	31.12.06 LVL'000	31.12.07 LVL'000	31.12.06 LVL'000
<b>ASSETS</b>										
Segment assets	317 655	258 120	10 260	12 370	30 138	35 454	798	944	358 851	306 888
Unallocated assets									56 216	49 879
<b>Total assets</b>									<b>415 067</b>	<b>356 767</b>
<b>LIABILITIES</b>										
Segment liabilities	174 646	121 135	797	569	309	8 603	141	173	175 893	130 480
Unallocated liabilities									3 320	1 701
<b>Total liabilities</b>									<b>179 213</b>	<b>132 181</b>
<b>Other segment information</b>										
Investments in vessels	140 776	73 095	316	262	222	-	-	238	141 314	73 595
Depreciation	10 435	8 376	779	850	1 777	1 938	-	-	12 991	11 164
Drydocking deferred expenditure depreciation	3 038	3 618	275	272	148	88	89	90	3 550	4 068



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**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	31.12.07 EUR' 000	31.12.06 EUR' 000	31.12.07 EUR' 000	31.12.06 EUR' 000	31.12.07 EUR' 000	31.12.06 EUR' 000	31.12.07 EUR' 000	31.12.06 EUR' 000	31.12.07 EUR' 000	31.12.06 EUR' 000
Voyage income	144 055	136 472	8 020	11 779	10 987	14 725	2 181	1 981	165 243	164 957
Voyage costs	(19 874)	(42 031)	(585)	(4 260)	(50)	(8)	78	(113)	(20 431)	(46 412)
<b>Net voyage result</b>	<b>124 181</b>	<b>94 441</b>	<b>7 435</b>	<b>7 519</b>	<b>10 937</b>	<b>14 717</b>	<b>2 259</b>	<b>1 868</b>	<b>144 812</b>	<b>118 545</b>
Vessel operating costs	(66 952)	(58 265)	(6 905)	(6 293)	(3 635)	(2 737)	(1 498)	(1 659)	(78 990)	(68 954)
Vessel depreciation	(13 991)	(11 404)	(1 045)	(1 157)	(2 381)	(2 637)	-	-	(17 417)	(15 198)
<b>Vessel Operating profit</b>	<b>43 238</b>	<b>24 772</b>	<b>(515)</b>	<b>69</b>	<b>4 921</b>	<b>9343</b>	<b>761</b>	<b>209</b>	<b>48 405</b>	<b>34 393</b>
Gain on sale of assets	26 104	11 940	-	-	-	-	-	-	26 104	11 940
Unallocated sale of assets									114	23
<b>Segment result</b>	<b>69 342</b>	<b>36 712</b>	<b>(515)</b>	<b>69</b>	<b>4 921</b>	<b>9 343</b>	<b>761</b>	<b>209</b>	<b>74 623</b>	<b>46 356</b>
Unallocated corporate expenses									(19 261)	(13 876)
Other operational expenses									-	(715)
<b>Operating profit</b>									<b>55 362</b>	<b>31 765</b>
Net Financial Items									(9 882)	(6 019)
<b>Profit before Taxation</b>									<b>45 480</b>	<b>25 746</b>
Taxation									(2)	(18)
<b>Net Profit</b>									<b>45 478</b>	<b>25 728</b>

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**NOTES**

**2. SEGMENT INFORMATION (continued)**

	Tankers		Reefers		LPG		Dry Cargo		Total	
	30.09.07 EUR' 000	30.09.06 EUR' 000	30.09.07 EUR' 000	30.09.06 EUR' 000	30.09.07 EUR' 000	30.09.06 EUR' 000	30.09.07 EUR' 000	30.09.06 EUR' 000	30.09.07 EUR' 000	30.09.06 EUR' 000
<b><u>ASSETS</u></b>										
Segment assets	451 982	367 273	14 599	17 601	42 883	50 446	1 135	1 344	510 599	436 664
Unallocated assets									79 989	70 972
<b>Total assets</b>									<b>590 588</b>	<b>507 636</b>
<b><u>LIABILITIES</u></b>										
Segment liabilities	248 498	172 360	1 134	809	440	12 241	201	246	250 273	185 656
Unallocated liabilities									4 725	2 422
<b>Total liabilities</b>									<b>254 998</b>	<b>188 078</b>
<b>Other segment information</b>										
Investments in vessels	188 743	99 508	424	356	298	-	-	323	189 465	100 187
Depreciation	13 991	11 404	1 045	1 157	2 381	2 637	-	-	17 417	15 198
Drydocking deferred expenditure depreciation	4 073	4 926	368	370	198	120	119	122	4 758	5 538

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***NOTES***

**Contact person with respect to information presented in these financial statements**

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