



LIMARKO SHIPPING COMPANY

SEMI ANNUAL REPORT

VILNIUS
August, 2006

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I. GENERAL INFORMATION

1. The period for which the report was drawn up.

The first half of the year 2006.

2. General information about the issuer.

Issuer name	Limarko Shipping Company AB
Authorized capital	LTL 109 450 664
Registered office	Nemuno str. 22, LT-93277 Klaipėda, Lithuania
Telephone number	+370 46 34 01 85
Fax number	+370 46 34 11 95
E-mail	info@limarkoshipco.lt
Legal and organizational form	public limited liability company
Date and place of registration	September 9, 1991, Board of Klaipėda city
Registre codee	1403 46648
Web site	www.limarko.lt

3. Information about where and how one can get acquainted with the report and the documents on the basis of which it was prepared (financial statements, the auditor's report, etc.) and the name of the means of mass media.

Documents on the basis of which the Report was prepared and the copies of the Report are available to investors in the company, at 22 Nemunas str., Klaipėda, on workdays from 8.30 a.m. till 4.00 p.m.

All major material events related to the Company's activities or information about time and venue of the General Meeting of Shareholders and any other notices to the shareholders and other persons shall be announced in the daily Lietuvos Rytas and Klaipėda in accordance with the Lithuanian law.

4. Persons responsible for the accuracy of information in the report:

4.1. Members of the managing bodies of the issuer, employees and the head of the administration responsible for the report on behalf of the Company:

Vytautas Lygnugaris, Limarko Shipping Company AB President, phone: +370 46 34 01 85, fax: +370 46 34 11 95.

Renaldas Vyšniauskas, Limarko Shipping Company AB Chief Financial Officer, phone: +370 46 34 08 96, fax: +370 46 34 11 95.

4.2. Consultants helped with preparing the report::

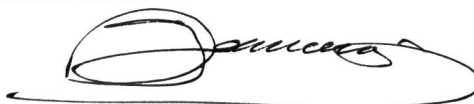
Trading and Capital Markets of SEB Vilniaus Bankas, Ltd, legal address Gedimino av. 12, LT-01103 Vilnius, phone: (370) 5-268-2687, facsimile: (370) 5-268-2683, represented by Aurelija Kuraitė, Acting Head of Origination unit.

5. Declaration by the members of the issuer's managing bodies, employees, the head of the administration and the issuer's consultants or their representatives that the information contained in the report is in accordance with the facts and that the report makes no omission likely to affect its import

Limarko Shipping Company AB represented by Vytautas Lygnugaris, the company's President, and Renaldas Vyšniauskas, Chief Financial Officer, hereby represents that information included in the Report gives a true view and there are no undisclosed material facts the absence of which might influence the investors' decisions to purchase or sell the company's securities, the market price of the securities and their evaluation.

The Trading and Capital Markets of SEB Vilniaus Bankas, Ltd. represented by Aurelija Kuraitė, acting Head of Origination Unit, hereby represents that complete information obtained from the Company's employees and its Management has been included into the report and it is the former's responsibility to duly prepare the documents submitted to it. It is the responsibility of Limarko Shipping Company AB that said information gives a true and fair view.

Company's President



Vytautas Lygnugaris

07 August, 2006

Chief Financial Officer



Renaldas Vyšniauskas

07 August, 2006

Acting Head of Origination Unit of the Trading and Capital Markets of SEB Vilniaus Bankas AB



Aurelija Kuraitė

07 August, 2006

The report was drawn up in Vilnius, August 2006.

II. INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL, ISSUED SHARES AND THE MEMBERS OF MANAGING BODIES

6. The issuer's authorised capital:

6.1. authorised capital registered in the registre of enterprises

In June 30, 2006, the issuer's authorized capital was equal to 109 450 664 LTL, encompassing 109 450 664 ordinary shares, the par value of each being 1 LTL. Shareholders having ordinary shares have a right to one vote at the General Meeting of Shareholders and a right to get dividends, which are regularly announced.

The structure of the Limarko Shipping Company AB authorized capital according to the share type:

Type and class of shares	The number of authorized shares	Nominal value (currency)	Total nominal value	The part of the authorized capital	The number of fully paid up shares	Total nominal value of fully paid up shares (NIS)
Ordinary registered shares	109,450,664	1,00	109,450,664	100%	109,450,664	109,450,664
Total:	109,450,664	-	109,450,664	100%	109,450,664	109,450,664

All skares of the Company are paid up.

6.2. information about the projected increase of the authorized capital in connection with conversion or exchange of convertible debt securities, exchangeable debt securities or derivative securities issued

Not supposed.

7. Major shareholders.

Total number of Company's shareholders on the 30th July, 2006 was 426.

Shareholders, who held more than 5% Company's authorized capital on the 30th July, 2006:

Shareholder's names and surnames of natural persons, names of enterprises	The number of shares	The percentage of the authorized capital	The percentage of votes
Limarko, Ltd. Address: Daukanto 2-2 str., Klaipėda	98 625 993	90,11%	90,11%
Skandinaviska Enskilda Banken, Sergels Torg 2, 10640 Stockholm	6 327 335	5,78%	5,78%

8. Securities not representing capital, the trading of which is regulated by the Law on Public Trading in Securities of the Republic of Lithuania

Were not issued.

9. Data about trades with company's securities.

Limarko Shipping Company AB shares are listed on Main list of Vilnius Stock Exchange. At the moment 109 450 664 ordinary shares are listed, the par value of each being LTL 1, on the Main list. The ISIN code for these shares is LT0000119646.

Prices and turnovers of Limarko Shipping Company AB Ordinary shares during last 6 quarters:

Period		Price			Turnover (LTL)			Last Session's date	Total turnover	
From	Till	Max.	Min.	Last Session	Max.	Min.	Last Session		(units)	(LTL)
2005 01 01	2005 03 31	1,56	0,81	1,35	426 814	0	0	2005 03 31	1 980 270	1 365 315
2005 04 01	2005 06 30	1,68	1,24	1,58	6 014 855	0	0	2005 06 30	27 990 136	6 911 817
2005 07 01	2005 09 30	2,15	1,53	2,15	178 415	0	32 955	2005 09 30	1 276 792	2 265 845
2005 10 01	2005 12 31	2,22	1,90	2,07	208 924	0	38 093	2005 12 30	922 174	1 898 299
2006 01 01	2006 03 31	2,23	1,90	1,94	138 861	0	22 795	2006 03 31	785 751	1 583 715
2006 04 01	2006 06 30	1,98	1,30	1,50	190 440	0	0	2006 06 30	793 001	1 466 059

Except Vilnius Stock Exchange the trades with Company's shares are not executed at any stock exchange.

10. Agreements with intermediaries of public trading in securities

On the 29th of April, 2003 company signed the Issuer's Service Agreement with SEB Vilniaus bankas AB, represented by Trading and Capital Markets, Address: Gedimino av. 12, tel.: +370 5 268 2687, fax.: +370 5 262 6043.

11. Members of the managing bodies

Members of LSC's managing bodies are:

- General meeting of shareholders;
- Company's Board (elected for 4 years and consists of 5 members);
- Head of Administration (The President).

THE BOARD (30 JUNE 2006)

VYTAUTAS LYGNUGARIS – President of the company and chairman of company's Board. In 2002 acquired the executive MBA at Baltic Management Institute, while in 1987 finished St. Petersburg Marine Academy. He is also is a co-owner and director General of Limarko UAB, therefore he is a president of Lithuanian Association of the ship owners. He does not possess issuer's shares.

IGORIS UBA – member of company's Board. He is Limarko Marine Agency UAB director general. In 2004 acquired the executive MBA at Baltic Management Institute, while in 1984 finished St. Petersburg Marine Academy. He is also a co-owner of Limarko UAB. He does not possess issuer's shares.

RENALDAS VYŠNIAUSKAS – member of company's Board, Chief Financial Officer Limarko Shipping Company. Has a higher education. He has finished Faculty of Economics at Vilnius University where has acquired speciality economist. In 2000 – 2002

worked as a senior financier at West Vessel Factory, in 2003- 2004 head of finance and economics unit at Plungės kooperatinė prekyba UAB, from the year 2004 Chief Financial Officer Limarko Shipping Company AB. He does not possess issuer's shares.

EGIDIJUS BERNOTAS – member of company's Board, partner of lawyer office Bernotas & Dominas Glimstedt. Member of Genčių Nafta Board, Adminiculum UAB Board, European Social, Legal and Economic Projects Board and Adminiculum SIA Board. Possess 100 percent of Donatelas UAB shares. He does not possess issuer's shares.

SIGITAS BALTUŠKA - member of company's Board. Has a higher education. He has finished Faculty of Economics at Vilnius University where has acquired a speciality of economist. He has also finished Vytautas Magnus University where he has acquired Master of business administration, he has also finished Baltic Management institute where he has acquired executive MBA. He is a director of PR Company GCI. In 2000-2004 worked as a Coordinator of government public relations, later as a Representative of Government relations at Philip Morris Lietuva UAB. From 1994 till 2000 worked at Embassy of Denmark as a commerce advisor. He does not possess issuer's shares.

All company's Board member's cadence start at 21 May 2003 and ends at 21 May 2007.

ADMINISTRATION (30 JUNE 2006)

VYTAUTAS LYGNUGARIS – President and CEO of the company. In 2002 acquired the executive MBA at Baltic Management Institute, while in 1987 finished St. Petersburg Marine Academy. He is also is a co-owner and director General of Limarko UAB, therefore he is a president of Lithuanian Association of the ship owners. He does not possess issuer's shares.

RENALDAS VYŠNIAUSKAS – Chief Financial Officer Limarko Shipping Company. Has a higher education. He has finished Faculty of Economics at Vilnius University where has acquired speciality economist. In 2000 – 2002 worked as a senior financier at West Vessel Factory, in 2003-2004 head of finance and economics unit at Plungės kooperatinė prekyba UAB, from the year 2004 Chief Financial Officer Limarko Shipping Company AB. He does not possess issuer's shares.

Members of Limarko Shipping Company AB managing bodies have not been sued for crimes for property, finance and regulations of carrying out business operations.

III. FINANCIAL STATUS

Data presented in all financial statements are expressed in Lithuanian Litas (LTL).

The financial statements for the first half of the year 2006 were prepared in accordance with International Financial Reporting Standards (IFRS).

12. Balance Sheet

LTL

No.	ASSETS	2006 06 30	2005 06 30
A.	LONG TERM ASSETS	191'267'098	114'208'762
I.	INTANGIBLE ASSETS	107'233	134'241
I.1.	Expansion		
I.2.	Goodwill		
I.3.	Patents, licences		
I.4.	Software	107'233	134'241
I.5.	Other intangible assets		
II.	FIXED ASSETS	190'768'782	113'645'410
II.1.	Land		
II.2.	Buildings	2'571'883	2'668'193
II.3.	Machinery and equipment		
II.4.	Ships and vehicles	187'939'151	107'502'422
II.5.	Other fixtures, fittings, tools and equipment	257'748	295'264
II.6.	Under construction		3'179'531
II.7.	Other fixed assets		
III.	FINANCIAL ASSETS	391'083	429'111
III.1.	Investment into subsidiaries and associated companies		
III.2.	Loans to subsidiaries and associated companies		
III.3.	Amounts receivable after one year	60'068	98'096
III.4.	Other financial assets	331'015	331'015
B.	CURRENT ASSETS	25'209'220	12'548'687
I.	STOCKS AND CONTRACTS IN PROGRESS	9'057'184	4'075'047
I.1.	Stocks	6'018'310	1'943'496
I.1.1.	Raw materials and consumables	6'018'310	1'943'496
I.1.2.	Work in progress		
I.1.3.	Finished products		
I.1.4.	Goods purchased for resale		
I.2.	Prepayments	3'038'874	2'131'551
I.3.	Contracts in progress		
II.	PER VIENERIUS METUS GAUTINOS SUMOS	9'380'349	6'707'713
II.1.	Trade debtors	9'072'741	6'257'700
II.2.	Owings of subsidiaries and associated companies		
II.3.	Other amounts receivable	307'608	450'012
III.	OTHER CURRENT ASSETS		
III.1.	Short-term investment		
III.2.	Term deposit		
III.3.	Other current assets		
IV.	CASH AND CASH EQUIVALENTS	6'771'687	1'765'928
		216'476'317	126'757'449
	TOTAL ASSETS		

No.	EQUITY AND LIABILITIES	2006 06 30	2005 06 30
C.	EQUITY	111'027'980	92'649'826
	CAPITAL	109'450'664	109'450'664
I.	Subscribed capital	109'450'664	109'450'664
I.1.	Subscribed unpaid capital		
I.2.	Share premium		
I.3.	Own shares (-)		
II.	REVALUATION RESERVE		
III.	RESERVES	6'597'114	6'597'114
III.1.	Required reserves	6'597'114	6'597'114
III.2.	Reserves for own shares acquisition		
III.3.	Other reserves		
IV.	PROFIT (LOSS) BROUGHT FORWARD	(5'019'798)	(23'397'952)
IV.1.	Profit (loss) of the current year	10'244'461	7'261'580
IV.2.	Profit (loss) of the previous year	(15'264'259)	(30'659'532)
D.	GRANTS AND SUBSIDIES		
E.	AMOUNTS PAYABLE AND LIABILITIES	105'448'337	34'107'623
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND LONG TERM LIABILITIES		
I.1.	Financial debts	80'755'149	21'651'994
I.1.1.	Leasing and other similar obligations	74'557'149	17'826'994
I.1.2.	Credit institutions	4'882	74'693
I.1.3.	Others	74'552'267	17'752'301
I.2.	Trade creditors		
I.3.	Received prepayments		
I.4.	Provisions		
I.4.1.	For liabilities and obligations		
I.4.2.	For pensions and similar obligations		
I.4.3.	Other		
I.5.	Postponed taxes	6'198'000	3'825'000
I.6.	Other amounts payable and long-term liabilities		
II.	AMOUNTS PAYABLE WITHIN ONE YEAR AND SHORT TERM LIABILITIES	24'693'188	12'455'629
II.1.	Short term portion of long term debts	13'682'997	4'861'847
II.2.	Financial debts		
II.2.1.	Credit institutions		
II.2.2.	Other debts		
II.3.	Trade creditors	6'569'288	4'398'151
II.4.	Prepayments received	715'754	241'979
II.5.	Income tax liabilities		
II.6.	Remuneration	3'690'914	2'880'207
II.7.	Provisions		
II.8.	Other amounts payable and short-term liabilities	34'235	73'445
II.4.	TOTAL EQUITY AND LIABILITIES	216'476'317	126'757'449

12.1 Balance sheet for the year 2005

	2005
ASSETS	
Property, plant and equipment	145,899
Intangible assets	122
Other investment	331
Long term receivable	75
Total non-current assets	146,427
Inventories	3,008
Receivables	13,966
Cash and cash equivalents	5,576
Total current assets	22,550
TOTAL ASSETS	168,977
	2005
EQUITY	
Issued capital	109,451
Reserves	6,597
Retained earnings	-15,265
Total equity	100,783
Liabilities	
Interest-bearing loans and borrowings	45,197
Deferred tax liabilities	6,198
Total non-current liabilities	51,395
Interest-bearing loans and borrowings	7,608
Trade and other payables	9,191
Total current liabilities	16,799
Total liabilities	68,194
TOTAL EQUITY AND LIABILITIES	168,977

13. Income Statement

LTL

No.	Straipsniai	2006 06 30	2005 06 30
I.	SALES AND SERVICES	63'077'614	47'240'549
II.	COST OF GOODS SOLD AND SERVICES RENDERED	50'502'606	32'313'945
III.	GROSS PROFIT (LOSS)	12'575'008	14'926'604
IV.	OPERATING EXPENSES	2'863'097	3'172'137
IV.1	Selling expenses	(17'286)	107'663
IV.2	General and administrative	2'880'383	3'064'474
V.	PROFIT (LOSS) FROM OPERATIONS	9'711'911	11'754'467
VI.	OTHER OPERATIONS	59'879	70'068
VI.1.	Other operating revenue	79'724	125'317
VI.2.	Other operating expenses	19'845	55'249
VII.	FINANCIAL AND INVESTING ACTIVITIES	472'671	(3'962'955)
VII.1.	Revenue from financial and investing activities	2'917'480	2'818'621
VII.2.	Expenses of financial and investing activities	2'444'809	6'781'575
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES	10'244'461	7'861'580
IX.	EXTRAORDINARY GAIN		
X.	EXTRAORDINARY LOSSES		
XI.	CURRENT YEAR PROFIT BEFORE TAXES (LOSS)	10'244'461	7'861'580
XII.	INCOME TAXES		600'000
XIII.	NET PROFIT (LOSS)	10'244'461	7'261'580

13.1. Income Statement for the year 2005

LTL'000

2005

Revenue	88,291
Cost of sales	-65,332
Gross profit	22,959
Other operating income, net	6,704
Distribution expenses	-160
Administrative expenses	-6,368
Operating profit before financing costs	23,135
Financial income	240
Financial costs	--5,007
Net financial costs/ income	-4,767
Profit before tax	18,368
Income tax expense	-2,973
Profit for the year	15,395
Basic earning per shares (Litas)	0.14
Diluted earnings per share (Litas)	0.14

14. Cash Flow Statement

LTL		2006 06 30	2005 06 30
I.	Cash flows from operating activities		
I.1.	Net profit (loss)	10'244'461	7'261'580
I.2.	Depreciation and amortization expenses	8'397'772	5'926'388
I.3.	Decrease (increase) in receivables after one year		
I.4.	Decrease (increase) in inventories	(3'010'095)	(710'718)
I.5.	Decrease (increase) in advanced payments	4'593'845	(365'346)
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Trade debtors (increase) decrease	(2'989'749)	(2'219'818)
I.8.	Decrease (increase) in daughter companies' debts	-	-
I.9.	Decrease (increase) in other amounts receivable	(57'257)	(65'314)
I.10.	Decrease (increase) in other short-term assets	-	-
I.11.	Decrease (increase) in long term supply debtors and prepayments received	-	-
I.12.	Decrease (increase) in short term supply debtors and prepayments received	1'180'252	(575'140)
I.13.	Increase (decrease) in income tax liabilities	-	-
I.14.	Increase (decrease) in remuneration	1'191'627	331'400
I.15.	Increase (decrease) in provisions	-	600'000
I.16.	Increase (decrease) in other amounts payable and liabilities	(552'862)	(17'241)
I.17.	Elimination of profit from financial and investing activities	(474'970)	4'015'589
	Net cash flows from operating activities	18'523'024	14'181'381
II.	Cash flows from investing activities		
II.1.	Acquisition of tangible long term assets (excluding investments)		
II.2.	Transfer of tangible long term assets (excluding investments)	3'748	4'083
II.3.	Acquisition of long term investments	(53'255'902)	(437'882)
II.4.	Transfer of long term investments I	-	-
II.5.	Loan grants	-	-
II.6.	Loan retrieval	15'213	156'328
II.7.	Interest and dividends received	113'765	83'179
II.8.	Other increases in cash flows from investing activities		
II.9.	Other decreases in cash flows from investing activities		
	Net cash flows from investing activities	(53'123'177)	(194'293)
III.	Cash flows from financial activities		
III.1.	Cash flows related to owners of a company	-	-
III.1.1.	Issue of shares	-	-
III.1.2.	Owners' contributions to liquidate losses	-	-
III.1.3.	Buying up of own shares	-	-
III.1.4.	Dividends paid	-	-
III.2.	Cash flows related to other financial sources	36'729'234	(16'380'337)
III.2.1.	Increase in financial debts	46'948'643	-
III.2.1.1.	Obtaining of loans	46'948'643	-
III.2.1.2.	Bond issues	-	-
III.2.2.	Decrease in financial debts	(10'219'409)	(16'380'337)
III.2.2.1.	Repayments of loans	(7'732'460)	(15'548'507)
III.2.2.2.	Buying up of bonds	-	-
III.2.2.3.	Interest paid	(2'442'510)	(807'511)
III.2.2.4.	Leasing payments	(44'440)	(24'319)
III.2.3.	Increase in other company's liabilities		
III.2.4.	Decrease in other company's liabilities		
III.2.5.	Increase in cash flows from other financial activities		
III.2.6.	Decrease in cash flows from other financial activities		
	Net cash flows from financial activities	36'729'234	(16'380'337)
IV.	Cash flows from extraordinary items	-	-
V.	Influence of exchange rate changes to cash and cash equivalents	(932'944)	(3'291'257)
VI.	Net increase (decrease) in cash flows	1'196'137	(5'684'505)
VII.	Cash and cash equivalents at the beginning of period	5'575'550	7'450'433
VIII.	Cash and cash equivalents at the end of period	6'771'687	1'765'928

14.1. Cash Flow Statement for the year 2005

LTL'000	2005
Cash flows from operating activities	
Profit before tax	18,368
Adjustments for:	
Depreciation	12,379
Amortization	55
Gain on sales of non-current assets	-6,482
Written off non-current assets	5
Investment income	-22
Interest expense, net	1,544
Net cash flows from ordinary activities before any changes in working capital	25,847
Change in inventories	-1,775
Change in debtors	-7,597
Change in trade and other payables	1,136
Net cash generated from ordinary activities	17,611
Net interest paid/received	-1,344
Net cash from operating activities	16,267
Cash flows from investing activities	
Acquisition of tangible non-current assets	-53,548
Acquisition of intangible non-current assets	-75
Proceeds from sale of tangible non-current assets	20,916
Dividends received	22
Net cash from investing activities	-32,685
Cash flows from financing activities	
Proceeds from borrowings	38,760
Repayment of borrowings	-24,150
Payment of finance lease liabilities	-66
Net cash from financing activities	14,544
Net decrease in cash and cash equivalents	-1,874
Cash and cash equivalents at 1 January	7,450
Cash and cash equivalents at 31 December	5,576

15. Consolidated Statement of Changes in Equity

	Share capital	Legal reserve	Retained earnings	Total equity
At 1 January, 2005	109'450'664	6'597'114	(30'659'532)	85'388'246
Net income in the first half of 2005			7'261'580	7'261'580
At 30 June, 2005	109'450'664	6'597'114	(23'397'952)	92'649'826
At 1 January, 2006	109'450'664	6'597'114	(15'264'259)	100'783'519
Net income in the first half of 2006			10'244'461	10'244'461
At 30 June, 2006	109'450'664	6'597'114	(5'019'798)	111'027'980

16. Comments on the financial statements.

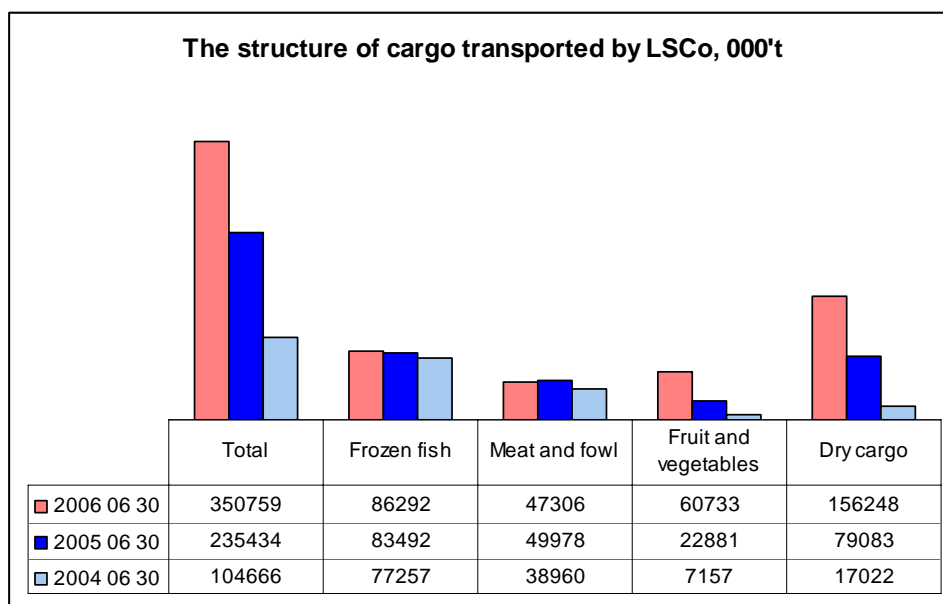
In the first half of this year, the pre-audit turnover of LSCo reached LTL 63, 1 million, which was 34 percent more than during the same period last year; whereas the company's sales amounted for LTL 47, 2 million. The before-tax profit during the under-question period was LTL 10,2 million (30 percent more than during the first half of the year 2005).

During the first half of the year 2006, LSCo has carried 351 thousands tones of cargo. In comparison with the same period last year, the number of cargoes carried by the company increased by 49 percent.

Increased sales and number of cargoes carried was as a result of investment made at the beginning of the year, consistent increase in total tonnage of the company's fleet and a resurging world maritime market.

By acquiring 2 conventional sister reefers – m/v Pluto and m/v Uranus – in January, 2006, the company enlarged its total reefer tonnage by 23 percent, if compared to the first half of the year 2005, - from 2,93 million cubic feet 3,59 million cubic feet.

The main cargo transported by Limarko Shipping Company AB consisted of dry cargo goods, frozen fish, meat and fowl, as well as fruits and vegetables:



General increase in the number of cargoes carried resulted from significantly larger amount of dry cargo and fruit and vegetables, which refers to transportations by newly acquired container vessel *Serenada* and motor vessels *Pluto* and *Uranus*. Other cargo groups have been only slightly growing.

The number of dry cargo goods transported in the Northern Europe increased during the first half of the year. Simultaneously, LSCo freezers traditionally transported poultry from North America to Europe, fruit from South America to the USA and Europe, fish products – in West Africa.

Despite the fact that cargo transportation season was delayed this year, favourable tendencies in the reefer vessel markets allow optimistic forecasts for the company's operations in 2006. It is forecasted that the sales will hit LTL 110 million this year, being 25 percent larger than in 2005.

The total amount of LSCo loans reached USD 25 081 000 (LTL 69 045 484,90; exchange rate 1USD/2,7529LTL) and EUR 5 550 000 (LTL 19 163 040) in 30 June, 2006:

- December, 2004 – a loan of USD 5 600 000 was received from SEB Vilniaus Bankas AB to finance the acquisition of the vessel “*Andromeda*”. The loan must be repaid by 31 December, 2011. The loan is secured by pledging the vessel “*Andromeda*”. The balance was equal to USD 4 300 000 or LTL 11 837 470 in 30 June, 2006.
- August, 2005 – a loan of EUR 6 000 000 was received from SEB Vilniaus Bankas AB to finance the acquisition of the vessel “*Serenada*”. The loan must be repaid by 31 August, 2012. The loan is secured by pledging the vessel “*Serenada*”. The balance was equal to EUR 5 550 000 or LTL 19 163 040 in 30 June, 2006.
- October, 2005 – a loan of USD 6 200 000 was received from SEB Vilniaus Bankas AB to finance the acquisition of the vessel “*Libra*”. The loan must be repaid by 31 December, 2012. The loan is secured by pledging the vessel “*Libra*”. The balance was equal to USD 5 660 000 or LTL 15 581 414 in 30 June, 2006.
- January, 2006 – a loan of USD 16 281 000 was received from Hansabankas AB to finance the acquisition of the vessels “*Pluto*”, “*Uranus*” and “*Lyra*”. The loan must be

repaid by 3 January, 2013. The loan is secured by pledging the vessels "Pluto" and "Uranus". The balance was equal to USD 15 121 000 or LTL 41 626 600,90 in 30 June, 2006.

Liabilities to Nordea Finance Leasing comprise leasing of several transport vehicles.

17. Information about the audit.

KPMG Baltics UAB have audited balance sheet of Limarko Shipping Company AB as at 31 December 2005 and the related income statement, statement of changes in equity and statement of cash flows for the year then ended.

Main data about the audit company:

- Company name: KPMG Baltics UAB
- Register code:1114 94971
- Registered office: Vytauto st. 12, Vilnius, Lithuania
- Telephone number: + 370 (5) 210 2600
- Fax number: + 370 (5) 210 2659
- E-mail: vilnius@kpmg.lt

Auditor's report for the year end at 31 December 2005 was signed on the 29th of March, 2006. The audit was performed and auditor's report was signed by member of ACCA and Lithuanian certified auditor Rokas Kasperevičius and Danish plenipotentiary accountant Stephen Young.

The Company's financial statements for the first half of the year 2006 have not been audited.

IV. MATERIAL EVENTS IN ISSUER'S ACTIVITY

18. Material events in issuer's activity.

On the 2nd of February, 2006, the company announced that the sales amount of Limarko Shipping Company reached LTL 88,3 m (EUR 25,6 m) in 2005, which was 46 percent more in comparison with the year 2004. The planned sales amount for the year 2006 is LTL 110 m (EUR 31,8 m).

On the 23rd of February, 2006, the company informed that preliminary pre-audit net profit of Limarko Shipping Company AB in 2005 was LTL 15,84 m (EUR 4,59 m) in accordance with the International Financial Reporting Standards (IFRS).

On the 27th of April, 2006, the company announced that the result of the first quarter was pre-audit profit of LTL 4,0 M (EUR 1,16 m) before tax. The sales amount reached LTL 30,14 m (EUR 8,72 m).

On the 28th of April, 2006, the General Meeting of the Limarko Shipping Company AB was held, that approved of the Company's activities report, Company's financial statements (net profit equals LTL 15,4 m) and profit allocation (dividends will not be paid) for the year of 2005.

19. Court proceedings.

Did not occur.