



LIMARKO SHIPPING COMPANY

FINANCIAL REPORT 3RD QUARTER OF 2006

**VILNIUS
November 2006**

General information about the issuer

Issuer name	Limarko Shipping Company AB
Authorized capital	LTL 109 450 664
Registered office	Nemuno str. 22, LT-93277 Klaipeda, Lithuania
Telephone number	+370 46 34 01 85
Fax number	+370 46 34 11 95
E-mail	info@limarkoshipco.lt
Web site	www.limarko.lt
Registre codee	1403 46648

The Board

Vytautas Lygnugaris – chairman of the Board.

Igoris Iba

Egidijus Bernotas

Renaldas Vyšniauskas

Sigitas Baltuška

Administration

Vytautas Lygnugaris – President and CEO of the company.

Basic accounting principles

Limarko Shipping Company AB is a Lithuanian resident. The company is engaged in cargo transportation using water (sea) transport.

The major shareholder of the company is Limarko UAB, also a Lithuanian resident, which has a 90.07 per cent holding in the company's authorized capital. Ordinary registered shares of Limarko Shipping Company AB are listed on the Vilnius Stock Exchange.

Financial statements in accord with standards

Financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and certain interpretations as approved by the European Union.

Report prepared by the Board

Activity results

The pre-audit turnover of the 3 quarters of 2006 reached LTL 87.6 million and was 32.4 per cent more than during the same period last year, when the company's sales amounted to LTL 66.2 million. The pre-tax profit during the nine months of 2006 was LTL 10.5 million.

During the 3 quarters of 2006, Limarko Shipping Company AB has carried 518 thousand tones of cargo. In comparison with the same period last year, the number of cargoes carried by the company increased by 49 per cent.

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

By acquiring 2 conventional sister referers – m/v Pluto and m/v Uranus – in January, 2006, the company enlarged its total referer tonnage by 30 percent, if compared to the nine months of the year 2005, particularly, from 2.67 million cubic feet to 3.46 million cubic feet.

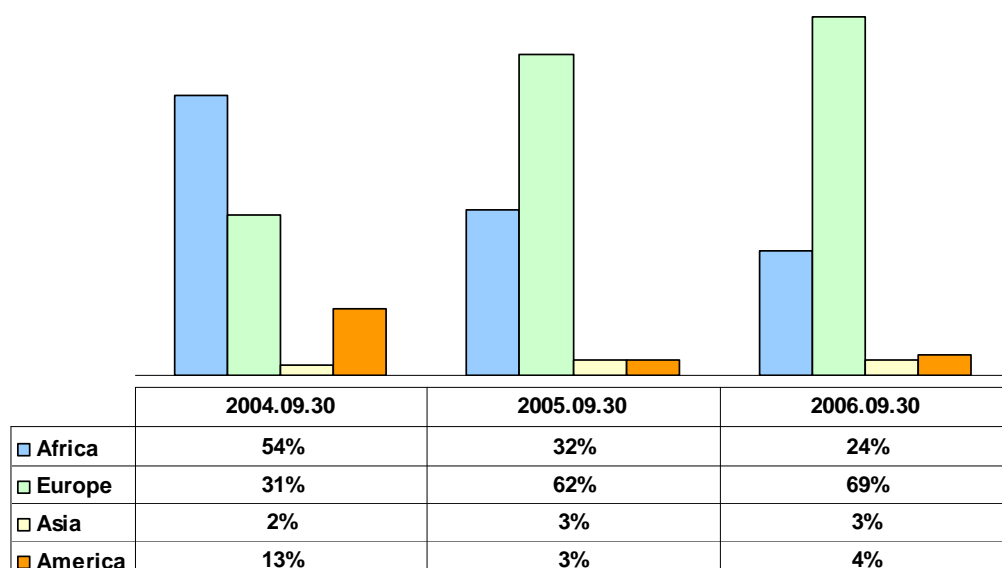
On 30 September, 2006, the company's fleet consisted of 13 referers, one container vessel Serenada as well as one dry cargo vessel Siuita.

On 30 September, 2006, Limarko Shipping Company AB had 444 employees, 407 of which were seafarers and 37 as the administration staff.

Total company's investment into the development of the fleet during the 3 quarters of 2006 was more than LTL 56 million.

The regional structure of cargo transported

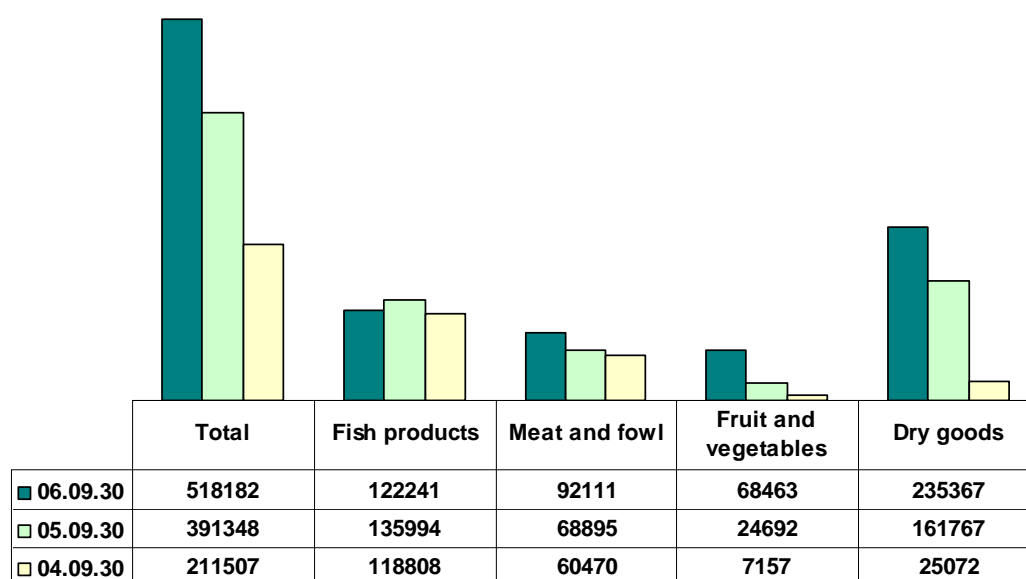
Europe and Western Africa were the main regions of Limarko Shipping Company AB activities. Due to successful ship freighting, Europe has become the most important region for the company's cargo transportation.



Transportations in the European region have significantly increased after the newly acquired container vessel Serenada was started to be operated in the Baltic Sea and North Sea regions.

The structure of cargo transported

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



General increase in the number of cargoes carried during the 9 months of 2006 resulted from significantly larger amount of dry cargo and fruit and vegetables, which relates directly 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 within the Northern Europe increased during the 3 quarters of 2006. Simultaneously, the company's reefers traditionally transported fowl from North America to Europe, fruit from South America to the USA and Europe, fish products – in West Africa.

During the 3rd quarter of 2006, the company's results were directly affected by annual expenses on part of the fleet reparation as well as substantially increased fuel prices. Moreover, three of the company's ships were repaired on a scheduled basis. The company's performance was partly influenced by tariffs in the international transportation market that are traditionally lower during the second half of the year as well as booming fuel prices. However, considering the downward movement of fuel prices in October and the recovery of international transportation market, the company's performance during the 4th quarter of the year as well as the overall annual results should incur a positive impact.

Considering the company's results during the three quarters of the year 2006 as well as the tendencies in the international transportation market, Limarko Shipping Company AB is planning to exceed the before forecasted annual turnover of 110 LTL million.

Klaipeda, October 30, 2006

Vytautas Lygnugaris

President

Income sheet

No.	Entry	30/09/2006	30/09/2005
I.	SALES AND SERVICES	87 634 727	66 175 857
II.	COST OF GOODS SOLD AND SERVICES RENDERED	77 731 334	48 331 630
III.	GROSS PROFIT (LOSS)	9 903 394	17 844 227
IV.	OPERATING EXPENSES	4 372 963	4 644 227
IV.1	Selling expenses	(8 681)	159 165
IV.2	General and administrative	4 381 644	4 485 664
V.	PROFIT (LOSS) FROM OPERATIONS	5 530 431	13 199 398
VI.	OTHER OPERATIONS	4 690 815	6 570 781
VI.1.	Other operating revenue	4 715 060	6 626 229
VI.2.	Other operating expenses	24 245	55 448
VII.	FINANCIAL AND INVESTING ACTIVITIES	303 713	(3 853 365)
VII.1.	Revenue from financial and investing activities	4 041 965	3 822 584
VII.2.	Expenses of financial and investing activities	3 738 252	7 675 949
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES	10 524 959	15 916 815
IX.	EXTRAORDINARY GAIN		
X.	EXTRAORDINARY LOSSES		
XI.	CURRENT YEAR PROFIT BEFORE TAXES (LOSS)	10 524 959	15 916 815
XII.	INCOME TAXES		1 050 000
XIII.	NET PROFIT (LOSS)	10 524 959	14 866 815

Balance Sheet

No.	ASSETS	30/09/2006	30/09/2005
A.	LONG TERM ASSETS	185 458 188	128 963 647
I.	INTANGIBLE ASSETS	103 877	129 614
I.1.	Expansion		
I.2.	Goodwill		
I.3.	Patents, licences		
I.4.	Software	103 877	129 614
I.5.	Other intangible assets		
II.	FIXED ASSETS	184 968 758	128 416 305
II.1.	Land		
II.2.	Buildings	2 002 403	2 644 116
II.3.	Machinery and equipment		
II.4.	Ships and vehicles	182 694 407	122 296 836
II.5.	Other fixtures, fittings, tools and equipment	271 948	295 822
II.6.	Under construction		3 179 531
II.7.	Other fixed assets		
III.	FINANCIAL ASSETS	385 553	417 727
III.1.	Investment into subsidiaries and associated companies		
III.2.	Loans to subsidiaries and associated companies		
III.3.	Amounts receivable after one year	54 538	86 713
III.4.	Other financial assets	331 015	331 015
B.	CURRENT ASSETS	25 918 376	17 851 616
I.	STOCKS AND CONTRACTS IN PROGRESS	5 954 827	4 973 045
I.1.	Stocks	4 388 997	3 750 464
I.1.1.	Raw materials and consumables	4 388 997	3 750 464
I.1.2.	Work in progress		
I.1.3.	Finished products		
I.1.4.	Goods purchased for resale		
I.2.	Prepayments	1 565 830	1 222 582
I.3.	Contracts in progress		
II.	PER VIENERIUS METUS GAUTINOS SUMOS	10 751 877	4 972 597
II.1.	Trade debtors	10 329 081	4 666 879
II.2.	Owings of subsidiaries and associated companies		
II.3.	Other amounts receivable	422 797	305 718
III.	OTHER CURRENT ASSETS		
III.1.	Short-term investment		
III.2.	Term deposit		
III.3.	Other current assets		
IV.	CASH AND CASH EQUIVALENTS	9 211 672	7 905 973
	TOTAL ASSETS	211 376 564	146 815 262

No.	EQUITY AND LIABILITIES	30/09/2006	30/09/2005
C.	EQUITY	111 308 478	100 255 061
	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	(4 739 300)	(15 792 717)
IV.1.	Profit (loss) of the current year	10 524 959	14 866 815
IV.2.	Profit (loss) of the previous year	(15 264 259)	(30 659 532)
D.	GRANTS AND SUBSIDIES		
E.	AMOUNTS PAYABLE AND LIABILITIES	100 068 086	46 560 202
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND LONG TERM LIABILITIES	76 938 071	34 870 707
I.1.	Financial debts	70 740 071	30 595 707
I.1.1.	Leasing and other similar obligations	4 812	74 532
I.1.2.	Credit institutions	70 735 259	30 521 175
I.1.3.	Others		
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	4 275 000
I.6.	Other amounts payable and long-term liabilities		
II.	AMOUNTS PAYABLE WITHIN ONE YEAR AND SHORT TERM LIABILITIES	23 130 015	11 689 495
II.1.	Short term portion of long term debts	13 509 449	4 382 965
II.2.	Financial debts		
II.2.1.	Credit institutions		
II.2.2.	Other debts		
II.3.	Trade creditors	5 661 888	5 171 414
II.4.	Prepayments received	103 894	
II.5.	Income tax liabilities		
II.6.	Remuneration	3 821 029	2 093 837
II.7.	Provisions		
II.8..	Other amounts payable and short-term liabilities	33 755	41 280
II.4.	TOTAL EQUITY AND LIABILITIES	211 376 564	146 815 262

Cash Flow Statement

LTL		30/09/2006	30/09/2005
I.	Cash flows from operating activities		
I.1.	Net profit (loss)	10 524 959	14 866 815
I.2.	Depreciation and amortization expenses	12 659 702	9 222 572
I.3.	Decrease (increase) in receivables after one year		
I.4.	Decrease (increase) in inventories	(1 380 782)	(2 517 686)
I.5.	Decrease (increase) in advanced payments	6 066 889	543 624
I.6.	Decrease (increase) in contracts in progress	-	-
I.7.	Trade debtors (increase) decrease	(4 246 089)	(628 997)
I.8.	Decrease (increase) in daughter companies' debts	-	-
I.9.	Decrease (increase) in other amounts receivable	(172 446)	78 981
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	(339 008)	(43 857)
I.13.	Increase (decrease) in income tax liabilities	-	-
I.14.	Increase (decrease) in remuneration	1 321 742	(454 970)
I.15.	Increase (decrease) in provisions	-	1 050 000
I.16.	Increase (decrease) in other amounts payable and liabilities	(553 342)	(49 407)
I.17.	Elimination of profit from financial and investing activities	(3 737 752)	(2 577 760)
	Net cash flows from operating activities	20 143 873	19 489 314
II.	Cash flows from investing activities		
II.1.	Acquisition of tangible long term assets (excluding investments)	(56 277 387)	(29 755 371)
II.2.	Transfer of tangible long term assets (excluding investments)	8 060 572	17 742 724
II.3.	Acquisition of long term investments		
II.4.	Transfer of long term investments	-	-
II.5.	Loan grants	-	-
II.6.	Loan retrieval	20 743	167 711
II.7.	Interest and dividends received	240 946	135 280
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	(47 955 126)	(11 709 656)
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	32 433 355	(8 795 478)
III.2.1.	Increase in financial debts	46 948 643	20 716 800
III.2.1.1.	Obtaining of loans	46 948 643	20 716 800
III.2.1.2.	Bond issues	-	-
III.2.2.	Decrease in financial debts	(14 515 288)	(29 512 278)
III.2.2.1.	Repayments of loans	(10 719 665)	(28 303 439)
III.2.2.2.	Buying up of bonds	-	-
III.2.2.3.	Interest paid	(3 735 954)	(1 162 509)
III.2.2.4.	Leasing payments	(59 669)	(46 330)
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	32 433 355	(8 795 478)
IV.	Cash flows from extraordinary items	-	-
V.	Influence of exchange rate changes to cash and cash equivalents	(985 981)	1 471 359
VI.	Net increase (decrease) in cash flows	3 636 122	455 540
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	9 211 672	7 905 973

Consolidated Statement of Changes in Equity

30/09/2005	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 three quarters of 2005			14'866'815	14'866'815
At 30 September, 2005	109'450'664	6'597'114	(15'792'717)	100'255'061
At 1 January, 2006	109'450'664	6'597'114	(15'264'259)	100'783'519
Net income in the three quarters of 2006			10'524'959	10'524'959
At 30 September, 2006	109'450'664	6'597'114	(4'739'300)	111'308'478