

**AB Lisco Baltic Service**

**Consolidated financial  
statements for 2004**

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## **Company details**

### **AB Lisco Baltic Service**

Telephone	+370 6 393 600
Telefax	+370 6 393 601
Registration No.	BĮ 01-129
Registered address	Janonio 24 LT-5813 Klaipėda Lithuania

### **Board**

Peder Gellert Pedersen  
Christian Merrild  
Ole Frie  
Leif Brammer

### **Management**

Artūras Gedgaudas, General Director  
Jonas Nazarovas, Chief Financial Officer  
Samuil Vindergauz, Commerce Director

### **Auditors**

KPMG Lietuva

### **Banks**

AB Vilniaus Bankas  
AB Bank Nord/LB  
Nordea Bank

## **Annual report**

The Management has today discussed and adopted the annual accounts and the annual report.

The annual accounts have been prepared in accordance with Lithuanian Business Accounting Standards. We consider that the accounting policies used are appropriate and that the annual accounts thus give a true and fair view.

We recommend the annual accounts to be approved at the Annual General Meeting.

Klaipėda, 15 March 2005

Management:

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Artūras Gedgaudas

# **Report of the auditor to the shareholders of AB Lisco Baltic Service**

## **Scope**

We have audited the accompanying consolidated balance sheet of AB Lisco Baltic Service and its subsidiaries (the Group) as of 31 December 2004, and the related consolidated statements of income, changes in equity and cash flows for the year then ended.

## **Respective responsibilities of management and auditors**

These consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

## **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

## **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2004, and of the results of its operations and its cash flows for the year then ended and are prepared in accordance with Lithuanian Business Accounting Standards.

Klaipėda, 15 March 2005  
KPMG Lietuva

Leif Rene Hansen  
Danish State Authorised  
Public Accountant

Rokas Kasperavičius  
ACCA and Lithuanian  
Certified Auditor

Pavadinimas/ Name of the company: AB "LISCO BALTIC SERVICE" įmonių grupės konsoliduota finansinė atskaitomybė

Buveinė/ Office: J.Janonio g. 24, Klaipėda

Data / Date:

**BALANSAS (Lt)/ BALANCE SHEET (in Lit)**

2004 12 31

Eil. Nr Row No	TURTAS / ASSETS	Pastabos Nr./ Note No.	Finansiniai metai / Financial year	Praėję finansiniai metai / Previous financial year
<b>A.</b>	<b>ILGALAIKIS TURTAS / LONG-TERM ASSETS</b>		411.845.096	422.382.155
I.	NEMATERIALUSIS TURTAS / INTANGIBLE ASSETS		1.116	161.706
I.1	Plėtros darbai / Development costs			
I.2	Prestižas / Goodwill			47.432
I.3	Patentai, licencijos / Patents, licences			
I.4	Programinė įranga / Software			111.371
I.5	Kitas nematerialusis turtas/ Other intangible assets		1.116	2.903
II.	MATERIALUSIS TURTAS / TANGIBLE ASSETS		402.710.173	422.024.745
II.1.	Žemė / Land			
II.2.	Pastatai ir statiniai / Buildings and plant		7.243.979	8.495.630
II.3.	Mašinos ir įrengimai / Machinery and equipment		221.445	83.107
II.4.	Transporto priemonės / Vessels		389.975.749	409.805.540
II.5.	Kita įranga, prietaisai, įrankiai ir įrenginiai / Other fixtures, fittings, tools and equipment			
II.6.	Nebaigta statyba / Construction in progress		4.399.633	2.263.249
II.7.	Kitas materialusis turtas / Other tangible assets		869.367	1.377.219
III.	FINANSINIS TURTAS / FINANCIAL ASSETS		83.807	195.704
III.1.	Investicijos į asocijuotas įmones / Investments in associated companies		83.807	195.704
III.2.	Paskolos asocijuotoms įmonėms / Loans for associated companies			
III.3.	Po vienerių metų gautinos sumos / Amounts receivable after one year			
III.4.	Kitas finansinis turtas / Other financial assets			
<b>IV.</b>	<b>ATIDĖTOJO MOKESČIO TURTAS DEFERRED TAX ASSET</b>		9.050.000	

<b>B.</b>	<b>TRUMPALAIKIS TURTAS / SHORT-TERM ASSETS</b>		112.258.609	90.852.592
I.	ATSARGOS, IŠANKSTINIAI APMOKĖJIMAI IR NEBAIGTOS VYKDYTI SUTARTYS / STOCK, PREPAYMENTS AND CONTRACTS IN PROGRESS		3.906.678	3.522.807
I.1.	Atsargos / Stock		2.380.039	2.464.915
I.1.1	Žaliavos ir komplektavimo gaminiai / Raw materials and consumables		1.905.670	1.704.302
I.1.2	Nebaigta gamyba / Work in progress			
I.1.3	Pagaminta produkcija / Finished goods			
I.1.4	Pirktos prekės, skirtos perparduoti / Goods purchased for resale		474.369	760.613
I.2.	Išankstiniai apmokėjimai / Prepayments		1.526.639	1.057.892
I.3.	Nebaigtos vykdyti sutartys / Contracts in progress			
II.	PER VIENERIUS METUS GAUTINOS SUMOS / AMOUNTS RECEIVABLE WITHIN ONE YEAR		16.687.457	16.213.349
II.1.	Pirkėjų įsiskolinimas / Trade debtors		15.713.839	14.681.035
II.2.	Asocijuotų įmonių skolos / Debts of associated companies			
II.3.	Kitos gautinos sumos / Other amounts receivable		973.618	1.532.314
III.	KITAS TRUMPALAIKIS TURTAS / OTHER SHORT-TERM ASSETS		63.876.800	51.898.888
III.1.	Trumpalaikės investicijos / Short-term investments			
III.2.	Terminuoti indėliai / Term deposits		63.876.800	51.898.888
III.3.	Kitas trumpalaikis turtas / Other short-term assets			
IV.	PINIGAI IR JŲ EKVIVALENTAI / CASH AND EQUIVALENTS		27.787.674	19.217.548
	TURTAS IŠ VISO / TOTAL ASSETS		524.103.705	513.234.747

Eil. Nr Row No	NUOSAVAS KAPITALAS IR ĮSIPAREIGOJIMAI / SHAREHOLDERS' EQUITY AND LIABILITIES	Pastabos Nr./ Note No.	Finansiniai metai / Financial year	Praėję finansiniai metai / Previous financial year
<b>C.</b>	<b>NUOSAVAS KAPITALAS/ SHAREHOLDERS' EQUITY</b>		351.660.645	393.905.694
I.	KAPITALAS / CAPITAL			
I.1.	Įstatinis (pasirašytasis) / Subscribed capital		332.547.434	323.907.434
I.2.	Pasirašytasis neapmokėtas kapitalas (-) / Subscribed capital unpaid			
I.3.	Akcijų priedai / Share premium account			
I.4.	Savos akcijos (-) / Own shares		-1.668.282	-1.668.282
II.	PERKAINOJIMO REZERVAS (REZULTATAI) / REVALUATION RESERVE (RESULT)			
III.	REZERVAI / RESERVES		52.737.280	51.741.003
III.1.	Privalomasis / Legal reserve		16.711.400	15.715.123
III.2.	Savoms akcijoms įsigyti / Reserve for buying own shares		32.390.743	32.390.743
III.3.	Kiti rezervai / Other reserves		3.635.137	3.635.137
IV.	NEPASKIRSTYTASIS PELNAS (NUOSTOLIS) / PROFIT (LOSS) BROUGHT FORWARD		-31.956.734	19.925.539
IV.1.	Ataskaitinių metų pelnas (nuostoliai) / Current year profit (loss)		17.772.300	4.897.964
IV.2.	Ankstesnių metų pelnas (nuostoliai) / Previous years profit (loss)		-49.729.034	15.027.575
V.	VALIUTOS KURSO POKYČIO ĮTAKA / CURRENCY EXCHANGE GAIN (LOSS)		947	
<b>D.</b>	<b>MAŽUMOS DALIS / MINORITY</b>			
<b>E.</b>	<b>DOTACIJOS, SUBSIDIJOS / GRANTS, SUBSIDIES</b>			
<b>F.</b>	<b>MOKĖTINOS SUMOS IR ĮSIPAREIGOJIMAI / AMOUNTS PAYABLE AND LIABILITIES</b>		172.443.060	119.329.053
I.	PO VIENERIŲ METŲ MOKĖTINOS SUMOS IR ILGALAIKIAI ĮSIPAREIGOJIMAI / AMOUNTS PAYABLE AFTER ONE YEAR AND LONG-TERM LIABILITIES		127.785.980	73.179.771
I.1	Finansinės skolos / Financial debts		124.685.980	72.379.771
I.1.1	Lizingo (finansinės nuomos) ar panašūs įsipareigojimai / Leasing (financial rent) or similar liabilities		245.524	342.307
I.1.2	Kredito įstaigoms / Credit institutions		124.440.456	72.037.464
I.1.3	Kitos finansinės skolos/ Others financial debts			
I.2.	Skolos tiekėjams / Trade creditors			
I.3.	Gauti išankstiniai apmokėjimai / Prepayments received			
I.4.	Atidėjimai / Provisions		3.100.000	800.000
I.4.1	Įsipareigojimų ir reikalavimų padengimo / Obligations and claims			
I.4.2	Pensijų ir panašių įsipareigojimų / Pensions and similar obligations			
I.4.3	Kiti atidėjimai / Other provisions		3.100.000	800.000
I.5.	Atidėtieji mokesčiai / Deferred taxes			
I.6.	Kitos mokėtinos sumos ir ilgalaikiai įsipareigojimai / Other amounts payable and long-term liabilities			



II.	PER VIENERIUS METUS MOKĖTINOS SUMOS IR TRUMPALAIKIAI ĮSIPAREIGOJIMAI / AMOUNT PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES		44.657.080	46.149.282
II.1	Ilgalaikių skolų einamųjų metų dalis / Current year portion of long-term debts		12.686.881	6.029.475
II.2	Finansinės skolos / Financial debts		0	0
II.2.1.	Kredito įstaigoms / Credit institutions			
II.2.2.	Kitos skolos / Other debts			
II.3	Skolos tiekėjams / Trade creditors		13.076.028	14.251.435
II.4.	Gauti išankstiniai apmokėjimai / Prepayments received		4.417.515	3.327.086
II.5.	Pelno mokesčio įsipareigojimai / Profit tax liabilities		1.690.245	573.422
II.6.	Su darbo santykiais susiję įsipareigojimai / Work relationship liabilities		2.897.840	3.350.971
II.7.	Atidėjimai / Provisions			
II.8.	Kitos mokėtinos sumos ir trumpalaikiai įsipareigojimai / Other amounts payable and short-term liabilities		9.888.571	18.616.893
	NUOSAVO KAPITALO IR ĮSIPAREIGOJIMŲ IŠ VISO / TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		524.103.705	513.234.747

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(įmonės administracijos vadovo pareigų pavadinimas/  
duties of the admisitation manager of the company)

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(vardas ir pavardė, parašas/  
first and laste names, signature)

Pavadinimas/ Name of the company: AB "LISCO BALTIC SERVICE" įmonių grupės konsoliduota finansinė atskaitomybė

Buveinė/ Office: J.Janonio g. 24, Klaipėda

Data / Date:

PELNO (NUOSTOLIŲ) ATASKAITA (Lt)

PROFIT AND LOSS ACCOUNT (in Litas)

2004 12 31

Eil. Nr Row No	Straipsniai / Items	Pastabos Nr. / Note No.	Finansiniai metai/ Financial year	Praėję finansiniai metai/ Previous financial year
I.	<b>PARDAVIMO PAJAMOS / SALES REVENUE</b>		220.804.831	182.523.599
II.	<b>PARDAVIMO SAVIKAINA / COST OF SALES</b>		172.473.416	149.436.041
III.	<b>BENDRASIS PELNAS (NUOSTOLIAI) / GROSS PROFIT (LOSS)</b>		<b>48.331.415</b>	<b>33.087.558</b>
IV.	<b>VEIKLOS SĄNAUDOS / OPERATING EXPENSES</b>		<b>25.816.399</b>	<b>27.087.401</b>
IV.1.	Pardavimo / Sales		4.436.635	3.399.105
IV.2.	Bendrosios ir administracinės / General and administrative		21.379.764	23.688.296
V.	<b>TIPINĖS VEIKLOS PELNAS (NUOSTOLIAI) / PROFIT (LOSS) FROM OPERATIONS</b>		<b>22.515.016</b>	<b>6.000.157</b>
VI.	<b>KITA VEIKLA / OTHER OPERATIONS</b>		<b>3.158.618</b>	<b>1.543.404</b>
VI.1.	Pajamos / Revenue		3.736.375	2.854.886
VI.2.	Sąnaudos / Expenses		577.757	1.311.482
VII.	<b>FINANSINĖ IR INVESTICINĖ VEIKLA / FINANCIAL AND INVESTING ACTIVITIES</b>		<b>-5.446.645</b>	<b>-1.764.522</b>
VII.1.	Pajamos / Revenue		1.437.194	1.575.395
VII.2.	Sąnaudos / Expenses		6.883.839	3.339.917
VIII.	<b>ĮPRASTINĖS VEIKLOS PELNAS (NUOSTOLIAI) / PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>		<b>20.226.989</b>	<b>5.779.039</b>
IX.	<b>PAGAUTĖ / EXTRAORDINARY GAIN</b>			
X.	<b>NETEKIMAI / EXTRAORDINARY LOSS</b>			
XI.	<b>PELNAS (NUOSTOLIAI) PRIEŠ APMOKESTINIMĄ / PROFIT (LOSS) BEFORE TAXES</b>		<b>20.226.989</b>	<b>5.779.039</b>
XII.	<b>PELNO MOKESTIS / PROFIT TAX</b>		<b>2.454.689</b>	<b>881.075</b>
XIII.	<b>PELNAS (NUOSTOLIAI) PRIEŠ MAŽUMOS DALĮ / PROFIT (LOSS) BEFORE MINORITY</b>			
XIV.	<b>MAŽUMOS DALIS / MINORITY</b>			
XV.	<b>GRYNASIS PELNAS/NET PROFIT</b>		<b>17.772.300</b>	<b>4.897.964</b>
	<b>(NUOSTOLIS) / (LOSS)</b>			

(įmonės administracijos vadovo pareigų pavadinimas/  
duties of the admisitation manager of the company)

(vardas ir pavardė, parašas/  
first and laste names, signature)

Pavadinimas/ Name of the company: AB "LISCO BALTIC SERVICE" įmonių grupės konsoliduota finansinė atskaitomybė

Buveinė/ Office: J.Janonio g. 24, Klaipėda

Data / Date:

NUOSAVO KAPITALO POKYČIŲ ATASKAITA (Lt)

CHANGES IN SHAREHOLDERS' EQUITY (in Lit)

2004 12 31

	Apmokėtas įstatinis kapitalas / Issued authorized capital	Akcijų priedai / Share premium account	Savos akcijos (-) / Own shares ( )	Perkainojimo rezervas (rezultatai) / Revaluation reserve (results)		Įstatymo numatyti rezervai / Legal reserve		Kiti rezervai / Other reserve	Nepaskirtasis pelnas (nuostoliai) / Profit (loss) brought forward	Valiutos kurso pokyčio įtaka	Iš viso / Total
				Ilgalaikio materialiojo turto / Of long-term tangible assets	Finansinio turto / Of financial assets	Privalomasis / Obligatory	Savų akcijų įsigijimo / For buying own shares				
<b>1. Likutis 2002 m. gruodžio 31 d. / Balance at 31 December, 2002</b>	323.907.434	0	0	0	0	15.715.123	32.390.743	3.635.137	15.027.575		390.676.012
2. Apskaitos politikos pakeitimo rezultatas / Result of change of accounting policy			-688.689								
3. Esminių klaidų taisymo rezultatas / Result of corrections of essential errors											
4. Perskaičiuotas likutis 2002 m. gruodžio 31 d. / Recalculated balance at 31 December, 2002	323.907.434	0	-688.689	0	0	15.715.123	32.390.743	3.635.137	15.027.575	0	389.987.323
5. Ilgalaikio materialiojo turto vertės padidėjimas / sumažėjimas / Increase / decrease in value of long-term tangible assets											
6. Finansinio turto vertės padidėjimas / sumažėjimas / Increase / decrease in value of financial assets											
7. Savų akcijų įsigijimas / pardavimas / Purchase / sale of own shares			-979.593								-979.593
8. Pelno (nuostolių) ataskaitoje nepripažintas pelnas / nuostoliai / Not recognized profit / loss in Profit (loss) statement											
9. Ataskaitinio laikotarpio grynas pelnas / nuostoliai / Net profit / loss of current year									4.897.964		4.897.964
10. Dividendai / Dividends											
11. Kitos išmokos / Other payables											
12. Sudaryti rezervai / Reserves made											
13. Panaudoti rezervai / Reserves used											
14. Įstatinio kapitalo didinimas / mažinimas / Increase / decrease in authorized capital											
<b>15. Likutis 2003 gruodžio 31 d. / Balance at 31 December, 2003</b>	323.907.434	0	-1.668.282	0	0	15.715.123	32.390.743	3.635.137	19.925.539	0	393.905.694

	Apmokėtas įstatinis kapitalas / Issued authorized capital	Akcijų priedai / Share premium account	Savos akcijos (- )/ Own shares ( )	Perkainojimo rezervas (rezultatai) / Revaluation reserve (results)		Įstatymo numatyti rezervai / Legal reserve		Kiti rezervai / Other reserve	Nepaskirs- tytasis pelnas (nuostoliai) / Profit (loss) brought forward	Valiutos kurso pokyčio įtaka	Iš viso / Total
				Ilgalaikio mate- rialiojo turto / Of long-term tangible assets	Finansinio turto / Of financial assets	Privalomasis / Obligatory	Savų akcijų įsigijimo / For buying own shares				
16. Ilgalaikio materialiojo turto vertės padidėjimas / sumažėjimas / Increase / decrease in value of long-term tangible assets									-77.696.296		-77.696.296
17. Finansinio turto vertės padidėjimas / sumažėjimas / Increase / decrease in value of financial assets									-12.000	947	-11.053
18. Savų akcijų įsigijimas / Purchase of own shares											
19. Pelno (nuostolių) ataskaitoje nepripažintas pelnas / nuostoliai/ Not recognized profit / loss in Profit (loss) statement									9.050.000		9.050.000
20. Ataskaitinio laikotarpio grynasis pelnas / nuostoliai / Net profit / loss of current year									17.772.300		17.772.300
21. Dividendai / Dividends											
22. Kitos išmokos / Other payables											
23. Sudaryti rezervai / Reserves made						996.277			-996.277		0
24. Panaudoti rezervai / Reserves used											
25. Įstatinio kapitalo didinimas / mažinimas / Increase / decrease in authorized capital	8.640.000										8.640.000
<b>26. Likutis 2004 m. gruodžio 31 d. / Balance at 31 December, 2004</b>	332.547.434	0	-1.668.282	0	0	16.711.400	32.390.743	3.635.137	-31.956.734	947	351.660.645

(įmonės administracijos vadovo pareigų pavadinimas/  
duties of the admisitation manager of the company)

(vardas ir pavardė, parašas/  
first and laste names, signature)

Pavadinimas/ Name of the company: AB "LISCO BALTIC SERVICE" įmonių grupės konsoliduota finansinė atskaitomybė

Buveinė/ Office: J.Janonio g. 24, Klaipėda

Data / Date:

PINIGŲ SRAUTŲ ATASKAITA (Lt)

CASH FLOW STATEMENT (in Litus)

2004 12 31

Eil. Nr Row No	Straipsniai / Items	Pastabos Nr. / Note No.	Finansiniai metai / Financial year	Praėję finansiniai metai / Previous financial year
	<b>Pagrindinės veiklos pinigų srautai / Cash flow from main activities</b>			
I.1.	Grynasis pelnas (nuostoliai) / Net profit (loss)		17.772.300	4.897.964
I.2.	<u>Mažumos dalis / Minority</u>			
I.3.	Nusidėvėjimo ir amortizacijos sąnaudos / Depreciation and amortisation expenses		33.827.686	27.836.449
I.4.	Po vienerių metų gautinų sumų (padidėjimas) sumažėjimas / (Increase) Decrease in amounts receivable after one year			
I.5.	Atsargų (padidėjimas) sumažėjimas / (Increase) Decrease in stock		108.142	682.405
I.6.	Išankstinių apmokėjimų (padidėjimas) sumažėjimas / (Increase) Decrease in prepayments		-468.747	-120.277
I.7.	Nebaigtų vykdyti sutarčių (padidėjimas) sumažėjimas / (Increase) Decrease in contracts in progress			
I.8.	Pirkėjų išskolinimo (padidėjimas) sumažėjimas / (Increase) Decrease in trade receivables		-1.032.804	-2.649.597
I.9.	Dukterinių ir asocijuotų įmonių skolų (padidėjimas) sumažėjimas/ (Increase) Decrease in debts of subsidiary and associated companies			
I.10.	Kitų gautinų sumų (padidėjimas) sumažėjimas / (Increase) Decrease in other amounts receivables		558.696	467.116
I.11.	Kito trumpalaikio turto (padidėjimas) sumažėjimas / (Increase) Decrease in other short-term assets		-11.977.912	8.217.249
I.12.	Ilgalaikių skolų tiekėjams ir gautų išankstinių apmokėjimų padidėjimas (sumažėjimas)/ Inrease (decrease) in long-term trade payables and received prepayments			
I.13.	Trumpalaikių skolų tiekėjams ir gautų išankstinių apmokėjimų padidėjimas (sumažėjimas)/ Inrease (decrease) in short-term trade payables and received prepayments		-84.978	5.768.493
I.14.	Pelno mokesčio įsipareigojimų padidėjimas (sumažėjimas) / Inrease (decrease) in profit tax liabilities		1.116.823	555.787
I.15.	Su darbo santykiais susijusių įsipareigojimų padidėjimas (sumažėjimas) / Inrease (decrease) in liabilities related to labour relations		-453.131	616.405
I.16.	Atidėjimų padidėjimas / Inrease (decrease) in provisions		2.300.000	800.000
I.17.	Kitų mokėtinų sumų ir įsipareigojimų padidėjimas (sumažėjimas)/ Inrease (decrease) in other amounts payable and liabilities		-8.728.322	8.098.982
I.18.	Finansinės ir investicinės veiklos rezultatų eliminavimas / Elimination of results of financial and investing activities		2.535.455	5.751.089
	<b>Grynieji pagrindinės veiklos pinigų srautai / Net cash flow from main activity</b>		<b>35.473.208</b>	<b>60.922.065</b>
	<b>Investicinės veiklos pinigų srautai / Cash flow from investing activities</b>			
II.1	Ilgalaikio turto (išskyrus investicijas) įsigijimas / Purchases of long term assets (except for investments)		-101.411.779	-131.767.787
II.2.	Ilgalaikio turto (išskyrus investicijas) perleidimas / Transfer of long term assets (except for investments)		11.401.581	1.994.102
II.3.	Ilgalaikių investicijų įsigijimas / Acquisition of long-term investments			
II.4.	Ilgalaikių investicijų perleidimas / Transfer of long-term investments			
II.5.	Paskolų suteikimas / Loans provided			
II.6.	Paskolų susigrąžinimas / Loans returned			
II.7.	Gauti dividendai, palūkanos / Dividends, interests received		100.000	
II.8.	Kiti investicinės veiklos pinigų srautų padidėjimai / Other increase in cash flow from investing activities			
II.9.	Kiti investicinės veiklos pinigų srautų sumažėjimai / Other decrease in cash flow from investing activities			
	<b>Grynieji investicinės veiklos pinigų srautai / Net cash flow from investing activities</b>		<b>-89.910.198</b>	<b>-129.773.685</b>

<b>III.</b>	<b>Finansinės veiklos pinigų srautai / Cash flow from financial activities</b>			
III.1.	Pinigų srautai, susiję su įmonės savininkais / Cash flow related to owners		8.640.000	-979.593
III.1.1.	Akcijų išleidimas / Emission of shares		8.640.000	
III.1.2.	Savininkų įnašai nuostoliams padengti / Owners contributions against losses			
III.1.3.	Savų akcijų supirkimas / Redemption of own shares			-979.593
III.1.4.	Dividendų išmokėjimas / Dividends paid			
III.2.	Pinigų srautai, susiję su kitais finansavimo šaltiniais / Cash flow related to other financing sources		54.367.116	76.066.307
III.2.1.	Finansinių skolų padidėjimas / Increase in financial debts			
III.2.1.1.	Paskolų gavimas / Loans gained		66.466.400	80.947.154
III.2.1.2.	Obligacijų išleidimas / Bonds emission			
III.2.2.	Finansinių skolų sumažėjimas / Decrease in financial debts			
III.2.2.1.	Paskolų gražinimas / Loans paid		-7.410.713	-3.110.531
III.2.2.2.	Obligacijų supirkimas / Redemption of bonds			
III.2.2.3.	Sumokėtos palūkanos / Interest paid		-4.596.499	-2.092.831
III.2.2.4.	Lizingo (finansinės nuomos) mokėjimai / Leasing payments		-92.072	322.515
III.2.3.	Kitų įmonės įsipareigojimų padidėjimas / Increase in other liabilities			
III.2.4.	Kitų įmonės įsipareigojimų sumažėjimas / Decrease in other liabilities			
III.2.5.	Kiti finansinės veiklos pinigų srautų padidėjimai / Increase in other cash flow from financial activities			
III.2.6.	Kiti finansinės veiklos pinigų srautų sumažėjimai / Decrease in other cash flow from financial activities			
	<b>Gryniesi finansinės veiklos pinigų srautai / Net cash flow from financial activities</b>		<b>63.007.116</b>	<b>75.086.714</b>
<b>IV.</b>	<b>Ypatingųjų straipsnių pinigų srautai / Cash flow from extraordinary activities</b>			
IV.1.	Ypatingųjų straipsnių pinigų srautų padidėjimas / Increase in cash flow from extraordinary activities			
IV.2.	Ypatingųjų straipsnių pinigų srautų sumažėjimas / Decrease in cash flow from extraordinary activities			
<b>V.</b>	<b>Valiutų kursų pasikeitimo įtaka grynųjų pinigų ir pinigų ekvivalentų likučiui / Influence of changes in foreign currency exchange rates to balance of cash and cash equivalent</b>		<b>0</b>	<b>0</b>
<b>VI.</b>	<b>Grynasis pinigų srautų padidėjimas (sumažėjimas) / Increase (decrease) in net cash flow</b>		<b>8.570.126</b>	<b>6.235.094</b>
<b>VII.</b>	<b>Pinigai ir pinigų ekvivalentai laikotarpio pradžioje / Cash and cash equivalents at the beginning of the period</b>		<b>19.217.548</b>	<b>12.982.454</b>
<b>VIII.</b>	<b>Pinigai ir pinigų ekvivalentai laikotarpio pabaigoje / Cash and cash equivalents at the end of the period</b>		<b>27.787.674</b>	<b>19.217.548</b>

(įmonės administracijos vadovo pareigų pavadinimas/  
duties of the administration manager of the company)

(vardas ir pavardė, parašas/  
first and laste names, signature)

## Notes

### 1. General information

AB LISCO Baltic Service (hereinafter – the parent Company), company code 110865181, was established on 27 June 2001 upon reorganisation of AB Lithuanian Shipping Company. The major shareholder is the Danish company, DFDS A/S, having a shareholding of 91,82% as at 31 December 2004. The main activity of the Company – transportation of cargo and passengers by ferry boats and vessels (activity codes - 61.10.20 "Cargo transportation by vessels" and 61.10.30 "Transportation of passengers, vehicles and cargo by ferries").

#### Representative offices of the parent Company:

AB LISCO Baltic Service has a representative office in Moscow, Russia. The address of the representative office is: Ozerkovski str. 12, 113184 Moscow, Russia.

AB LISCO Baltic Service Group consists of the following subsidiaries:

Name of the subsidiary	Address	Owned shares
UAB Krantas Shipping	Perkėlos 10, LT-5800 Klaipėda	100%
UAB Laivyno technikos Priežiūros Bazė	Perkėlos 10, LT-5800 Klaipėda	100%
UAB Krantas Travel	J.Janonio 24, LT-5800 Klaipėda	100%
UAB LISCO SL	Liepų 18-23, LT-5800 Klaipėda	100%
UAB Lisco Crew	J.Janonio 24, LT-5800 Klaipėda	100%
LISCO Baltic Service GmbH	Ostuferhafen 15, D-24149 Kiel	100%
Rasa Multipurpose Shipping Ltd. Cyprus	J.Janonio 24, LT-5800 Klaipėda	100%
Auksė Multipurpose Shipping Ltd. Cyprus	J.Janonio 24, LT-5800 Klaipėda	100%

The Group includes LISCO Baltic Service AB, which is a subsidiary of UAB “Krantas Shipping in Sweden (100% owned). This subsidiary did not carry out any activities in 2004.

Nature of activities of the subsidiaries

Name of subsidiary	Nature of activity
UAB Krantas Shipping	Shipping agency
UAB LISCO SL	Logistics, forwarding
UAB Krantas Travel	Travel agency
UAB Laivyno technikos Priežiūros Bazė	Repair and maintenance of vessels
UAB Lisco Crew	Employment of seamen, crew formation
LISCO Baltic Service GmbH	Shipping agency
Rasa Multipurpose Shipping Ltd. Cyprus	Shipping
Auksė Multipurpose Shipping Ltd. Cyprus	Shipping

Share of own capital as at 31 December 2004 and net result for the period in the subsidiaries:

Name of the subsidiary	Own capital (Lt)	Net profit (loss) (Lt)
UAB Krantas Shipping	8,039,903	1,552,719
UAB LISCO SL	2,021,762	1,014,390
UAB Krantas Travel	-65,580	-16,630
UAB Laivyno technikos Priežiūros Bazė	3,284,058	101,983
UAB Lisco Crew	353,291	130,146
LISCO Baltic Service GmbH	1,963,596	-318,705
Rasa Multipurpose Shipping Ltd. Cyprus	3,239,255	2,126,804
Auksė Multipurpose Shipping Ltd. Cyprus	-45,992	-45,992

On 1 July 2004 the extraordinary shareholders meeting took a decision to liquidate UAB Krantas Shipping as of 1 September 2004. Upon enforcement of the decision, the liquidator was assigned to execute the rights and duties of the chairman of the company's board and the head of administration. As of 1 September 2004 UAB Krantas Shipping has a status of a company under liquidation. The main activity of the company was ceased. The agency activity of the company was taken over by the parent company, AB LISCO Baltic Service.

In 2004 the average number of employees in the Group was 777, in 2003 the Company had 773 employees. At the end of the year 2004 there were 771 employees. At the end of the year 2003 there were 772 employees.

In the year 2004 upon the decision of the shareholders the share capital of AB LISCO Baltic Service was increased by issuing 8,640,000 new ordinary shares resulting in an increase of the share capital by an amount of 8,640,000 LTL.

The financial reporting of the Group companies is maintained and the consolidated financial statements are presented in accordance with the Law on Accounting, the Law on Financial Reporting, Business Accounting Standards and other legal acts.



## **2. Significant accounting policies**

### **Statement of compliance**

The consolidated annual accounts of AB Lisco Baltic Service Group have been prepared in accordance with Lithuanian Business Accounting Standards (BAS).

### **Basis of preparation**

The financial statements are presented in Litas. They are prepared on the historical cost basis.

The preparation of the financial statements in accordance with BAS requires from the management to make judgements, estimates and assumptions that affect on the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

The accounting policies have been consistently applied in the Group and are consistent with those used in the previous year.

### **Basis for consolidation**

The consolidated financial statements comprise AB Lisco Baltic Service, the parent Company, and subsidiary undertakings, in which AB Lisco Baltic Service, directly or indirectly, controls more than 50% of the voting rights.

The undertakings, which are not the subsidiary undertakings but in which AB Lisco Baltic Service has 20% or more of voting rights and exercises a considerable influence over the operational and financial management, are the associated undertakings. Participating interests in the associated undertakings are valued according to the equity method at the proportionately owned share of the undertakings' capital and reserves. The proportionally owned share of the associated undertakings' results is included in the profit and loss account.

When consolidating, inter-group income and expenses, inter-group receivables and payables and profit and loss on inter-group transactions are eliminated.

### **Foreign currency transactions**

Transactions in foreign currencies are translated into Litas at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Litas at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

## **Financial risk management**

The Group is operating in the international markets, thus is exposed to foreign exchange and liquidity risks. The Group companies are also trading with a number of small clients, therefore faces increased credit risk. Methods used to manage these risks can be described as follows:

### ***Credit risk***

Credit risks, or the risk of counter-parties default, are controlled by application of credit terms and monitoring procedures. The Group has no significant concentration of credit risk with any single counterpart or group of counter-parties.

### ***Foreign exchange risk***

The main part of the Group companies' transactions in 2004 are denominated in Litas and EUR, therefore the Group did not expose to significant foreign currency exchange risk.

The major part of payable and receivable amounts in foreign currency as at 31 December 2004 are denominated in EUR

### ***Liquidity risk***

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities.

### ***Interest rate risk***

The Company's borrowings are subject to fixed interest rates, which are LIBOR+0.875% and LIBOR+0.8%.

The Group does not use any financial instruments to cover the financial risk.

## **Balance sheet**

### **Non-current assets**

Non-current assets are recorded at acquisition cost including all costs related to acquisition, except for value added tax and interest.

Assets, which are used for a period longer than 1 year, and from which the company expects to receive future economic benefits, and the acquisition value of which can be reliably defined and is higher than the capitalisation limit set for that group of assets, and all the risks related to the assets is transferred to the company are recognised as non-current tangible assets. Non-current tangible assets also include the assets, which are received but not yet taken into use or assembling of which is not finished. In the financial statements such assets are presented separately in an item of construction in progress.

Intangible assets include non-monetary assets which have no material form and are used by the company for generating direct and indirect economic benefits. Expenses are recognised as intangible assets if the company expects to have future economic benefits from these assets, and the cost of such assets can be reliably determined and is higher than the minimum cost, if defined, and if the company can use, control and put limitations on the usage of the assets for other persons.

### **Goodwill and negative goodwill**

Goodwill (both positive and negative) represents amounts arising on acquisition of subsidiaries and associates and represents a difference between the cost of the acquisition and the value of the net assets acquired.

Positive goodwill is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis. Negative goodwill is recognised as income on a straight-line basis.

In respect of associates, the value of goodwill is included in the book value of the investment in the associate.

As of 1 January 2003, the Group defined a capitalisation limit of 50,000 LTL for acquisitions of non-current assets. Reconstruction of a vessel not less than 500,000 LTL is capitalised as a non-current asset if it improves the useful features of the vessel or extends its useful lifetime. The limit of 50,000 LTL is applied on reconstruction of other assets.

Depreciation rates for non-current assets as set by the Group are as follows:

Land	is not depreciated
Buildings:	
- Office premises	50 years
- Production premises	25 – 50 years
- Other buildings	50 years
- Constructions on the rented land	period of land rent, but not longer than 50 years
- Constructions and warehouses of the terminal	40 years
- Constructions and warehouses of the terminal on rented land	period of land rent, but not longer than 40 years

Plant (ramps, gangway, etc.)	10 years If the mentioned asset makes a part of a terminal or a building, the depreciation rate of the asset must coincide with the depreciation rate of the terminal or building
Vessels	8 – 25 years
Loading equipment (rolltrailers, containers)	6,7 years
Other assets: - Cars - Trucks - Fork lifts - Tools and machines - Computers and communication means - Furniture and other inventory - Other assets	5 years 5 years 5 years 5 years 4 years 5 years 5 years
Intangible assets: - Goodwill - Port privileges  - Exceptional rights - Computer software	0 - 5 years term of agreement, but not longer than 5 years  0 – 5 years 3 – 5 years

Amortisation and depreciation are provided on a straight-line basis.

Maintenance of intangible assets and subsequent expenditure are attributed to costs of the accounting period in which they were incurred.

Maintenance costs of tangible assets are attributed to costs of the accounting period in which they were incurred. Reconstruction and repair costs are recognised depending on the work nature and costs limits. If reconstruction and repair costs of non-current tangible assets do not exceed the set limits, they are recognised as costs of the accounting period - as cost of sales or operating costs. If reconstruction and repair costs of non-current tangible assets exceed the set limits and:

- extend the useful lifetime and improve the useful features of the asset, the acquisition value of non-current tangible assets is increased by the value of works performed and the useful lifetime of the asset is reviewed;
- only improve the useful features of the asset but do not extend the useful lifetime, the acquisition value of non-current tangible assets is increased by the value of works performed;

- do not improve the useful features of the asset but extend its useful lifetime, the acquisition value of non-current tangible assets is increased by the value of works performed and the useful lifetime of the asset is reviewed;
- neither improve the useful features of the asset nor extend its useful lifetime, the value of works performed is recognised under costs of the accounting period.

### **Investments**

Investments classified as being available-for-sale are stated at fair value, with any resultant gain or loss being recognised in the income statement. When fair value of the investment can not be measured reliably, the investment is valued at the purchase cost less impairment losses.

Investments classified as held-to-maturity are stated at amortised cost.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less the estimated costs of completion and selling expenses.

The cost of the inventories is based on FIFO principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

### **Amounts receivable**

Trade and other receivable are stated at their cost less impairment losses.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at bank.

### **Impairment**

The carrying amounts of the company's assets, other than inventories, are reviewed at each balance sheet date to determine, whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognised in the income statement.

### **Calculation of recoverable amount**

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### **Legal reserve**

Following the legislation, annual allocation to the legal reserve should amount to at least 5% of the net profit until the reserve makes up 10% of the share capital. The reserve can not be distributed.

### **Dividends**

Dividends are recognised as a liability in the period in which they are declared.

### **Provisions**

Provisions are recognised in the balance sheet when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

### **Profit and loss account**

#### **Sales income**

Revenue from sale of goods and rendering of services is recognised on accrual basis.

Revenue from sale of goods is included in the profit and loss account when the significant risks and rewards of ownership have been transferred to the client.

When service rendering period ends in the same period when started, income is recognised in the same period. When services are rendered for a longer than one accounting period, income is distributed proportionally among the periods in which the services were rendered. Income is recognised only if it is probable that services rendered will bring economic benefits.

#### **Costs of sales**

Cost of sales comprises cost of goods sold and services rendered, including depreciation of vessels and labour costs and other costs in order to obtain the turnover for the year.

### **Operating expenses**

Operating expenses comprise expenses regarding administrative staff, management, office premises and office expenses etc., including depreciation and amortisation.

### **Other income and expenses**

Other operating income and charges comprise items secondary in relation to the primary activities including a rental income and the result from disposal of the used non-current assets.

### **Financial and investing income and expenses**

Financial income and expenses comprise interest receivable and payable, realised and unrealised exchange gains and losses regarding debtors and creditors denominated in foreign currencies.

Dividends income is recognised when the shareholder's right to receive payment is established.

Financial income and expenses also include profit or loss from investment accounted for based on the equity method.

### **Extraordinary gains and losses**

Extraordinary gains and losses comprise income and charges resulting from activities other than ordinary ones.

### **Tax on profit for the year**

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income using applicable tax rate and calculated in accordance with the tax legislation.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset should only be recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

## **Cash flow statement**

The cash flow statement shows the company's inflows and outflows of cash during the year as well as the financial position at year-end.

### **Cash flows from operating activities**

Cash flows arising from operating activities are presented indirectly and are calculated as net result adjusted for non-cash operating items, changes to the operating capital, financial and extraordinary items and corporation tax paid.

### **Cash flows from investing activities**

Cash flows arising from investing activities include payments in connection with the acquisition and sale of fixed assets and investments.

### **Cash flows from financing activities**

Cash flows arising from financing activities include payments to and from shareholders and raising of and repayments of mortgage loans and other long-term and short-term creditors not included under working capital.



### 3. Other notes

During the 1<sup>st</sup> quarter 2004 two vessels „Šiauliai“ and „Panevėžys“ owned by AB LISCO Baltic Service were sold. In 2004 the memorandum of agreement regarding sale of the vessels “Kęstutis” and “Jogaila” were signed. Both vessels are planned to be sold in 2005. Based on the comparison of sales prices as to the agreements and the carrying values of the vessels, an impairment loss of 1,6 Mio Litas was recognised, which is reflected in the income statement under cost of sales.

In May 2004 Auksė Multipurpose Shipping Ltd., acquired a new ferry „LISCO Patria“ for 27,500 tEUR (94,952 tLTL) currently operating on the Swedish line, which was rented to AB LISCO Baltic Service. For acquisition of the mentioned ferry the bank granted a long-term loan amounting to 19,250 tEUR. The outstanding loan amount as at 31 December 2004 was 18,802 tEUR.

Following the Business Accounting Standard No. 23 "Impairment of Assets", AB LISCO Baltic Service reviewed the recoverable amounts of the vessels as at 31 December 2004. The recoverable amount was determined based on the value in use of the vessels, except for “Kęstutis” and “Jogaila”. The total estimated loss amounts to 77,7 Mio LTL. The calculations were supported by conclusions of external valuers. Due to the fact that the evaluation was performed as at 31 December 2004 and based on the the Business Accounting Standard No. 7 "Change of accounting policies, estimates and correction of errors", the loss of 77.7 Mio LTL was recognised in the equity under retained earnings.

The financial statements of UAB Krantas Shipping, which is under liquidation process, are not prepared based on the going concern principle. Assets of the company are evaluated at expected realisable value and liabilities - at nominal value. All non-current assets of UAB Krantas Shipping are reflected at net realisable value under current assets.

In order to unify the accounting policies for non-current assets in AB LISCO Baltic Service Group, the non-current assets held by the subsidiary LISCO Baltic Service GmbH, Germany were reviewed. Change of accounting estimates in the subsidiary had a negative effect of 501 tLTL. The mentioned impact was reflected in the result for the year (perspective change of accounting estimates) under general and administrative costs.

Following the Business Accounting Standard No. 24 "Profit Tax", the deferred tax was estimated. Taking into consideration the level of materiality, the deferred tax was estimated only in the parent company AB LISCO Baltic Service. According to estimation the deferred tax (asset) amounts to 9,050 tLTL as at 31 December 2004.

A specification of temporary differences is provided below:

<b>Item</b>	Temporary differences in LTL'000 as at 31/12/2004	Temporary differences in LTL'000 as at 31/12/2003
Intangible assets	-424	-134
Tangible non-current assets	-59,653	0
Financial assets	8,901	4,467
Inventories	-355	-397
Accrued costs	-8,784	-6,794
<b>Total temporary differences</b>	<b>-60,315</b>	<b>-2,858</b>
<b>Deferred tax calculated at 15% rate (asset), thousand Lit</b>	<b>-9,050</b>	<b>-430</b>
<b>Realisation allowance</b>	<b>0</b>	<b>430</b>
<b>Deferred tax (asset), thousand Lit</b>	<b>-9,050</b>	<b>0</b>

The major impact on temporary differences is made by non-current assets, i.e. differences between the carrying amounts of vessels and their tax basis. As the recoverable amounts of the vessels are reviewed as at 31 December 2004 and they are not known at the end of the previous accounting period, the deferred tax was estimated also as at 31 December 2004 and reflected in the equity under retained earnings.

In 2004 the parent company AB LISCO Baltic Service established a provision for claims amounting to 2,300 tLTL, which was recognised in the balance sheet under liabilities and in the income statement under cost of sales. The total value of provisions as at 31 December 2004 amounts to 3,100 tLTL. A specification of provisions is presented below:

<b>Provision</b>	Amount in Lit	Expected to be covered
Provision for reorganisation costs	800,000	After one year but not later than within 5 years
Provision for claims	2,300,000	After one year but not later than within 5 years
<b>Total</b>	<b>3,100,000</b>	

Other significant items are presented in the explanatory schemes to the financial statements:

- Intangible assets
- Tangible non-current assets,
- Inventories,
- Associated companies,
- Structure of authorised capital,
- Project of profit appropriation,
- State of the Group companies liabilities,
- Financial relations with the management,
- Results of financial and investment activity,

There were no significant post balance sheet events, related to the year 2004.

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Artūras Gedgaudas  
General Director