



**LIMARKO LAIVININKYSTĖS KOMPANIJA**

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1987-2007

Interim Financial Statements for the first six months of 2007

August 2007, 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 2007 are not audited. Limarko laivininkystės kompanija AB financial statements for the year ended 31 December 2006 are audited by the auditors - KPMG Baltics, UAB.

## Income statement

(in Litas)

No.	ITEMS	H1 2007	H1 2006
I.	SALES INCOME	73 992 221	63 077 614
II.	COST OF SALES	56 564 005	50 502 728
III.	GROSS PROFIT (LOSS)	17 428 216	12 574 886
IV.	OPERATING COSTS	3 798 270	2 863 097
IV.1	Sales	2 316	(17 286)
IV.2	General and administrative	3 795 954	2 880 383
V.	OPERATING PROFIT (LOSS)	13 629 946	9 711 789
VI.	OTHER ACTIVITIES	303 614	59 879
VI.1.	Income	328 993	79 724
VI.2.	Expenses	25 380	19 845
VII.	FINANCING AND INVESTING ACTIVITIES	(470 938)	472 671
VII.1.	Income	2 541 106	2 917 480
VII.2.	Expenses	3 012 044	2 444 809
VIII.	PROFIT (LOSS) FROM NORMAL ACTIVITIES	13 462 622	10 244 340
IX.	GAIN		
X.	LOSSES		
XI.	PROFIT (LOSS) BEFORE TAX	13 462 622	10 244 340
XII.	PROFIT TAX		
XIII.	NET PROFIT (LOSS)	13 462 622	10 244 340



## Balance sheet

(in Litas)

ASSETS		2007 06 30	2006 12 31	2006 06 30
<b>A.</b>	<b>NON-CURRENT ASSETS</b>	<b>218 279 660</b>	<b>186 485 388</b>	<b>191 266 976</b>
I.	INTANGIBLE ASSETS	72 872	95 906	107 153
I.1.	Development works			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software	72 872	95 906	107 153
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS	217 875 774	186 009 477	190 768 740
II.1.	Land			
II.2.	Buildings and constructions	1 947 407	1 980 658	2 571 883
II.3.	Machinery and equipment			
II.4.	Vehicles	215 361 429	180 637 630	187 939 151
II.5.	Other property, plant and equipment	566 938	283 689	257 706
II.6.	Construction in progress		3 107 500	
II.7.	Other tangible assets			
III.	FINANCIAL ASSETS	331 015	380 005	391 083
III.1.	Investments into subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year		48 991	60 068
III.4.	Other financial assets	331 015	331 015	331 015
<b>B.</b>	<b>CURRENT ASSETS</b>	<b>25 686 850</b>	<b>21 706 545</b>	<b>25 209 220</b>
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	9 496 159	6 255 638	9 057 184
I.1.	Inventories	6 211 371	3 463 721	6 018 310
I.1.1.	Raw materials and consumables	6 211 371	3 463 721	6 018 310
I.1.2.	Work in progress			
I.1.3.	Finished goods			
I.1.4.	Goods for resale			
I.2.	Prepayments	3 284 788	2 791 917	3 038 874
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	6 856 399	7 647 150	9 380 349
II.1.	Trade amounts receivable	6 485 156	7 239 916	9 072 741
II.2.	Receivables from subsidiaries and associates			
II.3.	Other amounts receivable	371 243	407 234	307 608
III.	OTHER CURRENTS ASSETS	1 420 006		
III.1.	Current investments			
III.2.	Time deposits	1 420 006		
III.3.	Other currents assets			
IV.	CASH AND CASH EQUIVALENTS	7 914 287	7 803 757	6 771 687
<b>TOTAL ASSETS</b>		<b>243 966 510</b>	<b>208 191 933</b>	<b>216 476 196</b>



<b>EQUITY AND LIABILITIES</b>		<b>2007 06 30</b>	<b>2006 12 31</b>	<b>2006 06 30</b>
<b>C.</b>	<b>EQUITY</b>	<b>123 847 397</b>	<b>110 384 776</b>	<b>111 027 859</b>
I.	CAPITAL	109 450 664	109 450 664	109 450 664
I.1.	Authorised (subscribed)	109 450 664	109 450 664	109 450 664
I.2.	Subscribed uncalled share capital (-)			
I.3.	Share premium			
I.4.	Own Shares (-)			
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES	6 597 114	6 597 114	6 597 114
III.1.	Legal reserve	6 597 114	6 597 114	6 597 114
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves			
IV.	RETAINED EARNINGS (LOSSES)	7 799 619	(5 663 002)	(5 019 919)
IV.1.	Profit (loss) of the reporting year profit	13 462 622	9 601 256	10 244 340
IV.2.	Profit (loss) of the previous year	(5 663 002)	(15 264 259)	(15 264 259)
<b>D.</b>	<b>GRANTS AND SUBSIDIES</b>			
<b>E.</b>	<b>AMOUNTS PAYABLE AND LIABILITIES</b>	<b>120 119 112</b>	<b>97 807 157</b>	<b>105 448 337</b>
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	89 424 284	72 549 126	80 755 149
I.1.	Financial debts	83 024 284	66 149 126	74 557 149
I.1.1.	Leases and similar obligations			4 882
I.1.2.	To credit institutions	83 024 284	66 149 126	74 552 267
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	6 400 000	6 400 000	6 198 000
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES	30 694 829	25 258 031	24 693 188
II.1.	Current portion of non-current debts	15 077 254	13 168 475	13 682 997
II.2.	Financial debts			
II.2.1.	To credit institutions			
II.2.2.	Other debts			
II.3.	Trade amounts payable	8 698 892	6 045 743	6 569 288
II.4.	Amounts received in advance	577 900	923 564	715 754
II.5.	Profit tax liabilities	1 908 390	1 908 390	
II.6.	Liabilities related with labour relations	4 397 373	3 176 916	3 690 914
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities	35 019	34 944	34 235
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>243 966 510</b>	<b>208 191 933</b>	<b>216 476 196</b>



### Statement of cash flows

No.	ITEMS	H1 2007	H1 2006
<b>I.</b>	<b>Cash flows from operating activities</b>		
I.1.	Net profit (loss)	13 462 622	10 244 340
I.2.	Depreciation and amortization costs	9 908 986	8 397 893
I.3.	Decrease (increase) in amounts receivable after one year		
I.4.	Decrease (increase) in inventory	(2 747 650)	(3 010 095)
I.5.	Decrease (increase) in advances received	(492 871)	4 593 845
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Decrease (increase) in trade receivables	754 760	(2 989 749)
I.8.	Decrease (increase) in amounts receivable from	-	-
I.9.	Decrease (increase) in other amounts receivable	35 991	(57 257)
I.10.	Decrease (increase) in other current assets	(1 420 006)	-
I.11.	Increase (decrease) in non-current payables to suppliers	-	-
I.12.	Increase (decrease) in current payables to suppliers and	2 307 485	1 180 252
I.13.	Increase (decrease) in profit tax liability	-	-
I.14.	Increase (decrease) in liabilities connected with labour	1 220 458	1 191 627
I.15.	Increase (decrease) in provisions	-	-
I.16.	Increase (decrease) in other amounts payable and	75	(552 862)
I.17.	Elimination of financing and investing activity results	475 412	(474 970)
	<b>Net cash flows from operating activities</b>	<b>23 505 263</b>	<b>18 523 024</b>
<b>II.</b>	<b>Cash flows from investing activities</b>		
II.1.	Acquisition of non-current assets (excluding investments)	(44 956 988)	(53 255 902)
II.2.	Transfer of non-current assets (excluding investments)	3 181 100	3 748
II.3.	Acquisition of long-term investments		
II.4.	Transfer of long-term investments	-	-
II.5.	Loans granted	-	-
II.6.	Loans recovered	48 991	15 213
II.7.	Dividends and interest received	161 853	113 765
II.8.	Other increase in cash flows from investing activities		
II.9.	Other decrease in cash flows from investing activities		
	<b>Net cash flows from investing activities</b>	<b>(41 565 044)</b>	<b>(53 123 177)</b>
<b>III.</b>	<b>Cash flows from financing activities</b>		
III.1.	Cash flows related to enterprise owners:		
III.1.1.	Emission of shares	-	-
III.1.2.	Owners' contributions against losses	-	-
III.1.3.	Purchase of own shares	-	-
III.1.4.	Dividends paid	-	-
III.2.	Cash flows arising from other financing sources	18 364 393	36 729 234
III.2.1.	Increase in financial debts	30 005 748	46 948 643
III.2.1.1.	Loans received	30 005 748	46 948 643
III.2.1.2.	Issue of bonds	-	-
III.2.2.	Decrease in financial debts	(11 641 355)	(10 219 409)
III.2.2.1.	Loans repaid	(8 643 810)	(7 732 460)
III.2.2.2.	Purchase of bonds	-	-
III.2.2.3.	Interest paid	(2 992 879)	(2 442 510)
III.2.2.4.	Payments of lease (finance lease) liabilities	(4 667)	(44 440)
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		
	<b>Net cash flows from financing activities</b>	<b>18 364 393</b>	<b>36 729 234</b>
<b>IV.</b>	<b>Cash flows from extraordinary items</b>		
IV.1.	Increase in cash flows from extraordinary items	-	-
IV.2.	Decrease in cash flows from extraordinary items	-	-
<b>V.</b>	<b>The effects of changes in foreign exchange rates on</b>	<b>(194 081)</b>	<b>(932 944)</b>
<b>VI.</b>	<b>Net increase (decrease) in cash flows</b>	<b>110 530</b>	<b>1 196 137</b>
<b>VII.</b>	<b>Cash and cash equivalents at the beginning of period</b>	<b>7 803 757</b>	<b>5 575 550</b>
<b>VIII.</b>	<b>Cash and cash equivalents at the end of period</b>	<b>7 914 287</b>	<b>6 771 687</b>



## Statement of changes in equity

	<i>(in Litas)</i>			
	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 1 January 2006	109 450 664	6 597 114	(15 264 259)	<b>100 783 519</b>
Net profit for H1 2006			10 244 340	<b>10 244 340</b>
Balance at 30 June 2006	109 450 664	6 597 114	(5 019 919)	<b>111 027 859</b>
Balance at 1 January 2007	109 450 664	6 597 114	(5 663 002)	<b>110 384 776</b>
Net profit for H1 2007			13 462 622	<b>13 462 622</b>
Balance at 30 June 2007	109 450 664	6 597 114	7 799 619	<b>123 847 397</b>

## 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 90.88% of the share capital (2007 06 30). 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 Litas	H1 2007	H1 2006
Voyage charter operations	46 047 305	34 705 549
Pool operations	17 572 579	21 688 231
Time charter operations	9 377 579	6 001 107
Demurrage	994 759	682 727
<b>Total revenue</b>	<b>73 992 221</b>	<b>63 077 614</b>

On 30 June 2007 the fleet of the Company comprises of 16 vessels: 14 being reefers, container vessel "Serenada" and dry-cargo vessel "Siuita".

During the first six months of 2007 the pre-audited turnover of Limarko laivininkystės kompanija AB reached LTL 74 million and increased by 17% compared to the first six months of 2006.



### Cost of sales

In Litas	H1 2007	H1 2006
Crew costs	13 145 700	10 937 216
Fuel	12 969 414	13 071 101
Depreciation	9 747 650	8 257 304
Repair and maintenance of vessels	7 989 219	6 070 347
Commissions	3 043 355	2 250 912
Port dues	3 011 961	3 426 380
Insurance	2 743 165	2 850 697
Lubricating oil	2 127 372	1 524 745
Other costs	1 786 170	2 114 024
	<b>56 564 005</b>	<b>50 502 728</b>

### Other operating income/expenses

In Litas	H1 2007	H1 2006
Other activities income:		
Profit from sale of non-currents assets	1 579	
Rental and revenue from the sales of goods	206 152	69 581
Revenue from non-ordinary activities	121 262	10 143
Total other activities income	328 993	79 724
Other activities costs:		
Loss from sale of non-currents assets	-25 218	-3 748
Cost of sold non-current assets	-161	-16 097
Total other activities costs	-25 380	-19 845
	<b>303 614</b>	<b>59 879</b>

### Operating costs

In Litas	H1 2007	H1 2006
Staff costs	1 820 598	1 568 032
Rental costs	454 651	40 749
Business trips	164 371	169 035
Depreciation and amortization	161 336	140 589
Exploitation and maintenance of real estate	146 651	38 749
Communication	97 320	127 386
Financial, legal advisory	65 706	130 613
Other costs	887 637	647 944
	<b>3 798 270</b>	<b>2 863 097</b>





### Financial income/costsme

In Litas	H1 2007	H1 2006
Financial income:		
Currency exchange rate gain	2 379 253	2 803 715
Interest	161 853	113 765
Total financial income	2 541 106	2 917 480
Financial expenses:		
Interest	-2 992 879	-2 442 510
Penalties	-19 166	-2 299
Total financial costs	-3 012 044	-2 444 809
	<b>-470 938</b>	<b>472 671</b>

### Depreciation

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

In Litas	H1 2007	H1 2006
Cost of sales	9 747 650	8 257 304
General and administrative operating expenses	161 336	140 589
	<b>9 908 986</b>	<b>8 397 893</b>

### Investments

In Litas	H1 2007	H1 2006
Available-for-sale investments	331 015	331 015
	<b>331 015</b>	<b>331 015</b>

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.

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 Litas	H1 2007	H1 2006
Fuel	4 948 325	5 123 669
Lubricating oil	1 271 258	895 090
Raw materials and consumables	61 788	69 550
	6 281 371	6 088 310
Allowance for slow moving inventory	-70 000	-70 000
	<b>6 211 371</b>	<b>6 018 310</b>



### Receivable

In Litas	H1 2007	H1 2006
Trade receivable	6 485 156	9 072 741
Prepayments	470 365	93 627
Deferred expenses	2 814 423	2 945 248
Other receivable	371 243	307 608
	<b>10 141 187</b>	<b>12 419 223</b>

The majority of deferred expenses comprise prepaid insurance expenses.

### Cash and cash equivalents

In Litas	H1 2007	H1 2006
Bank balances	7 843 536	6 720 719
Cash in hand	70 750	50 968
	<b>7 914 286</b>	<b>6 771 687</b>

### Share capital

As of 30 June 2007, 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 shareholders at the balance sheet date were as follows::

	Paprastosis akcijos	Nuosavybė
UAB "Limarko"	99 469 279	91%
Skandinaviska Enskilda Banken	6 327 335	6%
Other minority shareholders	3 654 050	3%
	<b>109 450 664</b>	<b>100%</b>

The shares are listed in Vilnius Stock Exchange.

### Interest-bearing loans and borrowings

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

Lending institution	Ref	Principal amount	Balance LTL 2007 06 30	Balance LTL 2006 06 30
AB "SEB Vilniaus bankas", (mv "Andromeda")	a)	\$3 500 000	8 974 700	11 837 470
AB "SEB Vilniaus bankas", (mv "Libra")	b)	\$4 760 000	12 205 592	15 581 414
AB "Hansabankas", (mv "Pluto" and mv "Uranus")	c)	\$12 801 000	32 824 324	41 626 601
AB "Hansabankas", (mv "Capella")	d)	\$10 733 750	27 523 482	
AB "SEB Vilniaus bankas", (mv "Serenada")	e)	€ 4 800 000	16 573 440	19 163 040
"Nordea Finance Leasing"				31 621
<b>Total liabilities</b>			<b>98 101 538</b>	<b>88 240 146</b>
Less: current portion			-15 077 254	-13 682 997
<b>Total long term portion of net liabilities</b>			<b>83 024 284</b>	<b>74 557 149</b>



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 should 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 should 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 should 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 should 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 should be repaid by 11 August 2012 in quarterly payments. The loan is secured by pledging the vessel "Serenada".

### ***Subsequent events***

No material events, having influence on Company's activities, occurred after the Interim Financial Statement was prepared.

