

JSC “Latvian Shipping Company” unaudited third quarter financial data

The Latvian Shipping Company and its subsidiaries (LSC Group) revenue for the first 9 months of 2016 was USD 74,33 million (USD 68,93 million in the first 9M of 2015) with a stable net voyage result for the period of USD 68,03 million.

The net loss of the LSC Group for the first 9 months of 2016 was USD 19,33 million. The result was mainly attributable to revaluation loss recognised in respect to the value of the LSC fleet in the amount of USD 18,26 million and the negative impact of the USD/EURO exchange rate in the amount of USD 3,67 million.

Fleet operating profit slightly rose to USD 43,47 million in the first 9 months of 2016 – higher than in the same period in the previous year when it was USD 39,39 million. The total net book value of the LSC Group’s fleet at 30th September 2016 was 282,50 million USD (31 December 2015 – 364,75 million USD), LSC management has reviewed the current methodology for determining the value of the fleet and, to ensure full transparency with investors and stakeholders, has decided to determine the value of the fleet on the balance sheet using the “lower” of fair (market) value or the “value in use” methodology applied over fifteen years useful life. The previous methodology allowed the higher of the two valuations to be used for financial reporting. Given the deterioration in asset values the fair (market) value has been applied for this reporting period and it is anticipated that this valuation will also be applied in the near term given the negative outlook for shipping.

The key financial indicators for the LSC Group for the first 9 months for the last three financial years were as follows (USD million):

	9 mo. 2014	9 mo. 2015	9 mo. 2016
Sales	69.71	68.93	74.33
EBITDA	28.59	35.62	40.33
Profit/(loss) before exceptionals	6.17	15.19	(1.1)
Exceptionals (income/loss from financial assets)	11.92	(14.21)	-
Exceptionals (fleet impairment/revaluation loss)	(32.25)	(2.40)	(18.26)
Net loss	(14.17)	(1.41)	(19.33)

About JSC “Latvian Shipping Company”

JSC “Latvian Shipping Company” (Nasdaq Riga: LSC1R) is vessel owner in the segment of medium and handy size tankers. The company owns 16 modern vessels employing more than 1300 professional and high-skilled seamen from Latvia. Besides, LSC subsidiary “LSC Shipmanagement” Ltd is technically serving 7 more vessels, thus managing a fleet of 23 vessels. The average age of the LASCOS fleet is 8 years. All of the vessels have received ISM (International Safety Management) certificates.

Further information:

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